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JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Annual Report 2023

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Financial Supervisory Commission of the Executive Yuan: Same as above

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I. Spokesperson:

Name: Ching-Tsai Chang

Title: President

Tel: (02)8773-6688

E-mail: micha@mail.jsl.com.tw

Spokesperson:

Name: Yi Chu

Title: Executive Assistant

Tel: (02)8773-6688

E-mail: Robert@mail.jsl.com.tw

II. Headquarters

Address: Floor 11-2, No. 166, Section 4, Zhongxiao East Road, Da'an District, Taipei City

Tel: (02)8773-6688

Fax: (02)8773-6689

III. Shareholder services:

Name: Shareholder Services Department of President Securities Corporation

Address: B1, No. 8, Dongxing Road, Songshan District, Taipei City

Website: <http://www.pscnet.com.tw>

Tel: (02)2746-3797

Fax: (02)2746-3695

IV. Auditors of the last audited financial report:

Name of certified public accountants: Shih-Chin Chih, Lydia Huang

Name of CPA firm: KPMG

Address: 68F, No. 7, Section 5, Xinyi Road, Xinyi District, Taipei City

Website: <http://www.kpmg.com.tw>

Tel: (02)8101-6666

V. Name of overseas exchange where securities are listed, and the methods for inquiring about the foreign-listed securities: NA.

VI. Website: <http://www.isanlin.com>

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One. Letter to Shareholders

Greetings to all of our valued shareholders,

Since 2022, major economic entities around the world have suffered from high inflationary adjustments, countries in Europe and the United States have raised interest rates. Taiwan's Central Bank also raised interest rates several times between 2022 and 2023 with the aim to suppress soaring domestic prices, and has implemented measures such as the Amendment to the Equalization of Land Rights Act in order to curb speculation on real estate and land. However, the real estate market began to recover in the second half of 2023 due to robust rigid demands in the housing market and the continuous introduction of amendments and subsidies by the government to reduce the burden on house buyers.

Our 2023 operating revenue amounted to NT\$8,102,882 thousand, mainly from consignment projects of "The Top City", "The Grand Palace", "The Paradise in Hsinchu", and "Denver Flower City"; construction project of "The Gallery Mansion"; and builder projects of "The Paradise in Hsinchu", "The Grand Palace", and "River Palace". The operating income in 2023 increased by 71.16% compared to that of 2022, mainly due to favorable sales of the consignment business. The 2023 net profit was NT\$1,507,668 thousand, and the earnings per share were NT\$3.91.

I. 2023 business results

(I) Results of the business plan

Unit: In NT\$1,000

Item	2023	2022	Increase (Decrease)	Increase (Decrease) in percentage
Operating revenue	8,102,882	4,734,010	3,368,872	71.16%
Gross profit	4,779,984	1,410,158	3,369,826	238.97%
Operating Income	3,322,898	716,555	2,606,343	363.73%
Net non-operating income and expenses	-290,807	-113,605	-177,202	155.98%
Net income for the year	1,507,668	444,615	1,063,053	239.10%
Earnings per share (after taxes) (NT\$)	3.91	1.21	2.70	223.14%

Note: 2022 earnings per share is calculated based on earnings and share capital after allotment of capital surplus in 2023, so as to facilitate comparison with earnings per share in 2023.

(II) Budget execution

Not applicable as the Company and subsidiaries are not required to prepare and disclose 2023 annual financial forecasts according to regulations.

(III) Financial income and expense and profitability analysis

Items to be analyzed		2023	2022
Solvency	Current ratio (%)	134.16	132.58
	Quick ratio (%)	34.17	30.04
Profitability	Return on assets (%)	5.90	2.73
	Return on equity (%)	19.98	7.17
	Operating profit to paid-in capital ratio (%)	58.02	26.93
	Pre-tax net income to paid-in capital ratio (%)	50.59	22.66
	Net income ratio (%)	18.60	9.39

(IV) Status on research and development

- (1) Market research and development: Accurately grasp and regularly discuss and analyze trends of economic development and real estate market information as the reference for product positioning and marketing strategies. Discuss urban renewal, commercial real estate and other products to respond to the Company's future continuous growth.
- (2) Architectural planning and design: Hire well-known architects and design teams to plan products with innovative thinking, and plan high-quality buildings in line with the local characteristics of projects to improve area competitiveness and create new lifestyle and market value.
- (3) Construction engineering and management: Develop and introduce the most suitable engineering technology and management methods for products of different types. Strictly control the construction quality and ensure the safety of the construction sites. Rigorously control the construction progress and cost to improve product competitiveness.

II. 2024 business outlook

In recent years, the government has successively introduced control measures for the real estate market, such as tax practices, LTV ratio, real price registration, transfer restrictions, etc. The Central Bank is also raising interest rates to curb inflation. These measures affect the real estate market to an extent. In response to the current real estate market environment, we will continue to offer products at prices acceptable to buyers and effectively control construction costs and schedule. Here is a description of the 2023 business outlook:

(I) Business guidelines

- (1) The consignment business accepts cases that better meet the needs of consumers and have price competitiveness and product highlights, aiming to provide consumers with more diverse and high-quality product choices.
- (2) Development of construction projects align with the trends of urban development. Launch projects that meet market demand, effectively create value, and increase sources of profit.
- (3) Reinforce the construction management function, effectively control the cost, and ensure that projects are on schedule and the quality is not compromised.
- (4) Continue to improve the human resources training program. Cultivate professionals and attract talents in order to enhance the Company's competitive advantages.

(II) Important manufacturing and sales policies

- (1) Elaborate on our specialty of real estate sales and development, and introduce products with highlights meeting the market demand.
- (2) Based on our professional product planning, we launch high-quality products to establish customers' brand recognition. We also provide comprehensive after-sales services to build a good brand image and reputation and further enhance customer trust in the Company.
- (3) Establish diverse marketing channels and integrate various marketing resources to strengthen sales capabilities.

(III) Future development strategies

- (1) Continue to cultivate our core businesses of real estate consignment sales and development to stabilize our profit.
- (2) Continue to develop real estate-related businesses, aiming to provide all-round services in the real estate industry.

(IV) Impact of the competitive environment, regulatory environment, and macroeconomic environment

- (1) Improve our competitiveness in the market with differentiated and high-quality products.

- (2) Pay attention to the research and changes of laws and regulations to ensure the optimization of the interests of customers and shareholders.
- (3) Pay attention to the macroeconomic environment and market changes and formulate the best sales and financial strategies to improve our competitive advantages and flexibility.

JSL Construction & Development Co., Ltd. will adhere to our business philosophy of practicality and prudence and improve operating performance and competitiveness to maximize profits for shareholders in 2024. We are grateful to all shareholders for the support, and we look forward to receiving more feedback and recommendations. Finally, we will give you our best regards for the bright future.

Chairman:



Executive Manager:



Principal Accounting Officer:



Two. Company Profile

I. Date of Establishment: September 6, 1986

II. Company history:

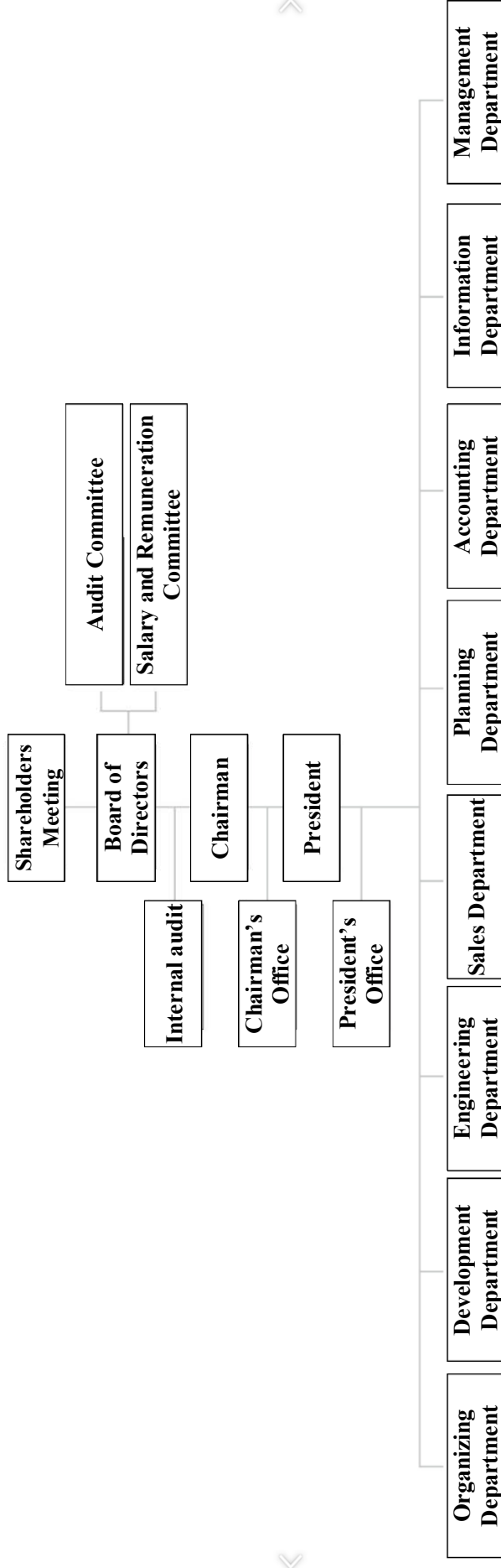
The Company was established on September 6, 1986. The original name of the Company Jin-Shang-Chang Development Co., Ltd was renamed as “JSL Construction & Development Co., Ltd.” per the resolution of the shareholders’ meeting on June 24, 2013 and approval by the Ministry of Economic Affairs on July 5, 2013. The Company is in the businesses of real estate consignment sales and intermediary, development, lease and sales of residential and commercial buildings, real estate business, real estate leasing, etc.

May 2007	New location: Room A, 69F, No. 7, Section 5, Xinyi Road, Taipei City (Taipei 101 Building).
January 2008	The Company conducted capital reduction to make up for losses, which was approved by the resolution of the annual general meeting of shareholders on June 15, 2007 and by the competent authority on November 14, 2007, and the registration for capital change was completed on January 3, 2008. The capital was reduced to NT\$70,000 thousand.
June 2008	The election of directors and supervisors at the annual general meeting of shareholders held on June 20, 2008 elected five directors and two supervisors. Among them, Yi-Feng International Development Co., Ltd. had three seats of directors. The board meeting held on the same day elected Mr. Po-Wen Chen as the chairman of the Company and re-appointed Mr. Chi-Tsang Chen as the president.
September 2008	On June 21, 2005, the Company delivered the securities for private placement to applicants, which would expire on June 20, 2008, three years after the date of delivery. On August 21, 2008, the competent authority approved the retroactive public issue of 3,252,000 shares of private placement. The shares were officially listed for sale on September 11, 2008.
June 2011	Due to the expiration of the service term of the Board, five directors and two supervisors were re-elected in the annual shareholders’ meeting on June 24, 2011. Among them, Yi-Feng International Development Co., Ltd. had three seats of directors. The newly elected directors at the board meeting held on the same day elected Mr. Po-Wen Chen as the chairman of the Company and re-appointed Mr. Chi-Tsang Chen as the president.
April 2013	The Company completed the 2012 1st tranche of private placement of 7,000,000 common shares on April 17, 2013. The paid-in capital after cash capital increase through private placement became NT\$140,000 thousand, and the registration for capital change was completed on May 6, 2013.
April 2013	The Chairman and acting president Po-Wen Chen resigned in April 2013. All the directors present at the Board meeting held on April 22, 2013 elected Director Wen-Yu Chu, representative of Yi-Feng International Development Co., Ltd., as the Chairman, who was also appointed as the president.
June 2013	The resolution of the shareholders’ meeting on June 24, 2013 approved the renaming of the Company as “JSL Construction & Development Co., Ltd.”.
July 2013	New location: 11F-2, No. 166, Section 4, Zhongxiao East Road, Da’an District, Taipei City.
October 2013	The Company completed the 2013 1st tranche of private placement of 42,600,000 common shares on October 21, 2013. The paid-in capital after the cash capital increase through private placement became NT\$566,000 thousand, and the registration for capital change was completed on November 8, 2013.
November 2013	The Company completed the 2013 2nd tranche of private placement of 40,000,000 ordinary shares. The paid-in capital after the capital increase became NT\$966,000 thousand, and the registration for capital change was completed on December 3, 2013.
June 2014	The Company’s 2014 shareholders’ meeting re-elected all directors and supervisors.

October 2014	The Company conducted a cash capital increase through issuing 50,000 thousand shares, and the paid-in capital increased to NT\$1,466,000 thousand.
April 2015	The Company released a cash capital increase plan for 2014.
January 2016	The Company issued 2015 1st series secured corporate bonds.
August 2016	The Company completed private placement of 7,000,000 ordinary shares on May 14, 2013, which was approved by the competent authorities to conduct the retroactive public issue on August 21, 2016. The shares were officially listed for sale on August 12 at the same year.
April 2017	The Company completed private placement of 82,600,000 ordinary shares on November 18 and December 18, 2013, which was approved by the competent authorities to conduct the retroactive public issue on April 18, 2017. The shares were officially listed for sale on April 27 at the same year.
September 2017	The Company issued 2017 1st series secured corporate bonds.
January 2019	The Company issued 2018 1st series secured corporate bonds.
September 2020	The Company issued 2020 1st series secured corporate bonds.
July 2021	The Company issued 2021 1st series secured corporate bonds.
November 2021	The Company issued 2021 2nd series secured corporate bonds.
November 2021	The Company completed the capitalization of capital reserve for 14,660,000 shares in 2021. The paid-in capital after the capital increase became NT\$1,612,600 thousand, and the registration for capital change was completed on November 12, 2021.
December 2021	The Company issued 2021 3rd series secured corporate bonds.
June 2022	The Company issued 2022 1st series unsecured corporate bonds.
October 2022	The capitalization of 2022 profits and capital reserve issued 1,048,190,000 new shares, and the paid-in capital after the capital increase became NT\$2,660,790 thousand. The registration for capital change was completed on October 4, 2022.
April 2023	The cash capital increase in 2023 issued 24,000,000 new shares. The paid-in capital after the capital increase became NT\$2,900,790 thousand. The registration for capital change was completed on April 12, 2023.
June 2023	The Company's 2023 shareholders' meeting re-elected all directors.
September 2023	The Company issued 2023 1st series secured corporate bonds.
September 2023	The capitalization of 2023 profits and capital reserve issued 101,527,650 new shares, and the paid-in capital after the capital increase became NT\$3,916,067 thousand. The registration for capital change was completed on September 23, 2023.
April 2024	The cash capital increase in 2024 issued 25,000,000 new shares. The paid-in capital after the capital increase became NT\$4,166,067 thousand. The registration for capital change was completed on April 24, 2024.

Three. Corporate Governance Report

I. Organizational structure Organizational chart



Business operations of main departments

Business unit	Business operations of main departments
President's Office	<ul style="list-style-type: none"> (1) Compilation and integrated planning of company rules and regulations. (2) Vertical and horizontal integration of the Company's departments and offices. (3) Dissemination of company culture, business management philosophy of decision makers and encouragement to all employees. (4) Formulate the Company's vision, goals and policies. (5) Integration of company management systems, formulation of rules and regulations, and assistance in formulating investment value and feasibility analysis of new businesses.
Internal Audit Office	<ul style="list-style-type: none"> (1) Standardization and integration, implementation and review of internal control operations. (2) Conduct audit operations and draft audit reports, and follow up on the improvements for audit deficiencies. (3) Guide various departments to conduct self-evaluation of internal control and training and education on knowledge of internal control and audit. (4) Regularly submit audit reports and explain the implementation results to the Board and supervisors.
Management Department	<ul style="list-style-type: none"> (1) Plan the tasks of various units according to the Company's operational goals and policies to achieve the Company's mission requirements. (2) Review contract documents, compile laws and regulations, research legal issues, collect data and perform filing and archiving. (3) Responsible for manpower needs, and recruitment, salary assessment, appraisal, welfare and education and training of personnel. (4) Responsible for management of supplies for general administration and general affairs.
Sales Department	<ul style="list-style-type: none"> (1) Market research and reporting for marketing. Set and promote sales targets and price adjustment. (2) Proposal and implement advertising of real estate projects. (3) Formulate strategies for works before projects, sales and advertising. (4) Crisis prevention and response handling of related tasks. Handle customer complaints.
Development Department	<ul style="list-style-type: none"> (1) Land purchase: Investigation and conditional analysis of land use basic data, evaluation of development profit and loss, etc. (2) Land administration and registration: Building registration, transfer of property rights, control processes and progress of land administration and registration. (3) Land asset management tasks: Establish and maintain the database of the Company's land assets, review and accounting of land value tax and housing tax, etc.
Organizing Department	<ul style="list-style-type: none"> (1) Design of architectural projects, license application, compilation of construction budget. (2) Construction inspection, management and acceptance check, and sampling and inspection of construction engineering materials. (3) Collect and compile construction-related data and specifications.
Engineering Department	<ul style="list-style-type: none"> (1) Arrange project schedules (2) Job site supervision (3) Project quantity estimation, budget preparation and unit price analysis (4) Contact upstream and downstream partners

Finance Department	<ul style="list-style-type: none"> (1) Formulate and implement general accounting, cost accounting and tax accounting systems, and preparation and provision of management reports. (2) Conduct and review receipt and payment vouchers, control of transfer and inventory of the Company's property, preparation of annual final accounts, reporting of various taxes. (3) Utilization and raising of funds. (4) Conduct cashier operations. (5) Cash receipt and payment and management. (6) Planning and management of bank financing. (7) Conduct and implement investing activities. (8) Convening and operation of shareholder and Board meetings. (9) Matters related to shareholder services.
Planning Department	<ul style="list-style-type: none"> (1) Market research and analysis, integrated marketing services. (2) Project development and product recommendations. (3) Establish various project databases and provide specialized consignment services.
Information Department	<ul style="list-style-type: none"> (1) Coordinate the Information Security Promotion Team, the Information Security Working Group, the Incident Notification Processing Group and the Internal Audit Group to carry out operation related to information security. (2) Responsible for early warning and monitoring of information security conditions, and handling of information security conditions and incidents. (3) Raise recommendations for improvement of information security management and assist in performing the self-check for information security. (4) Conduct periodic check on event records for access control management, as well as management program check.

II. Information of Directors and Executive Managers

(I) Directors

April 30, 2024

Job title (Note 1)	Nationality or Registration Place	Name	Gender Age (Note 2)	Election/ Appointment Date	Term Duration	Date First Elected (Note 3)	Number of Shares Owned at Time of Election		Number of Shares Currently Held		Shareholding of Spouse and Minor Children		Shares Held in the Name of Others		Main Work Experience or Education Background (Note 4)	Concurrent Position in the Company or other Companies	Other Managers, Directors or Supervisor who are Spouse or Blood Relatives Within the Second Degree			Remarks (Note 5)
							Number of Shares	Ownership	Number of Shares	Ownership	Number of Shares	Ownership	Number of Shares	Ownership			Job title	Name	Relationship	
Chairman	ROC	Chu Yuan Industrial Co., Ltd.	—	2014.06.18	2023.06.30	3 years	55,480,169	19.13	76,773,228	18.43	—	—	—	—	—	—	—	—	—	—
	ROC	Representative: Wen-Yu Chu	Male 61-70	2014.06.18	2023.06.30	3 years	63,523,000	21.90	36,876,750	8.86	746,550	0.18	—	—	Bachelor's degree JSL Construction & Development Co., Ltd. – Chairman Yi-Feng International Development Co., Ltd. – Chairman Gaochao Industrial Co., Ltd. – Chairman Chu Yuan Industrial Co., Ltd. – Chairman Chao-Hong Construction Co., Ltd. – Chairman Dalin Development Co., Ltd. – Chairman JSL Housing Agency Co., Ltd. – Director Jaysanlyn Construction Co., Ltd. – Director Xuanyu Construction Co., Ltd. – Director Hong Lin Development Technology Co., Ltd. – Director Fubishi Construction Co., Ltd. – Director Kai Yu Hotel Co., Ltd. – Director TA MENG DEVELOPMENT CO., LTD. – Director Jaysanlyn Advertising Co., Ltd. – Supervisor Chuyi Industrial Co., Ltd. – Supervisor Jaysanlyn Construction Co., Ltd. – Supervisor	JSL Construction & Development Co., Ltd. – Chairman Yi-Feng International Development Co., Ltd. – Chairman Gaochao Industrial Co., Ltd. – Chairman Chu Yuan Industrial Co., Ltd. – Chairman Chao-Hong Construction Co., Ltd. – Chairman Dalin Development Co., Ltd. – Chairman JSL Housing Agency Co., Ltd. – Director Jaysanlyn Construction Co., Ltd. – Director Xuanyu Construction Co., Ltd. – Director Hong Lin Development Technology Co., Ltd. – Director Fubishi Construction Co., Ltd. – Director Kai Yu Hotel Co., Ltd. – Director TA MENG DEVELOPMENT CO., LTD. – Director Jaysanlyn Advertising Co., Ltd. – Supervisor Chuyi Industrial Co., Ltd. – Supervisor Jaysanlyn Construction Co., Ltd. – Supervisor	Director & Executive Assistant Director & Executive Assistant	Ying-Chiu Chang Yi Chu	Spouse Father-son	None
Director	ROC	Fengyun Advertising Co., Ltd.	—	2023.06.30	2023.06.30	3 years	40,995,775	14.13	75,484,446	18.12	—	—	—	—	—	—	—	—	—	—
	ROC	Representative: Ching-Tsai Chang	Male 51-60	2014.06.18	2023.06.30	3 years	—	—	—	—	—	—	—	—	Technical college degree Jaysanlyn Advertising Co., Ltd. – President JSL Construction & Development Co., Ltd. – President	JSL Construction & Development Co., Ltd. – Director Shigang Construction & Development Co., Ltd. – Chairman Shang-Jing Industrial Co., Ltd. – Chairman Tianyi Space Design Co., Ltd. – Chairman Xuanyu Construction Co., Ltd. – Chairman Zhuanzhu Advertising Co., Ltd. – Chairman Zang-Fu Industrial Co., Ltd. – Director Gaochao Industrial Co., Ltd. – Director Shanlin International Industrial Co., Ltd. – Director Jaysanlyn Construction Co., Ltd. – Director Hong Da Di Construction Co., Ltd. – Director Just Palace Co., Ltd. – Director Wang-Ma Advertising Co., Ltd. –	None	None	None	None

Job title (Note 1)	Nationality or Registration Place	Name	Gender Age (Note 2)	Election/ Appointment Date	Term Duration	Date First Elected (Note 3)	Number of Shares Owned at Time of Election		Number of Shares Currently Held		Shareholding of Spouse and Minor Children		Shares Held in the Name of Others		Main Work Experience or Education Background (Note 4)	Concurrent Position in the Company or other Companies	Other Managers, Directors or Supervisor who are Spouse or Blood Relatives Within the Second Degree			Remarks (Note 5)
							Number of Shares	Ownership	Number of Shares	Ownership	Number of Shares	Ownership	Number of Shares	Ownership			Job title	Name	Relationship	
Director															—	Supervisor				
	ROC	Jaysanlyn Advertising Co., Ltd.	—	2023.06.30	2023.06.30	3 years	34,179,703	11.78	68,139,308	16.36	—	—	—	—	—	—	Chairman Director & Executive Assistant	Wen-Yu Chu Yi Chu	Spouse Mother-in-law	—
	ROC	Representative: Ying-Chu Chang	Female 61-70	2021.05.05	2023.06.30	3 years	746,550	0.19	746,550	0.18	36,876,750	8.86	—	—	Bachelor's degree Jaysanlyn Advertising Co., Ltd. -- Chairman	JSL Construction & Development Co., Ltd. -- Executive Assistant Jaysanlyn Advertising Co., Ltd. -- Chairman Jaysanlyn Construction Co., Ltd. -- Chairman Wang-Ma Advertising Co., Ltd. - Chairman Morgan Interior Design Co., Ltd. -- Chairman Shanlin International Industrial Co., Ltd. -- Chairman Hong Lin Development Technology Co., Ltd. -- Chairman Baohua Development Co. Ltd. -- Chairman Shin-Lu Construction Co., Ltd. -- Chairman Jaysanlyn Construction Co., Ltd. -- Chairman Chuyi Industrial Co., Ltd. -- Director Zang-Fu Industrial Co., Ltd. -- Supervisor JSL Housing Agency Co., Ltd. -- Supervisor Chu Yuan Industrial Co., Ltd. -- Supervisor Gaochao Industrial Co., Ltd. -- Supervisor Ying-Jian-Da Co., Ltd. -- Supervisor				
Director	ROC	Yangshanlin Advertising Co., Ltd. --	—	2023.06.30	2023.06.30	3 years	23,287,130	8.03	45,495,648	10.93	—	—	—	—	—	—	Chairman Director & Executive Assistant	Wen-Yu Chu Ying-Chu Chang	Father-in-law Mother-in-law	—
	ROC	Representative: Yi Chu	Male 31-40	2023.06.30	2023.06.30	3 years	576	0.00	576	0.00	—	—	45,495,648	10.93	Bachelor's degree JSL Entertainment Co., Ltd. -- Chairman	JSL Construction & Development Co., Ltd. -- Executive Assistant JSL International Development Co., Ltd. -- Chairman Fengyun Advertising Co., Ltd. -- Chairman JSL Housing Agency Co., Ltd. -- Chairman JSL Entertainment Co., Ltd. -- Chairman Yangshanlin Advertising Co., Ltd. -- Chairman Chuyi Industrial Co., Ltd. -- Chairman Youyi Investment Co., Ltd. -- Chairman Hong Da Di Construction Co., Ltd. -- Chairman Zang-Fu Industrial Co., Ltd. -- Chairman JSL International Development Co., Ltd. -- Director Shigang Construction & Development Co., Ltd. -- Director Jaysanlyn Advertising Co., Ltd. -- Director Wang-Ma Advertising Co., Ltd. - Director Chu Yuan Industrial Co., Ltd. -- Chairman				

Job title (Note 1)	Nationality or Registration Place	Name	Gender Age (Note 2)	Election/ Appointment Date	Term Duration	Date First Elected (Note 3)	Number of Shares Owned at Time of Election		Number of Shares Currently Held		Shareholding of Spouse and Minor Children		Shares Held in the Name of Others		Main Work Experience or Education Background (Note 4)	Concurrent Position in the Company or other Companies	Other Managers, Directors or Supervisors who are Spouse or Blood Relatives Within the Second Degree			Remarks (Note 5)
							Number of Shares	Ownership	Number of Shares	Ownership	Number of Shares	Ownership	Number of Shares	Ownership			Job title	Name	Relationship	
																Hong Shun Hsing Real Estate – Director Chuwang Development Co., Ltd. - Supervisor Shanlin International Industrial Co., Ltd. – Supervisor Dalin Development Co. Ltd. – Supervisor Yi-Feng International Development Co., Ltd. – Supervisor Just Palace Co., Ltd. – Supervisor				
Independent Director	ROC	Hsiang-Chi Hu	Male 61-70	2020.06.24	2023.06.30	3 years	—	—	—	—	—	—	—	—	Master's degree National Chung-Shan Institute of Science and Technology – Engineer IBM Business Representative/Professional Management Consultant Kaiju Co., Ltd. – President EKEEN Precision Co., Ltd. – Chairman Chipeera Technology Co., Ltd. - Chairman/President Yageo Corporation – President of Global Business Group	ABICO NetCom Co., Ltd. – Chairman Jabon International Co., Ltd. – Chairman Jabon Precision Co., Ltd. – Chairman Empower Technology Corporation – Chairman Newec Corporation – Chairman Jiecheng Technology Co., Ltd. – Chairman HOVE Entertainment Co., Ltd. – Chairman S&G GLOBAL INC. – Chairman Aabiking International Inc. – Chairman POSITIVE ENERGY SPORT CO., LTD. – Chairman LEADER SPORT TRAINING CO., LTD. – Chairman ILENS INTERNATIONAL CO., LTD. – Chairman KKCK CORPORATION LTD. – Director EKEEN PRECISION CO., LTD. – Chairman ABECO ELECTRONIC CO., LTD. – Chairman SEINOH OPTICAL CO., LTD. – Chairman Outstanding Management Consultants Co., Ltd. – Chairman Ability I Venture Capital Corporation – Director ABICO AVY CO., LTD. – Director Abico Asia Capital Corporation – Director ABILITY ENTERPRISE CO., LTD. – Director JWH TECHNOLOGY CO., LTD. – Director INFORMATION TECHNOLOGY INC. – Director ABILITY VENTURE MANAGEMENT CO., LTD. – Chairman Abico Plus Entertainment Limited. – Director Excelsior Capital Management Co., Ltd. – Director ALLIS ELECTRIC CO., LTD. - Independent Director KONLIN DIGITAL TECHNOLOGY CO., LTD. – Supervisor	None	None	None	None

Job title (Note 1)	Nationality or Registration Place	Name	Gender Age (Note 2)	Election/ Appointment Date	Term Duration	Date First Elected (Note 3)	Number of Shares Owned at Time of Election		Number of Shares Currently Held		Shareholding of Spouse and Minor Children		Shares Held in the Name of Others		Main Work Experience or Education Background (Note 4)	Concurrent Position in the Company or other Companies	Other Managers, Directors or Supervisor who are Spouse or Blood Relatives Within the Second Degree			Remarks (Note 5)
							Number of Shares	Ownership	Number of Shares	Ownership	Number of Shares	Ownership	Number of Shares	Ownership			Job title	Name	Relationship	
Independent Director	ROC	Ju-Chun Tsai	Female 61-70	2017.06.15	2023.06.30	3 years	—	—	—	—	—	—	—	—	Bachelor's degree Power News Media Department – President Mint Media Company – President Unichain International (HK) Limited – Director Great Victory & Sunway Technology Ltd. – Chairman	Chenco Holdings – Director Vast Wise International Investment Consulting Limited – Consultant	None	None	None	None
Independent Director	ROC	Chih-Hung Chang	Male 51-60	2017.06.15	2023.06.30	3 years	—	—	—	—	—	—	—	—	Master's degree Chairman of Avisotech	Avisotech – Chairman Chen-Huan Investment Co., Ltd. – Chairman Jhong Yue International Interior Decoration Design – Director Huangdu Development – Supervisor	None	None	None	None

Note 1: Corporate shareholders should be listed by their names and representatives (representatives should indicate the name of corporate shareholders for whom they represent), filled in Table 1 below.

Note 2: Actual age is listed and also expressed in ranges, such as 41 to 50 years old or 51 to 60 years old.

Note 3: Please note those serving as a director or supervisor for the first time. (If there is any interruption, please explain)

Note 4: Previous experience related to the current position. If the person in the most recent year has held a position at the accounting firm of the certified public accountants or an affiliated company, please state the job title and the tasks the person is responsible for.

Note 5: In the event that the Company's Chairman and president or a position of the same level (top-level manager) are the same person, spouse or a first-degree relative, relevant information such as the reasons, rationality, necessity and future improvement measures must be disclosed. (Examples of improvement measures include: adding independent directors). There shall also be information showing that a majority of directors do not also concurrently hold positions as employees or managers.

(II) Major shareholders of corporate shareholders

April 30, 2024

Name of corporate shareholder	Major shareholders of corporate shareholders	Ownership
Chu Yuan Industrial Co., Ltd.	Yi Chu	81.96%
	Wen-Yu Chu	10%
	Ying-Chu Chang	8%
	Ji-Long Chang	0.04%
Fengyun Advertising Co., Ltd.	Yi Chu	21.43%
	Ying-Chu Chang	7.14%
	Chu Yuan Industrial	71.43%
Jaysanlyn Advertising Co., Ltd.	Yi Chu	80%
	Wen-Yu Chu	10%
	Ying-Chu Chang	10%
Yangshanlin Advertising Co., Ltd.	Yi Chu	95%
	Ying-Chu Chang	5%

Note 1: If the director or supervisor is a representative of a corporate shareholder, fill in the name of the corporate shareholder.

Note 2: Fill in the name of the major shareholder (top ten in shareholding) of the corporate shareholder and the shareholding. If the major shareholder is a legal entity, please fill out Table 2 below.

Note 3: If the corporate shareholder is not a company or organization, the name and the shareholding of the shareholder that should be disclosed above are the name and the percentage of investment or donation by the investor or donor (refers to the announcement by the Judicial Yuan). If the donor has passed away, please add "Deceased" to the field.

II. Disclosure of professional qualifications of directors and supervisors and independence of independent directors

Name	Criteria	Professional qualifications and experience	Independence	Concurrently serving as an independent director in other publicly listed companies
Chairman Chu Yuan Industrial Co., Ltd. Representative: Wen-Yu Chu		More than 5 years of work experience in the area of commerce, law and finance necessary for the business of the Company. None has been involved in any of the circumstances listed in Article 30 of the Company Act.	Having a spousal relationship with Mrs. Ying Chu Chang, the juridical person director and representative of Jaysanlyn Advertising Co., Ltd.; and having a father-son relationship with Yi Chu, the juridical person director and representative of Yangshanlin Advertising Co., Ltd. CEO of the company	None
Director Fengyun Advertising Co., Ltd. Representative: Ching-Tsai Chang		More than 5 years of work experience in the area of commerce, law and finance necessary for the business of the Company. None has been involved in any of the circumstances listed in Article 30 of the Company Act.	Mr. Ching-Tsai Chang, juridical person director and representative of Fengyun Advertising Co., Ltd., is the Company's president.	None

Name \ Criteria	Professional qualifications and experience	Independence	Concurrently serving as an independent director in other publicly listed companies
Director Jaysanlyn Advertising Co., Ltd. Representative: Ying-Chu Chang	More than 5 years of work experience in the area of commerce, law and finance necessary for the business of the Company. None has been involved in any of the circumstances listed in Article 30 of the Company Act.	Having a spousal relationship with Mr. Wen-Yu Chu, the juridical person director and representative of Chu Yuan Industrial Co., Ltd.; and having a mother-son relationship with Yi Chu, the juridical person director and representative of Yangshanlin Advertising Co., Ltd.	None
Director Yangshanlin Advertising Co., Ltd. Representative: Yi Chu	More than 5 years of work experience in the area of commerce, law and finance necessary for the business of the Company. None has been involved in any of the circumstances listed in Article 30 of the Company Act.	Having a father-son relationship with Mr. Wen-Yu Chu, the juridical person director and representative of Chu Yuan Industrial Co., Ltd.; and having a mother-son relationship with Ying-Chu Chang, the juridical person director and representative of Jaysanlyn Advertising Co., Ltd.	None
Independent director – Hsiang-Chi Hu	More than 5 years of work experience in the area of commerce, law and finance necessary for the business of the Company. None has been involved in any of the circumstances listed in Article 30 of the Company Act.	1. The Company's independent directors meet the independence requirements. 2. The independent directors themselves, spouses, and second-degree relatives thereof do not serve as directors, supervisors or employees of the Company or other affiliates; nor do they hold shares of the	2 units
Independent director – Ju-Chun Tsai	More than 5 years of work experience in the area of commerce, law and finance necessary for the business of the Company. None has been involved in any of the circumstances listed in Article 30 of the Company Act.		None

Name \ Criteria	Professional qualifications and experience	Independence	Concurrently serving as an independent director in other publicly listed companies
Independent director – Chih-Hung Chang	More than 5 years of work experience in the area of commerce, law and finance necessary for the business of the Company. None has been involved in any of the circumstances listed in Article 30 of the Company Act.	Company; nor do they serve as directors, supervisors or employees of the companies that have business relations with the Company. 3. In the past two years, there has been no remuneration received for providing commerce, legal, financial, accounting and other services to the Company or other affiliates.	None

Note 1: None of the directors has been involved in any of the circumstances listed in Article 30 of the Company Act.

Note 2: Status of independence:

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a director or supervisor of the Company or any of its affiliates.
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children or by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the company or ranks as one of its top ten shareholders.
- (4) Not a spouse, relative within the second degree of kinship or lineal relative within the third degree of kinship, of any of the above persons listed in previous three items.
- (5) Not serving as a director, supervisor or employee of a company that has specific affiliation with the Company.
- (6) In the past two years, there has been no remuneration received for providing commerce, legal, financial, accounting and other services to the Company or other affiliates.

II. Board diversity and independence:

The Company implements the diversity policy on the Board of Directors and sets out the diversity policy on the Board of Directors in the "Corporate Governance Best-Practice Principles", including but not limited to the following criteria:

- (1). Basic conditions and values: gender, age, nationality, race and culture;
- (2). Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience.

The Company elected a total of 7 directors (including 3 independent directors) at the 2023 Annual Shareholders' Meeting (2023.6.30). The members of the Board of Directors, talents from the industry and academic community, enjoy diversified and complementary industrial experience and professional competence in finance and accounting, which is in line with the managed objectives of the diversity policy of the Board of Directors (please refer to Note 1: Implementation of the diversity policy of the Board of Directors).

Managed Object	Goal achievement situation
The Board of Directors must include at least 1 female director.	The current Board of Directors includes 2 female directors, accounting for 28.57%.
Independent directors must make up more than one-third of all directors	Independent directors account for 42.86% of the Board of Directors (more than one-third)
Directors currently serving as executive managers of the company must be less than one-third	Directors currently serving as executive managers account for 28.57% (less than one-third)

Core Items of Diversity Director Name	Basic composition							Skills								
	Nationality	Gender	Age				Service tenure of independent directors		Ability to make operational judgments	Accounting and financial analysis	Business administration	Risk management	Crisis management	Industry knowledge	Leadership	Decision making
			31 to 40	41 to 50	51 to 60	61 to 70	Less than 3 years	3 to 9 years								
Wen-Yu Chu	ROC	Male				✓			✓	✓	✓	✓	✓	✓	✓	✓
Ching-Tsai Chang	ROC	Male			✓				✓	✓	✓	✓	✓	✓	✓	✓
Ying-Chu Chang	ROC	Female				✓			✓	✓	✓	✓	✓	✓	✓	✓
Yi Chu	ROC	Male	✓						✓	✓	✓	✓	✓	✓	✓	✓
Hsiang-Chi Hu	ROC	Male				✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Ju-Chun Tsai	ROC	Female				✓		✓	✓		✓	✓	✓	✓	✓	✓
Chih-Hung Chang	ROC	Male			✓			✓	✓	✓	✓	✓	✓	✓	✓	✓

Independence of Board of Directors:

- (1) The Board of Directors consists of 7 directors (including 3 independent directors), of which 2 directors are female.
- (2) The independent directors neither shall have a service tenure exceeding three consecutive terms, nor shall they serve more than three publicly issued companies. There are 3 independent directors with a service tenure of 3-6 years.
- (3) All directors shall uphold a high degree of self-discipline in regard to the proposals put forward by the Board. If any director or a juristic person represented by a director is an interested party, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter.

(II) Profile of presidents, vice precedents, assistant vice precedents, and heads of departments and branches

April 30, 2024

Job title (Note 1)	Nationality	Name	Gender	Election/ Appointment Date	Number of Shares Held		Shareholding of Spouse and Minor Children		Shares Held in the Name of Others		Main Work Experience or Education Background (Note 2)	Concurrent positions at other companies	Managers who are spouse or blood relatives within the second degree			Remarks (Note 3)
					Number of Shares	Ownership	Number of Shares	Ownership	Number of Shares	Ownership			Job title	Name	Relationship	
Chief Executive Officer	ROC	Wen-Yu Chu	Male	2013.12.27	36,876,750	8.86%	746,550	0.18%			<ul style="list-style-type: none"> • Bachelor's degree JSL Construction & Development Co., Ltd. – Chairman 	<ul style="list-style-type: none"> • JSL Construction & Development Co., Ltd. – Chairman • Yi-Feng International Development Co., Ltd. – Chairman • Gaochao Industrial Co., Ltd. – Chairman • Chu Yuan Industrial Co., Ltd. – Chairman • Chao-Hong Construction Co., Ltd. – Chairman • Dalin Development Co. Ltd. – Chairman • JSL Housing Agency Co., Ltd. – Director • Jaysanlyn Construction Co., Ltd. – Director • Xuanyu Construction Co., Ltd. – Director • Hong Lin Development Technology Co., Ltd. – Director • Fubishi Construction Co., Ltd. – Director • Kai Yu Hotel Co., Ltd. – Director • TA MENG DEVELOPMENT CO., LTD. – Director • Jaysanlyn Advertising Co., Ltd. – Supervisor • Chuyi Industrial Co., Ltd. – Supervisor • Jayqianlyn Construction Co., Ltd. – Supervisor 	None	None	None	None
President	ROC	Ching-Tsai Chang	Male	2013.11.01	0	0%	0	0	0	0	<ul style="list-style-type: none"> • Technical college degree Jaysanlyn Advertising Co., Ltd. – President 	<ul style="list-style-type: none"> • JSL Construction & Development Co., Ltd. – Director • Shigang Construction & Development Co., Ltd. – Chairman • Shang-Jing Industrial Co., Ltd. – Chairman • Tianyi Space Design Co., Ltd. – Chairman • Xuanyu Construction Co., Ltd. – Chairman • Zhuanzhu Advertising Co., Ltd. – Chairman • Zang-Fu Industrial Co., Ltd. – Director • Gaochao Industrial Co., Ltd. – Director • Shanlin International Industrial Co., Ltd. – Director • Jaysanlyn Construction Co., Ltd. – Director • Hong Da Di Construction Co., Ltd. – Director • Just Palace Co., Ltd. – Director • Wang-Ma Advertising Co., Ltd. – Supervisor 	None	None	None	None
Principal financial and accounting officer	ROC	Mei-Chin Yang	Female	2022.04.01	31,975	0.00%	0	0	0	0	<ul style="list-style-type: none"> • Master's degree KPMG Taiwan – Manager Spirox Corporation – Assistant Vice President 	UP SCIENTECH MATERIALS CORP. – Independent Director	None	None	None	None

Note 1: It shall include the information on the president, vice presidents, assistant vice presidents, managers of divisions and departments, and those whose positions are equivalent to the president, assistant vice presidents or department directors shall also be disclosed, regardless of the title of the position.

Note 2: Previous experience related to the current position. If the person in the most recent year has held a position at the accounting firm of the certified public accountants or an affiliated company, please state the job title and the tasks the person is responsible for.

Note 3: In the event that the Company's Chairman and president or a position of the same level (top-level manager) are the same person, spouse or a first-degree relative, relevant information such as the reasons, rationality, necessity and future improvement measures must be disclosed. (Examples of improvement measures include adding independent directors, and information illustrating that a majority of directors do not hold concurrent positions as employees or managers).

III. Remuneration paid during the most recent fiscal year to directors, supervisors, president and vice presidents

(I) Remuneration paid to directors and independent directors (name and remuneration paid disclosed for each)

Unit: In NT\$,1,000

Job title	Name	Directors' remuneration						Total remuneration (A+B+C+D) as a percentage of the net income		Remuneration for concurrent position as an employee				Total Compensation (A+B+C+D+E+F+G) as a percentage of the Net Income		Whether receive remuneration from non-consolidated affiliates	
		Remuneration (A)		Severance Pay and Pensions (B)		Directors' remuneration (C)		Allowances for Operations (D)		Base Compensation, Bonuses, and Allowances (E)	Severance Pay and Pensions (F)		Employees' Profit Sharing Bonus (G)		The Company		From All Consolidated Entities
		The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities		The Company	From All Consolidated Entities					
													Cash	Stock			
Chairman	Wen-Yu Chu (Note 1)	—	—	—	—	—	—	—	—	3,841	—	—	—	—	0.25%	0.25%	—
	Chu Yuan Industrial Co., Ltd. Representative: Wen-Yu Chu (Note 1)	—	—	3,955	—	—	—	—	0.26%	5,294	—	—	—	—	0.61%	0.61%	—
Director	Chu Yuan Industrial Co., Ltd. Representative: Ching-Tsai Chang (Note 2)	—	—	—	—	—	—	—	—	4,139	—	—	—	—	0.27%	0.27%	—
	Representative of Fengyun Advertising Co., Ltd.: Ching-Tsai Chang (Note 2)	—	—	1,977	—	—	—	—	0.13%	26,133	—	3,000	—	—	2.06%	2.06%	—
Director	Chu Yuan Industrial Co., Ltd. Representative: Ying-Chu Chang (Note 3)	—	—	—	—	—	—	—	—	4,288	—	—	—	—	0.28%	0.28%	—
	Representative of Fengyun Advertising Co., Ltd.: Ying-Chu Chang (Note 3)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Job title	Name	Directors' remuneration						Total remuneration (A+B+C+D) as a percentage of the net income		Remuneration for concurrent position as an employee						Total Compensation (A+B+C+D+E+F+G) as a percentage of the Net Income		Whether receive remuneration from non-consolidated affiliates	
		Remuneration (A)		Severance Pay and Pensions (B)		Directors' remuneration (C)		Allowances for Operations (D)		Base Compensation, Bonuses, and Allowances (E)	Severance Pay and Pensions (F)		Employees' Profit Sharing Bonus (G)				The Company		From All Consolidated Entities
		The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities		Cash	Stock	Cash	Stock					
Director	Representative of Jaysanlyn Advertising Co., Ltd.: Ying-Chu Chang (Note 3)	—	—	1,977	—	—	—	—	0.13%	10,314	—	—	3,000	—	—	1.01%	1.01%	—	
Director	Representative of Yi-Feng International Development Co., Ltd.: Mao-Yen Hsu (Note 4)	—	—	—	—	—	—	—	—	1,560	—	—	—	—	—	0.10%	0.10%	—	
Director	Representative of Yangshanlin Advertising Co., Ltd.: Yi Chu (Note 5)	—	—	1,977	—	—	—	—	0.13%	45,674	—	—	3,000	—	—	3.36%	3.36%	—	
Independent Director	Hsiang-Chi Hu	240	—	—	200	200	200	200	0.03%	—	—	—	—	—	—	0.03%	0.03%	—	
Independent Director	Ju-Chun Tsai	240	—	—	—	—	—	—	0.02%	—	—	—	—	—	—	0.02%	0.02%	—	
Independent Director	Chih-Hung Chang	240	—	—	—	—	—	—	0.02%	—	—	—	—	—	—	0.02%	0.02%	—	

Job title	Name	Directors' remuneration				Total remuneration (A+B+C+D) as a percentage of the net income		Remuneration for concurrent position as an employee				Total Compensation (A+B+C+D+E+F+G) as a percentage of the Net Income		Whether receive remuneration from non-consolidated affiliates
		Remuneration (A)	Severance Pay and Pensions (B)	Directors' remuneration (C)	Allowances for Operations (D)	The Company	From All Consolidated Entities	Base Compensation, Bonuses, and Allowances (E)	Severance Pay and Pensions (F)	Employees' Profit Sharing Bonus (G)		The Company	From All Consolidated Entities	
		The Company	The Company	The Company	The Company			The Company	The Company	Cash	Stock	The Company	From All Consolidated Entities	
		From All Consolidated Entities	From All Consolidated Entities	From All Consolidated Entities	From All Consolidated Entities			From All Consolidated Entities	From All Consolidated Entities	Cash	Stock			

1. Please state the policy, system, standards and structure of remuneration payments to independent directors, and describe the relationship between the responsibility, risk, time committed to the organization and other factors and the amount of remuneration paid to them: In order to help the independent directors perform their functions to the Board and the Company's operations and maintain their independence, the remuneration is paid to the independent directors on a monthly basis, regardless of the Company's profitability. The independent directors are not eligible for the distribution of directors' remuneration and other bonuses.

2. In addition to that disclosed in the above table, the remuneration received by the directors for their services provided (such as serving as a non-employee consultant for the parent company and all companies/re-investment listed in the financial reports) in the most recent fiscal year: None.

Note 1: Chairman Wen-Yu Chu was re-elected as the representative of judicial person of Chu Yuan Industrial Co., Ltd. at the Shareholders' Meeting on June 30, 2023.

Note 2: Representative of Chu Yuan Industrial Co., Ltd.: Mr. Ching-Tsai Chang was re-elected as the representative of judicial person of Fengyun Advertising Co., Ltd. at the Shareholders' Meeting on June 30, 2023.

Note 3: Representative of Chu Yuan Industrial Co., Ltd.: Mrs. Ying-Chu Chang was re-elected as the representative of judicial person of Jaysanlyn Advertising Co., Ltd. at the Shareholders' Meeting on June 30, 2023.

Note 4: Representative of Yi-Feng International Development Co., Ltd.: Mr. Mao-Yen Hsu resigned at the Shareholders' Meeting on June 30, 2023.

Note 5: Representative of Yangshanlin Advertising Co., Ltd.: Mr. Yi Chu was elected as Director at the Shareholders' Meeting on June 30, 2023.

Remuneration Grade Table

Remuneration Paid to Directors	Name of Director			
	Total Remuneration (A+B+C+D)		Total Compensation (A+B+C+D+E+F+G)	
	The Company (Note 8)	From All Consolidated Entities (Note 9) H	The Company (Note 8)	From All Consolidated Entities (Note 9) I
Below NT\$1,000,000	Wen-Yu Chu Ching-Tsai Chang Mao-Yen Hsu Ying-Chu Chang Yi Chu Chih-Hung Chang Ju-Chun Tsai Hsiang-Chi Hu	Wen-Yu Chu Ching-Tsai Chang Mao-Yen Hsu Ying-Chu Chang Yi Chu Chih-Hung Chang Ju-Chun Tsai Hsiang-Chi Hu	Chih-Hung Chang Ju-Chun Tsai Hsiang-Chi Hu	Chih-Hung Chang Ju-Chun Tsai Hsiang-Chi Hu
NT1,000,000 (including) – NT\$2,000,000 (excluding)	Fengyun Advertising Co., Ltd. Jaysanlyn Advertising Co., Ltd. Yangshanlin Advertising Co., Ltd.	Fengyun Advertising Co., Ltd. Jaysanlyn Advertising Co., Ltd. Yangshanlin Advertising Co., Ltd.	Fengyun Advertising Co., Ltd. Jaysanlyn Advertising Co., Ltd. Yangshanlin Advertising Co., Ltd. Mao-Yen Hsu	Fengyun Advertising Co., Ltd. Jaysanlyn Advertising Co., Ltd. Yangshanlin Advertising Co., Ltd. Mao-Yen Hsu
NT\$2,000,000 (including) – NT\$3,500,000 (excluding)	.	.	.	.
NT\$3,500,000 (including) – NT\$5,000,000 (excluding)	Chu Yuan Industrial Co., Ltd.	Chu Yuan Industrial Co., Ltd.	Chu Yuan Industrial Co., Ltd.	Chu Yuan Industrial Co., Ltd.
NT5,000,000 – (including) – NT\$10,000,000 (excluding)	.	.	Wen-Yu Chu	Wen-Yu Chu
NT\$10,000,000 (including) – NT\$15,000,000 (excluding)	.	.	.	.
NT\$15,000,000 (including) – NT\$30,000,000 (excluding)	.	.	Ying-Chu Chang	Ying-Chu Chang
NT\$30,000,000 (including) – NT\$50,000,000 (excluding)	.	.	Ching-Tsai Chang, Yi Chu	Ching-Tsai Chang, Yi Chu
NT1,000,000 (including.) – NT\$2,000,000 (excluding.)	.	.	.	.
Over NT\$100,000,000	.	.	.	.
Total	8 people	8 people	8 people	8 people

Note 1: The names of directors should be separately listed (corporate shareholder should list the name of the legal person and the representative separately), and the payment to each director and independent director should be summarized and disclosed. If the director takes a concurrent position as the president or vice president, please fill out this Table and (3-1), or (3-2-1) and (3-2-2) below.

Note 2: Refers to the remuneration of directors in the most recent year (including the salary, differential pay for the job, severance pay, various rewards, bonuses and others).

Note 3: Fill in the remuneration amount allocated to directors approved by the Board meeting in the most recent year.

Note 4: Refers to the related business implementation expenses of directors in the most recent years (including transportation, special disbursement, various allowance, housing, cars and other tangibles). In the case of provision of housing, cars and other forms of transportation or personal expenditure, disclose the nature and cost of the assets provided and the rent, gasoline and other payments paid at the actual or the fair market price. If a driver is assigned to the executive, please note the Company's payment to the driver, which is not included in the remuneration here.

- Note 5: Refers to the salary, differential pay for the job, severance pay, various rewards, bonuses, transportation, special disbursement, various allowances, housing, cars and other tangibles for the directors taking concurrent positions as employees (including as the president, vice presidents, other department managers or employees). In the case of provision of housing, cars and other forms of transportation or personal expenditure, disclose the nature and cost of the assets provided and the rent, gasoline and other payments paid at the actual or the fair market price. If a driver is assigned to the executive, please note the Company's payment to the driver, which is not included in the remuneration here. The salary expenses recognized in accordance with IFRS 2 Share-based Payment, including obtaining employee stock options, restricted stock awards, participation in new share issuance through cash capital increase, should be included in the remuneration.
- Note 6: Refers to those directors taking concurrent positions as employees (including as the president, vice presidents, other department managers or employees) and receiving employee compensation (including stocks and cash) in the most recent year, to whom the allocated employee compensation approved by the Board shall be disclosed. If the amount cannot be estimated, calculate the amount for this year based on the actual allocated amount last year and then fill out Table 1-3.
- Note 7: The total amount of all remunerations paid to directors of the Company by all companies (including the Company) shall be disclosed in the consolidated report.
- Note 8: The total amount of remuneration paid to each director by the Company, and disclose the names in the specified range.
- Note 9: The total amount of various types of remunerations paid by all companies (including the Company) in the consolidated report to each director should be disclosed. The names of directors in the specified range should be disclosed.
- Note 10: The net income after tax refers to the number in the parent-only and individual financial reports.
- Note 11: a. This field should clearly state the amount of remuneration paid to directors from non-consolidated affiliates or the parent company. (Please fill in "None", if there is none).
- b. If a director of the Company receives a remuneration from a non-consolidated affiliate or the parent company, the amount shall be included in Column I of the appropriate range grade, and the field name should be changed to "Parent company and all non-consolidated affiliates".
- c. Remunerations may refer to remuneration, compensation (including employee, director and supervisor compensation) and allowance for business operations received by the directors of the Company who serve as directors, supervisors or managing executives of the other non-consolidated affiliates that are not subsidiaries or the parent company.

* The remunerations disclosed here in this Table are different from the incomes defined by the Income Tax Act. This Table is for the purpose of information disclosure and not for tax matters.

(II) Remuneration paid to supervisors (name and remuneration paid disclosed for each) **Not applicable**

Unit: In NT\$1,000

Job title	Name	Supervisors' remuneration						Whether receive remuneration from non-consolidated affiliates (Note 9)		
		Supervisors' remuneration				Total Remuneration (A+B+C) as a percentage of the Net Income (Note 8)				
		Base Compensation (A) (Note 2)		Compensation to Supervisors (B) (Note 3)					Allowances for Operations (C) (Note 4)	
		The Company	From All Consolidated Entities (Note 5)	The Company	From All Consolidated Entities (Note 5)	The Company	From All Consolidated Entities (Note 5)			

Remuneration Grade Table Not Applicable

Range of Remuneration Paid to Supervisors	Name of Supervisor	
	Total Remuneration (A+B+C)	
	The Company (Note 6)	From All Consolidated Entities (Note 7) D
Below NT\$1,000,000		
NT\$1,000,000 (including) – NT\$2,000,000 (excluding)	-	-
NT\$2,000,000 (including) – NT\$3,500,000 (excluding)	-	-
NT\$3,500,000 (including) – NT\$5,000,000 (excluding)	-	-
NT\$5,000,000 – (including) – NT\$10,000,000 (excluding)	-	-
NT\$10,000,000 (including) – NT\$15,000,000 (excluding)	-	-
NT\$15,000,000 (including) – NT\$30,000,000 (excluding)	-	-
NT\$30,000,000 (including) – NT\$50,000,000 (excluding)	-	-
NT\$50,000,000 (including) – NT\$100,000,000 (excluding)		
Over NT\$100,000,000		
Total		

Note 1: The names of supervisors should be separately listed (corporate shareholders should have the names and representatives listed separately) and summarized to disclose the payment for each.

Note 2: Refers to the remuneration of supervisors in the most recent year (including the salary, differential pay for the job, severance pay, various rewards, bonuses and others).

Note 3: Fill in the remuneration amount allocated to supervisors approved by the Board meeting in the most recent year.

Note 4: Refers to the related business implementation expenses of supervisors in the most recent years (including transportation, special disbursement, various allowances, housing, cars and other tangibles). In the case of provision of housing, cars and other forms of transportation or personal expenditure, disclose the nature and cost of the assets provided and the rent, gasoline and other payments paid at the actual or the fair market price. If a driver is assigned to the executive, please note the Company's payment to the driver, which is not included in the remuneration here.

Note 5: The total amount of all remunerations paid to supervisors of the Company by all companies (including the Company) shall be disclosed in the consolidated report.

Note 6: The total amount of various types of remunerations paid by the Company to each supervisor, and disclose the names in the specified range grades.

Note 7: The total amount of various types of remunerations paid by all companies (including the Company) in the consolidated report to each supervisor should be disclosed. Disclose the names of supervisors in the specified range grades.

Note 8: The net income after tax refers to the number in the parent-only and individual financial reports.

Note 9: a. This column should clearly state the amount of remuneration paid to supervisors from non-consolidated affiliates or the parent company. (Please fill in "None", if there is none).
b. If a supervisor of the Company receives a remuneration from a non-consolidated affiliate or the parent company, the amount shall be included in Column D of the appropriate range grade, and the field name should be changed to "Parent company and all non-consolidated affiliates".
c. Remunerations may refer to remuneration, compensation (including employee, director and supervisor compensation) and allowance for business operations received by the supervisors of the Company who serve as directors, supervisors or managing executives of the other non-consolidated affiliates that are not subsidiaries or the parent company.

* The remunerations disclosed here in this Table are different from the incomes defined by the Income Tax Act. This Table is for the purpose of information disclosure and not for tax matters.

(III) Remuneration paid to the president and vice presidents (separately disclose the names and the associated remunerations paid).

Unit: In NT\$1,000

Job title (Note 1)	Name	Salary (A) (Note 2)		Severance Pay and Pensions (B)		Bonuses and Allowances (C) (Note 3)		Employees' Profit Sharing Bonus (D) (Note 4)				Total Remuneration (A+B+C+D) as a percentage of the Net Income (Note 8)	Whether receive remuneration from non-consolidated affiliates (Note 9)
		The Company	From All Consolidated Entities (Note 5)	The Company	From All Consolidated Entities (Note 5)	The Company	From All Consolidated Entities (Note 5)	The Company	Cash	Stock	From All Consolidated Entities (Note 5)		
Chief Executive Officer	Wen-Yu Chu	3,631	3,631	0	0	5,504	5,504	0	0	0	0	0.61%	0
President	Ching-Tsai Chang	3,271	3,271	0	0	27,001	27,001	3,000	3,000	0	0	2.21%	0

*Regardless of the title, the positions that are equivalent to the president or vice presidents (such as president, CEO, head of department) shall also be disclosed.

Remuneration Grade Table

Range of Remuneration Paid to the President and Vice Presidents	Name of President and Vice Presidents	
	The Company (Note 6)	From All Consolidated Entities (Note 7) E
Below NT\$1,000,000		
NT\$1,000,000 (including) – NT\$2,000,000 (excluding)		
NT\$2,000,000 (including) – NT\$3,500,000 (excluding)		
NT\$3,500,000 (including) – NT\$5,000,000 (excluding)		
NT\$5,000,000 – (including) – NT\$10,000,000 (excluding)	Wen-Yu Chu	Wen-Yu Chu
NT\$10,000,000 (including) – NT\$15,000,000 (excluding)		
NT\$15,000,000 (including) – NT\$30,000,000 (excluding)		
NT\$30,000,000 (including) – NT\$50,000,000 (excluding)	Ching-Tsai Chang	Ching-Tsai Chang
NT\$50,000,000 (including) – NT\$100,000,000 (excluding)		
Over NT\$100,000,000		
Total	2 people	2 people

Note 1: The names of president and vice presidents should be separately listed and summarized to disclose the payment for each person. If the director takes a concurrent position as the president or vice president, please fill out this Table and (1-1), or (1-2-1) and (1-2-2) below.

Note 2: Refers to the salary, differential pay for the job and severance of president and vice presidents in the most recent year.

Note 3: Refers to the various rewards, bonuses, transportation, special disbursement, various allowances, housing, cars and other tangibles and other remunerations of president and vice presidents in the most recent year. In the case of provision of housing, cars and other forms of transportation or personal expenditure, disclose the nature and cost of the assets provided and the rent, gasoline and other payments paid at the actual or the fair market price. If a driver is assigned to the executive, please note the Company's payment to the driver, which is not included in the remuneration here. The salary expenses recognized in accordance with IFRS 2 Share-based Payment, including obtaining employee stock options, restricted stock awards, participation in new share issuance through cash capital increase, should be included in the remuneration.

Note 4: Refers to the employee remuneration (including stocks and cash), approved by the Board, to be allocated to the president and vice presidents in the most recent year. If the amount cannot be estimated, calculate the amount for this year based on the actual allocated amount last year and then fill out Table 1-3.

Note 5: The total amount of all remunerations paid to the president and vice presidents of the Company by all companies (including the Company) shall be disclosed in the consolidated report.

Note 6: The total amount of various types of remunerations paid by the Company to the president and each vice president, and disclose the names in the specified pay grades.

Note 7: The total amount of various types of remunerations paid by all companies (including the Company) in the consolidated report to each one of president and vice presidents should be disclosed. Disclose their names in the specified pay grades.

Note 8: The net income after tax refers to the number in the parent-only and individual financial reports.

Note 9:

- This field should clearly state the amount of remuneration paid to the president and vice presidents from non-consolidated affiliates or the parent company. (Please fill in "None", if there is none).
- If the president or vice presidents of the Company receive remuneration from a non-consolidated affiliate or the parent company, the amount shall be included in Column E of the appropriate grade range, and the field name should be changed to "The parent company and all non-consolidated affiliates".
- Remunerations may refer to remuneration, compensation (including employee, director and supervisor compensation) and allowance for business operations received by the president and vice presidents of the Company who serve as directors, supervisors or managing executives of the other non-consolidated affiliates that are not subsidiaries or the parent company.

* The remunerations disclosed here in this Table are different from the incomes defined by the Income Tax Act. This Table is for the purpose of information disclosure and not for tax matters.

(IV) Company's five highest paid executives in the most recent fiscal year (name and remuneration paid disclosed for each) (Note 1)

Unit: In NT\$1,000

Job title	Name	Salary (A) (Note 2)		Severance Pay and Pensions (B)		Bonuses and Allowances (C) (Note 3)		Employees' Profit Sharing Bonus (D) (Note 4)				Total Remuneration (A+B+C+D) as a percentage of the Net Income (Note 6)		Receive remuneration from non-consolidated affiliates or the parent company (Note 7)
		The Company	From All Consolidated Entities (Note 5)	The Company	From All Consolidated Entities (Note 5)	The Company	From All Consolidated Entities (Note 5)		The Company	From All Consolidated Entities				
							Cash	Stock			Cash	Stock		
President	Ching-Tsai Chang	3,271	3,271	-	-	27,001	27,001	3,000	-	3,000	-	2.21%	2.21%	None
Executive Assistant	Ying-Chu Chang	1,921	1,921	-	-	12,681	12,681	3,000	-	3,000	-	1.17%	1.17%	None
Executive Assistant	Yi Chu	2,401	2,401	-	-	50,632	50,632	3,000	-	3,000	-	3.72%	3.72%	None
Deputy manager	Tsai-Fu, Jian	1,091	1,091	-	-	12,060	12,060	2,500	-	2,500	-	1.04%	1.04%	None
Deputy manager	Mao-Yen Hsu	1,174	1,174	-	-	12,232	11,232	3,000	-	3,000	-	1.02%	1.02%	None

Note 1: The "Five highest paid executives" refers to the Company's managers. Please refer to Tai-Tsai-Zheng-San-Zi Document #0920001301 published by the Securities and Futures Bureau, Financial Supervisory Commission on March 27, 2003 on the standards which define the scope of roles of managers. As for the calculation of the "five highest amounts in remuneration", it the total of salary, retirement pensions, bonuses and allowances and employees' remuneration (that is, A+B+C+D) recorded on the consolidated financial reports received by the Company's managers, which is then ranked to show the managers who have the five highest figures in remuneration. For directors who take concurrent positions as the abovementioned managers, please fill in this table and Table (I) Remuneration paid to directors and independent directors.

Note 2: Refers to the salary, differential pay for the job and severance of the five highest paid managers in the most recent year.

Note 3: Refers to the various rewards, bonuses, transportation, special disbursement, various allowances, housing, cars and other tangibles and other remunerations of the five highest paid managers in the most recent year. In the case of provision of housing, cars and other forms of transportation or personal expenditure, disclose the nature and cost of the assets provided and the rent, gasoline and other payments paid at the actual or the fair market price. If a driver is assigned to the executive, please note the Company's payment to the driver, which is not included in the remuneration here. The salary expenses recognized in accordance with IFRS 2 Share-based Payment, including obtaining employee stock options, restricted stock awards, participation in new share issuance through cash capital increase, should be included in the remuneration.

Note 4: Refers to the employee remuneration (including stocks and cash), approved by the Board, to be allocated to the five highest paid managers in the most recent year. If the amount cannot be estimated, calculate the amount for this year based on the actual allocated amount last year and then fill out Table (5) Names of managers who are given employee remuneration and the status of distribution.

Note 5: The total amount of remunerations paid to the five highest paid managers of the Company by all companies (including the Company) shall be disclosed in the consolidated report.

Note 6: The net income after tax refers to the number in the parent-only and individual financial reports.

Note 7: a. This field should clearly state the amount of remuneration paid to the five highest paid managers from non-consolidated affiliates or the parent company. (Please fill in "None", if there is none).

b. Remunerations refer to remuneration, compensation (including employee, director and supervisor compensation) and allowances for business operations received by the five highest paid managers of the Company who serve as directors, supervisors or managing executives of the other non-consolidated affiliates that are not subsidiaries or the parent company.

* The remunerations disclosed here in this Table are different from the incomes defined by the Income Tax Act. This Table is for the purpose of information disclosure and not for tax matters.

(V) Names of managers who are given employee remuneration and the status of distribution

Unit: In NT\$1,000

	Job title (Note 1)	Name (Note 1)	Stock	Cash	Total	Total as percentage of the Net Income
Executive Managers	Chief Executive Officer	Wen-Yu Chu	0	0	0	0%
	President	Ching-Tsai Chang	0	3,000	3,000	0.20%
	Principal financial and accounting officer	Mei-Chin Yang	0	500	500	0.03%

Note 1: Names and titles can be disclosed separately and the profit distribution can be summarized in an aggregate amount.

(VI) Analysis of the total remuneration paid by the Company and all firms disclosed in the consolidated financial statements, as a percentage of net income shown on the parent-only or separate financial reports, to directors of the Board, supervisors, the president and vice presidents in the last two years, and analysis and description of remuneration policies, standards and packages, the procedure for determining remuneration and its relevance to operating performance and future risk exposure:

1. Analysis of remuneration paid to directors of the Board, supervisors and managers in the last two years

Unit: In NT\$1,000

Job title	2022 total remuneration as percentage of the net income		2023 total remuneration as percentage of the net income	
	The Company	Consolidated statements	The Company	Consolidated statements
Net income after taxes	444,615	444,615	1,507,668	1,507,668
% for remuneration to directors and supervisors	0.67%	0.67%	0.66%	0.66%
% for remuneration to managers	2.68%	2.68%	2.62%	2.62%

2. The Remuneration Committee is to evaluate the salary and remuneration policy for directors and officers in order to propose recommendations to the Board of Directors as references for the decision making of the Board.
 - (1) Pursuant to Article 20 of the Articles of Incorporation, the Board is authorized to determine the remuneration of all directors based on their level of participation in and contribution to the Company's operation, and with reference to the standard among industry peers. The remuneration of independent directors shall be determined by the board based on the principle of the preceding paragraph, and independent directors are not eligible for the distribution of directors' remuneration and other bonuses.
 - (2) The remuneration to the president and vice presidents is conducted based on the remuneration evaluation procedures and relevant measures formulated by the Company, which are positively correlated to the operating performance and future risks. The management team is given reasonable remuneration based on each member's contribution in respective field to the Company's operations and the achievement of individual performance.

IV. Implementation of corporate governance

(I) Operation of the Board of Directors

As of the most recent fiscal year (2023) and up to the date of the publication of the annual report of the Company, the Board of Directors has met 12 (A) times, and the attendance of directors is shown below:

Job title	Name	Actual Attendance in Person (B)	Attendance by Substitution	Actual Attendance Rate (%) [B/A]	Remarks
Chairman	Wen-Yu Chu	3	1	75%	Re-elected at the shareholders' meeting held on June 30, 2023, and became a legal representative.
	Chu Yuan Industrial Co., Ltd. Representative: Wen-Yu Chu	8	8	100%	Re-elected at the shareholders' meeting held on June 30, 2023 (term renewed)
Director	Chu Yuan Industrial Co., Ltd. Representative: Ching-Tsai Chang	4	0	100%	Re-elected as a representative at shareholders' meeting held on June 30, 2023 (term renewed)
	Fengyun Advertising Co., Ltd. Representative: Ching-Tsai Chang	7	0	87.5%	Newly elected after re-election at shareholders' meeting held on June 30, 2023
Director	Chu Yuan Industrial Co., Ltd. Representative: Ying-Chu Chang	4	0	100%	Re-elected as a representative at shareholders' meeting held on June 30, 2023 (term renewed)
Director	Jaysanlyn Advertising Co., Ltd. Representative: Ying-Chu Chang	8	0	100%	Newly elected after re-election at shareholders' meeting held on June 30, 2023
Director	Yi-Feng International Development Co., Ltd. Representative: Mao-Yen Hsu	4	0	100%	Resigned after re-election at shareholders' meeting held on June 30, 2023
Director	Yangshanlin Advertising Co., Ltd. Representative: Yi Chu	8	0	100%	Newly elected after re-election at shareholders' meeting held on June 30, 2023
Independent Director	Chih-Hung Chang	11	0	91.67%	Re-elected at the shareholders' meeting held on June 30, 2023 (term renewed)
Independent Director	Ju-Chun Tsai	8	0	61.53%	Re-elected at the shareholders' meeting held on June 30, 2023 (term renewed)
Independent Director	Hsiang-Chi Hu	12	0	100%	Re-elected at the shareholders' meeting held on June 30, 2023 (term renewed)

Other matters to be recorded:

- I. If any of the following circumstances arises in the operation of the Board meetings, the date, session, content of motions, opinions of all independent directors, and the Company's handling of the opinions of independent directors shall be stated

(I) Matters specified in Article 14-3 of the Securities and Exchange Act:

Date	Content of Motions	Opinions of All Independent Directors	Company's Response to Independent Directors' Opinions
2023.05.11 35th meeting of the 14th term	<ol style="list-style-type: none"> 1. Approved the Company entrusting 100% subsidiary Chuwang Development Co., Ltd. to undertake the contracting of new construction (8-1) in The Paradise in Hsinchu. 2. Approved the Company entrusting 100% subsidiary Chuwang Development Co., Ltd. to undertake the contracting of new construction (8-2) in The Paradise in Hsinchu. 3. Approved the Company entrusting 100% subsidiary Chuwang Development Co., Ltd. to undertake the contracting of new construction (8-3) in The Paradise in Hsinchu. 4. Approved the Company entrusting 100% subsidiary Chuwang Development Co., Ltd. to undertake the contracting of new construction (9-1) in The Paradise in Hsinchu. 5. Approved the Company entrusting 100% subsidiary Chuwang Development Co., Ltd. to undertake the contracting of new construction (8-1) in Banqiao District, New Taipei City (River Palace 6). 6. Approved the Company entrusting the wholly owned subsidiary Jiatai Construction Co., Ltd. to undertake the contracting of new construction (The Castle) in Nuannuan District, Keelung City. 7. Approved the capital increase of 100% subsidiary Chuwang Development Co., Ltd. 8. Approved the application to banks for extension and adding of line of credit. 9. Approved the joint credit granting bank group with Taipei Fubon Commercial Bank and Agricultural Bank of Taiwan as the organizer. 10. Approved amendment to provisions of the internal control protocols. 	Approved	None
2023.07.10 1st meeting of the 15th term	<ol style="list-style-type: none"> 1. Approved the election of Chairman. 2. Approved the appointment of members of the fifth Salary and Remuneration Committee. 3. Approved the change to the development plans of the 8 land lots in No.172, Wuguwang Section, Sanchong District in New Taipei City. 4. Approved the change to the development plans of the 9 land lots in No.327, Wuguwang Section, Sanchong District in New Taipei City. 5. Approved the application to banks for adding and renewal of line of credit. 	Approved	None
2023.08.10 2nd meeting of the 15th term	<ol style="list-style-type: none"> 1. Approved consolidated financial statements for Q2 2023 2. Approved the issue of new shares through capitalization of profit and capital reserve and set of the record date and payment date for stock and cash dividends. 3. Approved profit and distribution of cash from capital surplus. 4. Approved the Company entrusting the 100% subsidiary Chuwang Development Co., Ltd. to undertake the contracting of new construction "City Hall No. 3" in Sanchong District of New Taipei City. 5. Approved the issuance of 2023 1st series secured corporate bonds. 6. Approved the application to banks for adding and renewal of line of credit. 	Approved	None
2023.11.10 3rd meeting of the 15th term	<ol style="list-style-type: none"> 1. Approved consolidated financial statements for Q3 2023 2. Approved domestic 2023 cash capital increase through issue of new shares. 3. Approved revisions to the Company's "Organizational Structure Chart". 4. Approved the appointment and dismissal of the Head of Information Security. 5. Approved the Company entrusting the 100% subsidiary Chuwang Development Co., Ltd. to undertake the contracting of new construction (9-2) in The Paradise in Hsinchu. 	Approved	None

	6. Approved the application to banks for adding and renewal of line of credit.			
2023.12.18 4th meeting of the 15th term	<ol style="list-style-type: none"> 1. Approved the 2024 business plan and budgeting. 2. Approved the 2024 annual internal audit operation. 3. Approved amendment to provisions of the “Articles of Incorporation”. 4. Approved amendment to provisions of the “Shareholders’ Meeting Rules of Procedures”. 5. Approved the 2023 employee remuneration distributed to officers. 6. Approved the 2023 year-end bonus standard for officers. 7. Approved the renewal of directors and officers’ liability insurance policies. 8. Approved the transfer of the investment real estate “No.128 Building on Longjiang Road” to fixed assets. 9. Approved the change of the issue amount by cash capital increase. 10. Approved the change of the contracting of new construction “The Castle” in Nuannuan District, Keelung City. 11. Approved the application to financial institutions for adding and extension of line of credit. 	Approved	None	
2024.01.29 5th meeting of the 15th term	<ol style="list-style-type: none"> 1. Approved the employee stock option plan and the portion available to be subscribed by managers through the 2023 cash capital increase. 2. Approved the adjustment of the proportion of 21 land lots ranging from No.62 land to No.83 land in part of Xisong Section, Songshan District, Taipei City. 3. Approved the adjustment of the proportion of 18 land lots of No.166 land and No.446 to No.459 land in part of Part of Bailing Section, Taipei City. 4. Approved the regular assessment of CPAs’ independence and suitability. 5. Approved the issue of the preferred share C by investing J.D Construction Co., Ltd. 6. Approved the application to financial institutions for adding of line of credit. 	Approved	None	
2024.02.05 6th meeting of the 15th term	Approved the purchase of land in order to increase revenue sources and promote construction and development business.	Approved	None	
2024.03.15 7th meeting of the 15th term	<ol style="list-style-type: none"> 1. Approved the 2023 business report and financial statements. 2. Approved the 2023 remuneration distribution to employees and directors. 3. Approved the 2023 “Internal Control Statement”. 4. Approved the Company entrusting the 100% subsidiary Chuwang Development Co., Ltd. to undertake the contracting of new construction “City Hall No. 2” in Sanchong District of New Taipei City. 5. Approved the amendment to part of provisions of “Board Self-evaluation or Peer Evaluation”. 6. Approved the “Performance Appraisal of Directors of the Board and Functional Committee Members”. 7. Approved the appointment and remuneration of certified accountants for 2024. 6. Approved the application to adding of line of credit. 9. Approved the Company’s application to the 100% subsidiary Chuwang Development Co., Ltd. for financing. 10. Approved the date, the agenda and the time of the acceptance of proposals by 1% shareholders, place and related matters for annual shareholders’ meeting. 	Approved	None	
2024.04.29 8th meeting of the 15th term	<ol style="list-style-type: none"> 1. Approved 2023 profit distribution. 2. Approved the capitalization of profits and capital reserve for issue of new shares. 3. Approved distribution of cash from capital surplus. 4. . Approved the application to banks for adding and renewal of line of credit. 5. Approved the addition of the motion to convene the 2024 annual shareholders’ meeting and the change of meeting place. 	Approved	None	

(II) Other Board resolutions to which objections or qualified opinions for the record or in writing are expressed by independent directors: None.

II. For the recusals of directors due to conflict of interests, the minutes shall clearly state the director's name, contents of the motion, the reason for not voting and actual voting counts:

Name of Director	Content of Motions	Reasons for recusal	Participation in voting
Wen-Yu Chu Ying-Chu Chang Yi Chu	1. Approved the change to the development plans of the 9 land lots (Wuguwang Section, Sanchong District (F)) in No.327 Wuguwang Section, Sanchong District in New Taipei City.	are the stakeholders	Not participating in voting due to recusal in accordance with the law
Ching-Tsai Chang	1. The Company entrusting the 100% subsidiary Chuwang Development Co., Ltd. to undertake the contracting of new construction "City Hall No. 2" in Sanchong District of New Taipei City.	are the stakeholders	Not participating in voting due to recusal in accordance with the law

III. The listed company shall disclose self-evaluation (or peer evaluation) information of the Board including the evaluation cycle and period, scope of evaluation, method and evaluation content, and fill in the attached table on the implementation of the Board's evaluation:

Evaluation cycle	Once a year
Evaluation period	2023
Scope of evaluation	1. Board of Directors 2. Each individual director 3. Performance appraisal of the functional committee
Evaluation methods	1. Self-evaluation of the Board of Directors 2. Self-evaluation of Board members 3. Self-evaluation of functional committee members
Evaluation contents	1. Self-evaluation of the Board of Directors (1) Participation in the operation of the company (2) Improvement of the quality of the Board of Directors' decision making (3) Composition and structure of the Board of Directors (4) Election and continuing education of the directors (5) Internal control 2. Self-evaluation of Board members (1) Understanding of the objectives and missions of the Company (2) Understanding of directors' job responsibilities (3) Participation in the operation of the company (4) Management and communication of internal relationship (5) Major and continuing education of the directors (6) Internal control 3. Performance appraisal of the functional committee (1) Participation in the operation of the company (2) Understanding of functional committee's job responsibilities (3) Improvement of the quality of the functional committee' decision making (4) Makeup of the functional committees and election of members (5) Internal control
Evaluation Results	The results of performance appraisal of the 2023 Board of Directors and functional committees have been reported at the Board meeting held on March 15, 2024.

IV. The goal of improving the performance of Board of Directors in this year and latest fiscal year (including the establishment of an audit committee, and improvement of information transparency) and the analysis of implementation.

- (1) The Company has established an audit committee and remuneration committee which consist of all independent directors, and the committees help the Board perform its duties of supervision and report the operation status to the Board on a regular basis.
- (2) The Board has referred to the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" to formulate the "Board Meeting Rules of Procedures" for compliance.
- (3) In order to protect the directors and managers from risk exposure in the performance of business, the Company has purchased "D&O insurance" for directors and officers every year, so that they can perform their duties wholeheartedly and maximize value or shareholders. In order to improve transparency in operations, the Company has set up "Investors," "Corporate Social Responsibility" and "Corporate Governance" sections on the company website.

(II) Information regarding Audit Committee operation

As of the most recent fiscal year (2023) and up to the date of the publication of the annual report, the Audit Committee has met 12 (A) times, and the attendance of independent directors is shown below:

Job title	Name	Actual attendance in person (B)	Attendance by substitution	Actual attendance ratio (%) (B/A)	Remarks
Independent Director	Chih-Hung Chang	11	0	91.67%	Re-elected at the shareholders' meeting held on June 30, 2023 (term renewed)
Independent Director	Ju-Chun Tsai	8	1	66.67%	
Independent Director	Hsiang-Chi Hu	12	0	100.00%	

Other matters to be recorded:

I. The date, session and proposal content of Board of Directors meetings, the Audit Committee's resolutions and the Company's response to the Audit Committee's comments shall be specified under any one of the following circumstances.

(I) Matters specified in Article 14-5 of the Securities and Exchange Act:

Board meeting date/session	Content of Motions	Audit Committee meeting date/session	Results of the Audit Committee's resolution	Company's response to the Audit Committee's opinions
2023.05.11	<ol style="list-style-type: none"> Approved the Company entrusting 100% subsidiary Chuwang Development Co., Ltd. to undertake the contracting of new construction (8-1) in The Paradise in Hsinchu. Approved the Company entrusting 100% subsidiary Chuwang Development Co., Ltd. to undertake the contracting of new construction (8-2) in The Paradise in Hsinchu. Approved the Company entrusting 100% subsidiary Chuwang Development Co., Ltd. to undertake the contracting of new construction (8-3) in The Paradise in Hsinchu. Approved the Company entrusting 100% subsidiary Chuwang Development Co., Ltd. to undertake the contracting of new construction (9-1) in The Paradise in Hsinchu. Approved the Company entrusting 100% subsidiary Chuwang Development Co., Ltd. to undertake the contracting of new construction (8-1) in Banqiao District, New Taipei City (River Palace 6). Approved the Company entrusting the wholly owned subsidiary Jiatai Construction Co., Ltd. to undertake the contracting of new construction (The Castle) in Nuannuan District, Keelung City. Approved the capital increase of 100% subsidiary Chuwang Development Co., Ltd. Approved amendment to provisions of the internal control protocols. 	30th meeting of the 1st term	Unanimous vote by all committee members in presence.	None
2023.07.10	<ol style="list-style-type: none"> Approved the election of the convener of the 2nd Audit Committee. 	1st meeting of the 2nd	Unanimous vote by all	None

	2. Approved the change to the development plans of the 8 land lots in No.172, Wuguwang Section, Sanchong District in New Taipei City. 3. Approved the change to the development plans of the 9 land lots in No.327, Wuguwang Section, Sanchong District in New Taipei City.	term	committee members in presence.	
2023.08.10	1. Approved consolidated financial statements for Q2 2023 2. Approved the issue of new shares through capitalization of profit and capital reserve and set of the record date and payment date for stock and cash dividends. 3. Approved the Company entrusting the 100% subsidiary Chuwang Development Co., Ltd. to undertake the contracting of new construction "City Hall No. 3" in Sanchong District of New Taipei City for discussion. 4. Approved the issuance of 2023 1st series secured corporate bonds.	2nd meeting of the 2nd term	Unanimous vote by all committee members in presence.	None
2023.11.10	1. Approved consolidated financial statements for Q3 2023 2. Approved domestic 2023 cash capital increase through issue of new shares. 3. Approved revisions to the Company's "Organizational Structure Chart". 4. Approved the appointment of the Head of Information Security. 5. Approved the Company entrusting the wholly 100% subsidiary Chuwang Development Co., Ltd. to undertake the contracting of new construction (9-2) in The Paradise in Hsinchu.	3rd meeting of the 2nd term	Unanimous vote by all committee members in presence.	None
2023.12.18	1. Approved the 2024 annual internal audit operation. 2. Approved the 2023 employee remuneration distributed to officers. 3. Approved the 2023 year-end bonus standard for officers. 4. Approved the Company's transfer of the investment real estate "No.128 Building on Longjiang Road" to fixed assets. 5. Approved the Company's change of the issue amount by cash capital increase. 6. Approved the change of the Company's contracting of new construction "The Castle" in Nuannuan District, Keelung City.	4th meeting of the 2nd term	Unanimous vote by all committee members in presence.	None
2024.01.29	1. Approved the employee stock option plan and the portion available to be subscribed by managers through the 2023 cash capital increase. 2. Approved the adjustment of the proportion of 21 land lots ranging from No.62 land to No.83 land in part of Xisong Section, Songshan District, Taipei City. 3. Approved the adjustment of the proportion of joint development of lands in part of Bailing Section. 4. Approved the signing of the investment agreement by investing J.D Construction Co., Ltd.	5th meeting of the 2nd term	Unanimous vote by all committee members in presence.	None
2024.02.05	Approved the purchase of land in order to increase revenue sources and promote construction and development business.	6th meeting of the 2nd term	Unanimous vote by all committee members in presence.	None

2024.03.15	1. Approved the 2023 business report and financial statements. 2. Approved the 2023 “Internal Control Statement”. 3. Approved the Company entrusting the 100% subsidiary Chuwang Development Co., Ltd. to undertake the contracting of new construction “City Hall No. 2” in Sanchong District of New Taipei City. 4. Approved the appointment and remuneration of the Company’s certified accountants for 2024	7th meeting of the 2nd term	Unanimous vote by all committee members in presence.	None
2024.04.29	1. Approved 2023 profit distribution. 2. Approved profits and capital reserve for issue of new shares. 3. Approved the increase of the contracting amount for the renovation of Longjiang Road in Taipei City.	8th meeting of the 2nd term	Unanimous vote by all committee members in presence.	None

(II) Except for the abovementioned matters, others which have not been passed by the Audit Committee but have been approved by more than two-thirds of all directors: None.

II. For the recusal of independent directors due to conflicts of interest, please state the name of the independent director, the content of motion, the reason for recusal and the participation in voting: None.

III. Communication between independent directors and internal auditing managers and accountants (communicate materiality, methods and results of the Company’s financial and business conditions).

(I) The head of internal audit of the Company regularly communicates the results of the audit report with the Audit Committee members, and produces an internal audit report at the quarterly Audit Committee meetings. Any special circumstances are also reported to the Audit Committee immediately. The Company’s Audit Committee communicates well with the head of internal audit.

(II) The Company’s certified public accountants will report the audit or review results of the current quarter’s financial statement and other communication items required by the laws and regulations during the Audit Committee’s quarterly meetings. If special circumstances arise, the CPAs will report to the Audit Committee immediately. The Company’s Audit Committee communicates well with the CPAs.

(III) Summary of the matters communicated between independent directors, head of internal audit and the CPAs is shown as follows:

Date	Methods of communications	Key points	Results
2023/07/10	Audit Committee	Internal audit activities implementation	Reported at the board meeting
2023/11/10	Audit Committee	Internal audit activities implementation	Reported at the board meeting
2023/12/18	Audit Committee	2024 annual internal audit operation.	Reported at the board meeting
2024/03/15	Audit Committee	Issued the 2023 “Internal Control Statement”	Submitted to the board for resolution after deliberation.

The above meetings were conducted without the attendance of other directors and the management team, and the independent directors expressed no opinions.

Summary of communications between independent directors and CPAs

Date	Methods of communications	Key points	Results
2023/05/11	Audit Committee	Q1 2023 consolidated financial reports	Submitted to the board for resolution after deliberation.
2023/08/10	Audit Committee	Q2 2023 consolidated financial reports	Submitted to the board for resolution after deliberation.
2023/11/10	Audit Committee	Q3 2023 consolidated financial reports	Submitted to the board for resolution after deliberation.
2024/03/15	Audit Committee	The Company's 2023 Business Report and financial statements and the AQI briefing to the Audit Committee in accordance with the Securities Foundation	Submitted to the board for resolution after deliberation.

The above meetings were conducted without the attendance of other directors and the management team, and the independent directors expressed no opinions.

(III) Status of corporate governance implementation and the differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons

Issues to be Assessed	Implementation Status		Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	
I. Does the Company stipulate and disclose the corporate governance best-practice principles in accordance with the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	✓		Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
II. Shareholding structure and shareholders’ equity			
(I) Does the Company have internal operating procedures for handling shareholders’ suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	✓		(I) We have established positions of spokesperson, legal and shareholder services specialists and related departments to handle shareholders’ suggestions, concerns and disputes.
(II) Does the Company possess a list of principal shareholders and beneficial owners of these principal shareholders?	✓		(II) Our shareholder services department keeps track of the list of principal shareholders and the beneficial owners of these principal shareholders and update the list as frequently as possible.
(III) Has the Company built and executed a risk management system and “firewall” between the Company and its affiliates?	✓		(III) The Company and its affiliates operate independently, and there are rules for the supervision of subsidiaries to supervise the operation of subsidiaries.
(IV) Has the Company established internal rules prohibiting insider trading on undisclosed information?	✓		(IV) The Company has formulated management measures preventing insider trading, which prohibit the Company’s insiders from trading securities on undisclosed information.

Issues to be Assessed	Implementation Status			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary Description	
III. Composition and responsibilities of the board of directors				
(I) Has the board established a diversity policy and specific management objectives, and have they been implemented accordingly?	✓		(I) We have not formulated our diversity policy, but we have recruited talents with different business backgrounds based on our current business models and actual needs to reinforce the capabilities of the Board of Directors.	No significant differences.
(II) Other than the Remuneration Committee and the Audit Committee which are required by law, does the Company plan to voluntarily set up other functional committees?	✓		(II) The Company has established its Remuneration Committee and Audit Committee in accordance with the law, and will establish other functional committees in the future for the compliance with relevant laws and regulations.	Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
(III) Has the Company established its Rules for Performance Evaluation of Board of Directors and the evaluation methods, conducted the performance appraisal regularly every year and provided the results to the board as the reference for directors' remuneration and nomination and renewal?	✓		(III) The Company has formulated the self-evaluation or peer evaluation measures of the Board of Directors. Before the first quarter of every year, the Board members conduct the evaluation of the Board for the performance the year before, and the agenda working group conduct evaluation of the Board operations using various indicators, which will be used as the reference for the remuneration and nomination for renewal of each director.	Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
(IV) Does the Company regularly evaluate its external auditors' independence?	✓		(IV) The Board evaluated the independence of the CPAs at the meeting held on March 15, 2023, and the results showed that they met the standard of the Company's requirements for independence and suitability.	Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
IV. Has the Company allocated a sufficient number of qualified personnel and appointed managers in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors and supervisors, assisting directors and supervisors to comply with laws, handling matters relating to	✓		The Company has dedicated personnel responsible for corporate governance-related matters, including providing directors and independent directors with information needed to perform their duties, and organizing meetings of the board of directors and shareholders, as well as conducting company registration and change of registration, and producing board and	Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

Issues to be Assessed	Implementation Status			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary Description	
Board meetings and shareholders' meetings according to laws, and recording minutes of Board meetings and shareholders' meetings)?			shareholders' meeting minutes.	
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers) and set up an area dedicated to stakeholders on the Company website, and does the Company respond appropriately to corporate social responsibility issues that stakeholders consider important?	✓		The Company has different departments to establish communication channels for different audience (including stakeholders), and has set up a dedicated area for stakeholders on the company website.	Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
VI. Has the Company commissioned a shareholder service agent specializing in shareholder services to handle shareholders' meeting matters?	✓		We have commissioned the Shareholder Services Department of President Securities Corporation to handle matters related to shareholders' meetings.	Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
VII. Information disclosure (I) Has the Company established a public website to disclose operational, financial, and corporate governance information?	✓		(I) We disclose our financial and business information on our website, and disclose corporate governance information on the Market Observation Post System.	Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
(II) Has the Company adopted other methods of information disclosure (e.g. setting up a website in English, designating a specialist responsible for gathering and disclosing Company information, setting up a spokesperson system, uploading recordings of institutional investor conferences onto the Company website)?	✓		(II) We have set up our own website, and investors can also inquire about our financial, business and corporate governance information through the Market Observation Post System.	Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
(III) Has the Company published and reported its annual financial report within two months after the end of a fiscal year, and published and reported its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline?		✓	(III) Our public announcements and reporting matters all comply with the List of Information Required to be Filed by Public Companies.	Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

Issues to be Assessed	Implementation Status		Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	
VIII.Does the Company have other important information to facilitate a better understanding of the Company's corporate governance practices (including, but not limited to current status of employee rights, employee care, investor relations, supplier relations, stakeholder rights, director and supervisor continuing education and training, risk management policies, and risk measurement standards as well as the implementation of client policies and the Company's purchase of liability insurance for its directors and supervisors)?	✓		<p>1. Rights and interests of employees: The Company protects the legitimate rights and interests of employees according to the Labor Standards Act.</p> <p>2. Employee care: We have established welfare measures and employee education and training systems to build a good relationship of mutual trust with employees.</p> <p>3. Investor relations: We regularly announce various financial information.</p> <p>4. Supplier relationship: We have maintained a good supply-demand relationship with suppliers.</p> <p>5. Rights of stakeholders: Stakeholders can provide opinions and communicate with the Company in accordance with the laws and regulations, and suitable matters are used as the reference for the promotion of our future works.</p> <p>6. Continuing education of directors and supervisors: Our directors and supervisors take continuing education courses in accordance with laws and regulations, and the status of the results is reported to the Market Observation Post System.</p> <p>7. Risk management policy: We have formulated our internal control protocols based on the Regulations Governing Establishment of Internal Control Systems by Public Companies, and we have implemented them effectively and inspected and revised them regularly to reduce our operational risks.</p> <p>8. Implementation of customer policy: We have established a customer service hotline and designated specialists responsible for handling customers' issues in order to improve their satisfaction.</p> <p>9. We have purchased 2023 liability insurance policies for directors (including independent directors) and key officers to reinforce the protection of shareholders' rights and interests.</p> <p>Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.</p>

Issues to be Assessed	Implementation Status		Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	
	Summary Description		
IX. Please explain improvements that have been made as well as priorities to improve the results of the Corporate Governance Evaluation issued by the Taiwan Stock Exchange Taiwan Stock Exchange Corporation Corporate Governance Center: (No need to fill this out if not listed as one of the rated companies):			
(I) Issues that have been improved:			

Issues to be Assessed			Implementation Status		Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
			Yes	No	
Number	Question	Summary Description			Description of improvement
1.15	Has the Company established and disclosed on the Company's website internal rules prohibiting directors or employees, and other insiders, from trading securities using undisclosed information in the market, including (but not limited to) that directors are not allowed to trade their shares during the 30 days prior to the announcement of the annual financial report and the 15 days prior to the announcement of the quarterly financial report, and explained the implementation?				Responded in accordance with the rules.
2.11	Has the interim financial statements of the company been approved by the audit committee and submitted to the Board of Directors for discussion and resolution?				Responded in accordance with the rules.
2.19	Does the actual attendance rate of all directors in the year evaluated exceed 85% and were there at least two independent directors present in person in each Board meeting?				Responded in accordance with the rules.
2.24	Has the company established a cybersecurity risk management structure, formulated cybersecurity policies, specific management plans and invested resources for security management, and disclosed them on the company's website or annual report? [If you enter ISO 27001, CNS 27001 and other information security management system standards, or other systems or standards with the same or above effect, and obtain third-party verification, an additional point will be added to the total score.]				Responded in accordance with the rules.
2.29	Has the Company been subject to disciplinary action by the competent authorities during implementation of the internal control system, or has it been detected by the stock exchange or over-the-counter trading center as having deficiencies which requires a staff to attend the training courses organized by the unit designated by the competent authority in the manner of letter of invitation?				Responded in accordance with the rules.
4.3	Does the company regularly disclose specific ESG initiatives and implementation achievement on the company's website, annual report or sustainability report?				Responded in accordance with the rules.
4.4	Has the company prepared and uploaded a sustainability report on the Market Observation Post System and the company's website by the end of September in accordance with the GRI Guidelines published by the Global Sustainability Reporting Association (GRI)? [If the sustainability report discloses ESG information with reference to SASB standards, an additional point shall be added to the total score.]				Responded in accordance with the rules.
4.9	Does the company's website and annual report disclose a variety of employee benefits, retirement systems and their implementation?				Responded in accordance with the rules.
4.14	Has the Company's website or annual report disclosed the identified stakeholders, issues of concern, communication channels and response methods? [If the communications with various stakeholders are reported to the Board on a regular basis, one extra point will be added to the total score.]				Responded in accordance with the rules.
4.20	Has the company formulated a workplace diversity or gender equality policy and disclosed its implementation?				Responded in accordance with the rules.

Issues to be Assessed			Implementation Status		Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
		Yes	No		
Summary Description					
(V) Matters that have not yet been improved and need to be prioritized and the measures are as follows:					
Number	Question				Description of improvement
1.1	Has the company reported the remuneration received by directors at the annual shareholders' meeting, including the remuneration policy, the content and amount of individual remuneration?				Responded in accordance with the rules.
1.2	Has the company formulated a written specification for its financial business operations with related parties, including management procedures for the transactions such as purchase and sale of goods, and acquisition or disposal of assets, and have relevant major transactions been approved by the Board of Directors and submitted for approval by the shareholders' meeting or reported?				Responded in accordance with the rules.
1.7	Has the Company uploaded the shareholders' meeting handbook and its supplementary information at least 30 days before the shareholder general meeting?				Responded in accordance with the rules.
1.8	Has the Company uploaded the English Meeting Notices, Meeting Handbook and its supplementary information 30 days before the shareholder general meeting?				Responded in accordance with the rules.
1.9	Has the company uploaded its the English version of its Annual Report at least 16 days before the annual shareholders' meeting?				Responded in accordance with the rules.
1.11	Has the Company uploaded the English Meeting Notices, Meeting Handbook and its supplementary information 30 days before the shareholder general meeting?				Responded in accordance with the rules.
1.19	Is the company's shareholders' meeting broadcasted online or uploaded after the shareholders' meeting without interruption?				Responded in accordance with the rules.
2.17	Does the Board of the company regularly (or at least once a year) evaluate the independence and adaptability of the certified accountants on the basis of AQIs, and disclose the evaluation process in detail in the annual reports?				Responded in accordance with the rules.
2.18	Does the company conduct an internal performance evaluation of the functional Committees (including at least the Audit Committee and the Salary and Remuneration Committee) on a regular basis every year, and disclose the performance and evaluation results on its website or annual report?				Responded in accordance with the rules.
2.22	Does the company have an audit committee or a Board-level functional committee (such as a risk management committee) to oversee risk management, establish risk management policies and procedures approved by the Board, disclose the risk management organization, risk management procedures and operation status, and report it to the Board at least once a year?				Responded in accordance with the rules.
2.23	Have the Board performance appraisal measures developed by the Company been approved by the Board, and has the external evaluation been conducted at least once every three years and in the year evaluated or the past two years, with the results disclosed on the Company's website or annual report?				Responded in accordance with the rules.
2.25	Do the independent directors of the company complete continuing education in accordance with the standard of				Responded in accordance

Issues to be Assessed		Implementation Status		Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
		Yes	No	
		Summary Description		
		<p>“Key Points for the Continuing Education of Directors and Supervisors of TWSE/TPEX Listed Companies”? [If all directors have completed continuing education in accordance with the standard, one point will be added to the total score.]</p>		with the rules.
3.14		Does the company disclose the English version of the interim Financial Report within two months after the deadline for filing the Chinese version?		Responded in accordance with the rules.
3.20		Has the company been invited (on its own) to hold at least two investor conferences with a gap of more than three months between the first and last of the year? [If an Investor Conference is held at least once per quarter or an Investor Conference is held on the basis of quarterly operating conditions, one point will be added to the total score.]		Responded in accordance with the rules.
4.1		Has the Company established a dedicated unit to promote sustainable development, which conducts risk assessments on environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, formulates relevant risk management policies and strategies, supervises the promotion of sustainable development by Board of Directors, and discloses them on the Company's website and in annual reports?		Responded in accordance with the rules.
4.2		Has the Company established a dedicated (or part-time) unit which promotes corporate ethics management and is responsible for establishment, supervision of implementation of ethics management policies and prevention solutions, announces the operation and implementation results of the unit on the Company's official website and annual reports, and reports to the board at least once a year?		Responded in accordance with the rules.
4.5		Has the sustainability report prepared by the company been verified by a third party?		Responded in accordance with the rules.
4.10		Do the Company's website and annual reports disclose the protection measures of employees' personal safety and work environment and the relevant implementation status?		Responded in accordance with the rules.
4.11		Has the Company disclosed its GHG emissions, water consumption and total weight of waste in the last two years? [If the annual GHG emissions, water consumption and total weight of waste the last two years have been verified by external parties, one extra point is added to the total score.]		

Issues to be Assessed		Implementation Status		Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
		Yes	No	
4.12	Has the Company formulated management policies for energy conservation and carbon reduction, GHG reduction, water consumption reduction or other wastes? [If the Company assesses the potential risks and opportunities of climate change for the Company at present and in the future, and adopts measures to deal with climate-related issues, one extra point is added to the total score.]			Responded in accordance with the rules.
4.14	Has the Company's website or annual report disclosed the identified stakeholders, issues of concern, communication channels and response methods? [If the communications with various stakeholders are reported to the Board on a regular basis, one extra point will be added to the total score.]			Responded in accordance with the rules.
4.15	Does the Company's website of annual report disclose the ethical management policy approved by the board, specify practices and prevention of unethical behaviors, and explain implementation status?			Responded in accordance with the rules.
4.17	Does the Company's website or CSR report disclose the established supplier management policies, which require suppliers to comply with regulations on environmental protection, occupational safety and health or labor rights, and report the implementation?			Responded in accordance with the rules.

(IV) Operations of the Remuneration Committee

1. Information on members of the Remuneration Committee

Title	Criteria Name	Professional qualifications and experience	Independence	Number of other public companies for which the director concurrently serving as a remuneration committee member
Convener	Chih-Hung Chang	Avisotech -- Chairman Chen-Huan Investment Co., Ltd. -- Chairman Jhong Yue International Interior Decoration Design -- Director Huangdu Development -- Supervisor	<ol style="list-style-type: none"> Not involved in the circumstances specified in the provisions of paragraph 3 and 4 of Article 26-3 of the Securities and Exchange Act. Not involved in the circumstances specified in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. In the past two years, there has been no remuneration received for providing commerce, legal, financial, accounting and other services to the Company or other affiliates. 	0
Committee member	Ju-Chun Tsai	Chenco Holdings -- Director Vast Wise International Investment Consulting Limited -- Consultant	<ol style="list-style-type: none"> Not involved in the circumstances specified in the provisions of paragraph 3 and 4 of Article 26-3 of the Securities and Exchange Act. Not involved in the circumstances specified in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. In the past two years, there has been no remuneration received for providing commerce, legal, financial, accounting and other services to the Company or other affiliates. 	0
Committee member	Hsiang-Chi Hu	ABICO NetCom Co., Ltd. -- Chairman Jabon International Co., Ltd. -- Chairman TranSystem, Inc. -- Chairman Ability I Venture Capital Corporation -- Chairman Abico Asia Capital Corporation -- President AVY Precision Technology Inc. -- President/Director Beijing Enterprises Medical and Health Industry Group Limited -- Executive Director ABILITY ENTERPRISE CO., LTD. -- Director	<ol style="list-style-type: none"> Not involved in the circumstances specified in the provisions of paragraph 3 and 4 of Article 26-3 of the Securities and Exchange Act. Not involved in the circumstances specified in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. In the past two years, there has been no remuneration received for providing commerce, legal, financial, accounting and other services to the Company or other affiliates. 	2

Note 1: Please specify in the form the relevant tenure, professional qualifications and experience and independence of members of the Compensation Committee. If they are independent directors, please make a note to refer to Table 1 on page 00 on directors and supervisors' Information (1). For the title, please fill independent directors or others (please add a note for convener) in the column.

Note 2: Professional qualifications and experience: Describe the professional qualifications and experience of each individual compensation committee member.

- Note 3: Status of independence: Describe the independence of members of the Compensation Committee, including but not limited to whether such person, their spouse or a relative within the second degree of kinship are serving as directors, supervisors or employees of the Company or its affiliates; the number of shares and the shareholding percentage held by the person, their spouse or a relative within the second degree of kinship (or in the name of others); whether the person is serving as a director, supervisor or employee of a company that has a specific relationship with the Company (please refer to Subparagraph 5 to 8, Paragraph 1 of Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter); and the amount of remuneration received by providing the Company or its affiliates with business, legal, financial, accounting and other services.
- Note 4: For disclosure methods, please refer to the Best-Practice Examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange Corporation
- Note 5: Committee member Chih-Hung Chang is the convener of the Remuneration Committee.

2. Operations of the Remuneration Committee

(1) The Remuneration Committee has 3 members.

(2) The term duration of office of the current members is from July 10, 2023 to June 30, 2026. The Remuneration Committee held a total of 3 meetings (A) in the most recent year (2023) and up to the date of this annual report. The qualifications and attendance of the committee members are shown as follows:

Job title	Name	Actual Attendance in Person (B)	Attendance by Substitution	Actual attendance ratio (%) (B/A) (Note)	Remarks
Convener	Chih-Hung Chang	3	-	100%	Re-elected
Committee member	Ju-Chun Tsai	2	-	66.67%	Re-elected
Committee member	Hsiang-Chi Hu	3	-	100%	Re-elected

Other matters to be recorded:

I. If the Board of Directors does not adopt or amend the recommendations from the Salary and Remuneration Committee, it shall clarify the date, session, proposal content and resolution of the Board and how the Company handles the recommendations of the Committee (for example, the salary and remuneration approved by the Board are better than what the Committee recommended, and the differences and reasons should be clarified):

Session and Date of the Remuneration Committee Meeting	Content of Motions	Resolution and Response to Committee Members' Opinions
2023.12.18 1st meeting of the 5th term	1. 2023 year-end bonus standard for officers for the Company. 2. 2022 employee remuneration distributed to officers for the Company.	Unanimous vote by all attending committee members to approve the motion, which was approved by the board. Committee members' opinions: None
2024.01.29 2nd meeting of the 5th term	Make the employee stock option plan and the portion available to be subscribed by managers through the 2023 cash capital increase.	
2024.03.15 3rd meeting of the 5th term	1. 2023 remuneration distribution to employees and directors for the Company. 2. Approved the remuneration proposal for the new manager of the Company.	

II. If the Committee members have objections or reservations and there are records or written statements from the meetings, the date, term, content of motion, opinions of all members and the handling of their opinions shall be clearly stated: None.

Note:

- (1) If a member of the Remuneration Committee leaves before the year ends, the resignation date shall be indicated in the Remarks field. The percentage (%) of actual attendance in person shall be calculated based on the number of committee meetings held and the actual attendance in person.
- (2) If there is a re-election of the Remuneration Committee before the end of the year, both new and old members of the Committee should be listed, and the date of re-election should be indicated in the Remarks column. The percentage (%) of actual attendance shall be calculated based on the number of Remuneration Committee meetings held and the actual attendance in person.

Table 2-2-2

Status of promotion of sustainable development and the reasons for its differences from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies

Promotion Items	Implementation (Note 1)			Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for the differences
	Yes	No	Summary description (Note 2)	
I. Has the Company established a governance structure to promote sustainable development, and set up a dedicated (or one holding concurrent positions) unit to promote sustainable development, with the board authorizing the senior management to manage the organization which is supervised by the board?		✓	We have not established a dedicated (temporary) unit responsible for promoting sustainability. We require our departments to fulfill social responsibilities and maintain the operation of public welfare in line with their scope of duties, and pay attention to enterprise sustainability in daily operating activities.	Will establish it depending on the situation in the future
II. Does the Company conduct risk assessments of environmental, social, and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (Note 2)	✓		We have formulated the "Sustainable Development Best-Practice Principles," "Procedures for Handling Material Inside Information and Management Procedures for Preventing Insider Trading," "Codes of Ethical Conduct," etc., to grasp and respond to risks involving the environment, employee safety, clients, suppliers and various stakeholders related to the operations through the continuous running of our management procedures.	Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
III. Environmental issues (I) Has the Company set an environmental management system designed to industry characteristics?	✓		(I) We value the management of environmental protection and safety and health, and set zero-pollution to the environment and zero-disaster in workplace safety as our objectives. The production process of all products strictly controls factors that may cause pollution, and the discharge of wastewater and waste complies with relevant regulatory standards.	Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

Promotion Items	Implementation (Note 1)			Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for the differences
	Yes	No	Summary description (Note 2)	
(II) Is the Company committed to improving energy efficiency and to the use of renewable materials with low environmental impact?	✓		(II) In response to issues of climate change mitigation and adaptation and sustainable use of resources, we implement energy conservation and carbon reduction and promote use of renewable resources. In order to reduce carbon emissions generated during the construction process, we choose recyclable building materials, or those that come from natural resources (such as wood). We hope that we can achieve the goal of zero carbon emissions in the buildings that we construct.	Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
(III) Does the Company evaluate the potential risks and opportunities of climate change to the Company now and in the future, and take corresponding measures?	✓		(III) The Company is committed to reducing the energy consumption of buildings first, and then providing the required renewable energy. It is necessary to have a comprehensive and systematic energy conservation approach of outer buildings, air conditioning and lighting, and then added with energy monitoring and management systems to achieve the goal of energy conservation with confidence.	Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
(IV) Has the Company compiled the greenhouse gas emissions, water consumption and total weight of waste the past two years and established management policies for energy saving and reduction of greenhouse gas emission, water consumption and other wastes?	✓		Climate change is closely related to buildings. Buildings under construction or in restoration require a lot of energy input, which indirectly causes GHG emissions and speeds up climate change. The impact also includes the subsequent energy consumption and carbon emissions of the buildings themselves. Therefore,	Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

Promotion Items	Implementation (Note 1)			Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for the differences
	Yes	No	Summary description (Note 2)	
			buildings have a role in the reduction of greenhouse gases that cannot be ignored. We value the innovation put into buildings, such as those that can take into account extreme climate, energy conservation, carbon emissions reduction and safety.	
IV. Social issues (I) Does the Company establish policies and procedures in compliance with regulations and internationally recognized human rights principles?	✓		(I) We abide by the relevant labor laws, and have formulated management rules and regulations, and disclose relevant information through public channels, so that employees fully understand the information, further protecting their legitimate rights and interests. We also respect the principles of basic human rights recognized internationally. Our employment policies have no discrimination, and we have not been involved in incidents that endanger the basic rights of workers.	Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
(II) Has the Company established and implemented reasonable employee welfare measures (including remuneration, vacation and other benefits) and appropriately reflected the business performance or results in the employee remuneration policy?	✓		(II) We establish our pay standards for employees based on the market conditions, the Company's financial position and organizational structure. The main items of employee remuneration include basic salary (such as basic pay, food allowance and other allowances) and year-end bonus. The year-end bonus is paid based on employees' personal performance appraisal. We also have established an employee welfare committee and labor education work groups to organize team building activities and other non-work-related courses to maintain the	Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

Promotion Items	Implementation (Note 1)			Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for the differences
	Yes	No	Summary description (Note 2)	
			relationship between employees and improve cohesion. We offer leaves that comply with the requirements of the Labor Standards Act and the Act of Gender Equality in Employment. For employees with outstanding performance, we also offer good promotion opportunities and various types of bonuses, as remunerations are tied to their work performance.	
(III) Has the Company provided employees with a safe and healthy work environment and regularly conducted safety and health training?	✓		(III) In order to provide employees with a safe and healthy work environment, we regularly organize industrial safety training and questionnaires for employees to survey their physical conditions, and also arrange health checks to track the physical and mental health of all employees.	Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
(IV) Has the Company established an effective career development training program for employees?	✓		(IV) The Company conducts internal education and training for various departments, and dispatches employees to external organizations for training from time to time. Through the implementation of our training plans, employees can effectively cultivate their professional skills in their current positions and future career paths.	Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
(V) Has the Company complied with the relevant regulations and international standards and formulated policies for protection of consumers and clients' rights and interests and grievance procedures with respect to consumer health and	✓		(V) The Company values customer opinions. In addition to paying visits, the Company provides grievance channels for customers' complaints and suggestions on the company website and e-mail to protect customers' rights and interests.	Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

Promotion Items	Implementation (Note 1)			Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for the differences
	Yes	No	Summary description (Note 2)	
safety, customer privacy, marketing and labeling of products and services?				
(VI) Has the Company established supplier management policies which require suppliers to comply with regulations on environmental protection, occupational safety and health or labor rights, and reported the implementation?	✓		(VI) We have formulated supplier management policies. We investigate and assess suppliers to see whether they comply with the relevant environmental protection and occupational safety and health regulations before they become our qualified suppliers. We conduct regular evaluation of suppliers.	Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
V. Has the Company referred to international reporting standards or guidelines in its preparation of sustainability reports and other reports which disclose the Company's non-financial information? Have the abovementioned reports obtained the verification or assurance opinions from third-party certification organizations?		✓	The Company has compiled CSR reports and other reports that disclose our non-financial information of KPMG Taiwan in 2023.	Comply with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
VI. If the Company has established its own sustainability code based on the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation in the Company: The board meeting held on March 9, 2022 approved our own "Sustainable Development Best-Practice Principles" based on the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies. In fulfilling corporate social responsibilities, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.				

Promotion Items	Implementation (Note 1)		Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for the differences
	Yes	No	
VII. Other important information for facilitating the understanding of sustainability and its implementation: The Company has achieved outstanding results in the consignment and development businesses of the real estate industry. In creating profits, we at the same adhere to the philosophy of “Giving back to the society” to fulfill our corporate citizenship. We have formulated the “Corporate Governance Best-Practice Principles,” “Ethical Corporate Management Best-Practice Principles” and the “Corporate Social Responsibility Best-Practice Principles.” We also focus on corporate governance, employee care, environmental sustainability, social welfare and other fields, and take steps in fulfilling our responsibilities to our shareholders, the society and the environment, further improving our value and reinforcing the foundation for our competitive advantages.			

Note 1: If the status of operation is checked “Yes”, please explain the key policies, strategies, measures and implementations adopted. If checked “No”, please explain the differences and reasons under the field “Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons” and specify relevant policies, strategies and measures to be adopted in the future.

Note 2: The materiality principle refers to the environmental, social and corporate governance issues which have a significant influence on the Company’s investors and other interested parties.

(V) Fulfillment of social responsibility and differences from the Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies and reasons for differences:

Issues to be Assessed	Implementation Status		Differences from the Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies and reasons for differences
	Yes	No	
<p>I. Establish corporate conduct and ethics policy and implementation measures</p> <p>(I) Does the company establish ethical management policies approved by the board and have bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures and the commitment regarding the implementation of such policy from the board and the executive management team?</p>	✓		No significant differences.
<p>(II) Has the Company established a risk assessment mechanism against unethical conduct, analyzed and assessed on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and established prevention programs accordingly which at least cover the prevention measures against the conducts listed in Paragraph 2, Article 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies?</p>	✓		
<p>(III) Has the Company defined operating procedures, conduct guidelines, disciplinary penalties and grievance process in the program preventing unethical conduct and put them in practice, and regularly reviewed and amended the program?</p>	✓		

Issues to be Assessed	Implementation Status			Differences from the Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies and reasons for differences
	Yes	No	Summary Description	
			complaint channels for violations and the underlying basis to facilitate ethical corporate management. We also review and revise the Codes of Ethical Conduct when necessary.	
II. Practice ethical operations				
(I) Does the company assess the ethics records of whom it has business relationships with and include business conduct and ethics related clauses in the business contracts?	✓		(I) We adhere to the principles of fairness and transparency in conducting our business activities. When signing contracts with other parties, we have legal personnel review the contract terms and improve the relevant provisions of clauses on ethics.	No significant differences.
(II) Has the Company established a specialized unit under the board responsible for the promotion of corporate ethics management, which regularly (at least once a year) reports policies on ethical operations, programs on prevention of unethical conduct and the status of supervision to the board?	✓		(II) We have established an audit unit subordinate to the board of directors, which is responsible for checking whether there is any violation of ethics internally. In accordance with the Ethical Operations Management Best-Practice Principles and related standards, we inspect the implementation, interpretation, and consultation of various departments for ethical management, and report the findings to the board of directors.	
(III) Does the Company establish policies to prevent conflict of interest, provide appropriate communication and complaint channels and implement such policies properly?	✓		(III) Our “Regulations Governing Procedure for Board of Directors Meetings” have established protocols for recusal of directors due to conflict of interests. When a director attending or present at a board meeting, or the juristic person represented thereby, has a stake in a proposal at the meeting, that director,	

Issues to be Assessed	Implementation Status		Differences from the Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies and reasons for differences
	Yes	No	
<p>(IV) Has the Company established an effective accounting and internal control system to put ethical operations management into practice and arranged for the internal audit unit to formulate audit plans based on the risk assessment of unethical conduct and audit the compliance to prevent unethical conduct, or commissioned independent auditors to conduct the audit?</p>	✓		<p>supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of this Corporation would be prejudiced, may not participate in the discussion or vote on that proposal, and shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The Board of Directors and the management team shall actively follow and implement the Regulations.</p> <p>(IV) We have established an effective accounting system and internal control system, and employees can communicate with auditors through e-mail or LINE. Our internal auditors regularly conduct audits in accordance with the audit plans, report to the Board of Directors and follow up on improvements to ensure the implementation of ethical management and prevent fraud. The head of internal audit regularly attends the board meetings and the Audit Committee meetings and provides audit reports.</p>
<p>(V) Does the Company provide internal and external ethical conduct training programs on a regular basis?</p>	✓		<p>(V) We disseminate the information on ethical management at management meetings from time to time, and send our audit personnel and specialists in the shareholder service unit to external</p>

Issues to be Assessed	Implementation Status			Differences from the Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies and reasons for differences
	Yes	No	Summary Description	
			training courses, so that they can learn about the importance of philosophy and standard of ethical management.	
III. Operations of the Company's grievance reporting system	✓		(I) We have set up grievance filing channels on our internal and external websites to accept reporting of any illegal or unethical incidents. The internal audit unit is responsible for the investigation, and the identity of the whistleblowers and the content of the reports are kept confidential.	No significant differences.
(I) Does the Company establish specific whistleblowing and reward procedures, set up conveniently accessible whistleblowing channels and designate responsible individuals to handle the complaints received?	✓		(II) We have set up grievance filing systems on our internal and external websites to accept reporting of any illegal or unethical incidents. The internal audit unit is responsible for the investigation, and the identity of the whistleblowers and the content of the reports are kept confidential.	
(III) Does the Company adopt proper measures to shield a whistleblower from retaliation for filing grievances? Reports policies on ethical operations, programs on prevention of unethical conduct and the status of supervision to the board?	✓		(III) We adopt absolute confidentiality measures to protect whistleblowers from any threats and reprisals. During the investigation, the name of the whistleblowers is kept anonymous.	
IV. Enhance information disclosure Does the Company disclose its Ethical Corporate Management Best-Practice Principles as well as information about implementation of such guidelines on its website and the Market Observation Post	✓		Both our websites and annual report disclose the content of principles on ethical management. Our channels for information disclosure grievance filing are considered adequate. Information disclosed to the general	No significant differences.

Issues to be Assessed	Implementation Status		Differences from the Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies and reasons for differences
	Yes	No	
System?			public can be found on the MOPS and the Company's website.
<p>V. If the company has established its own Ethical Corporate Management Best-Practice Principles based on the 'Ethical Corporate Management Best-Practice Principles for the Listed Companies', please describe any difference between the policies and their implementation in the Company:</p> <p>The Company has formulated a code of business integrity, and carried out standardized implementation and regular review through a complete internal control system and various management methods with no significant differences.</p>			
<p>VI. Other important information to facilitate better understanding of the Company's corporate conduct and ethics compliance practices (such as reviewing and amending the Company's existing Ethical Corporate Management Best-Practice Principles):</p> <p>(I) We comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, regulations relevant to publicly listed or OTC companies or other laws or regulations regarding commercial activities, as the underlying basis to facilitate ethical corporate management.</p> <p>(II) Our "Regulations Governing Procedures for Board of Directors Meetings" have established protocols for recusal of directors due to conflicts of interest. When a director attending or present at a Board meeting, or the juristic person represented thereby, has a stake in a proposal at the meeting, that director, supervisor, officer, or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of this Corporation would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director.</p> <p>(III) The Ethical Operations Management Best-Practice Principles state that directors, supervisors, managers, employees, and mandataries shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty for purposes of acquiring or maintaining interests.</p> <p>(IV) Succession planning for members of the board of directors and key management personnel: Based on the Company's development direction and goals, we have succession plans which require successors to have professional capabilities in the areas of construction and consignment and the personality traits of ethics and value that align with the Company.</p>			

(VI) Status of the Company's practice of ethical management and differences from the Ethical Corporate Management Best-Practice Principles for the Listed Companies and reasons for discrepancies:

Issues to be Assessed	Implementation Status		Differences from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for the differences
	Yes	No	
I. Establish corporate conduct and ethics policy and implementation measures (I) Does the company establish ethical management policies approved by the Board of Directors and have bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures and the commitment regarding the implementation of such policy from the Board and the executive management team?	✓	(I) We have formulated the "Ethical Corporate Management Best-Practice Principles", and our internal audit unit is responsible for the formulation and supervision of the ethical management policy and control plans, and reporting to the Board of Directors on a regular basis.	No significant differences.
(II) Has the Company established a risk assessment mechanism against unethical conduct, analyzed and assessed on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and established prevention programs accordingly which at least cover the prevention measures against the conducts listed in Paragraph 2, Article 7 of the "Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies"?	✓	(II) We have formulated and implemented the "Ethical Corporate Management Best-Practice Principles", and our internal audit unit include the matters concerning unethical behaviors in the audit process.	
(III) Has the Company defined operating procedures, conduct guidelines, disciplinary penalties and grievance process in the program preventing unethical conduct and put them in practice, and regularly reviewed and amended the program?	✓	(III) In order to ensure the implementation of ethical management, the Company adopts the audit practices of the internal audit unit to prevent the occurrence of unethical business activities and acceptance and offering of bribes.	
II. Practice ethical operations (I) Does the Company assess the ethics records of whom it has business relationship with and include business	✓	(I) We adhere to the principles of fairness and transparency in conducting our business activities.	No significant differences.

Issues to be Assessed	Implementation Status		Differences from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for the differences
	Yes	No	
conduct and ethics related clauses in the business contracts?			
(II) Has the Company established a specialized unit under the board responsible for the promotion of corporate ethics management, which regularly (at least once a year) reports policies on ethical operations, programs on prevention of unethical conduct and the status of supervision to the board?		✓	Will establish the unit depending on the situation in the future.
(III) Does the Company establish policies to prevent conflict of interest, provide appropriate communication and complaint channels and implement such policies properly?	✓		No significant differences.
(IV) Has the Company established an effective accounting and internal control system to put ethical operations management into practice and arranged for the internal audit unit to formulate audit plans based on the risk assessment of unethical conduct and audit the compliance to prevent unethical conduct, or commissioned independent auditors to conduct the audit?	✓		No significant differences.

Issues to be Assessed	Implementation Status			Differences from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons for the differences
	Yes	No	Summary Description	
(V) Does the Company provide internal and external ethical conduct training programs on a regular basis?	✓		(V) The Company organizes various lectures from time to time to promote the importance of character and ethics. Currently, we do not offer external training programs.	
III. Operations of the Company's grievance reporting system (I) Does the Company establish specific whistleblowing and reward procedures, set up conveniently accessible whistleblowing channels and designate responsible individuals to handle the complaints received?	✓		(I) The Board meeting held on March 30, 2020 approved the formulation of the "Management Measures for Whistleblowing Process", and designated audit personnel to be responsible for maintaining the process.	
(II) Does the Company establish standard operating procedures for investigating the complaints received, follow-up measures to be adopted and the related confidentiality measures after investigation?	✓		(II) The "Management Measures for Whistleblowing Process" were formulated to put the "Ethical Corporate Management Best-Practice Principles" and the "Codes of Ethical Conduct" into practice, and serve as the reference for handling whistleblowing and punishment related to violations of ethical management and illegal activities.	No significant differences.
(III) Does the Company adopt proper measures to shield a whistleblower from retaliation for filing grievances?	✓		(III) (1) In order to protect whistleblowers, the Company shall handle the whistleblowing cases in a confidential manner. The identity of the whistleblowers will be kept absolutely confidential. If the relevant personnel handling the whistleblowing cases fail to fulfill the confidentiality obligation, they will be subject to the Company's rules on punishment, and should immediately be removed from the duty of handling the cases. (2) If the whistleblower is an internal employee, the position and salary of the whistleblower	

Issues to be Assessed	Implementation Status		Differences from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons for the differences
	Yes	No	
			shall not be treated unfavorably. The ongoing employment contract shall not be terminated or changed, and the whistleblower shall not be coerced, insulted or harassed, so as to protect the safety of personal life and property, right to work and economic rights.
IV. Enhance information disclosure Does the Company disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website and the Market Observation Post System?			We have disclosed the relevant measures of the “Ethical Corporate Management Best-Practice Principles” on our website, and the status of implementation has been disclosed on the annual reports.
V. If the company has established its own “Ethical Corporate Management Best-Practice Principles” based on the “Ethical Corporate Management Best-Practice Principles for the Listed Companies”, please describe any difference between the policies and their implementation in the Company: the Company has established Ethical Corporate Management Best-Practice Principles and there are no significant differences displayed between operation and Principles.			No significant differences.
VI. Other important information to facilitate better understanding of the Company’s corporate conduct and ethics compliance practices (such as reviewing and amending the Company’s existing Ethical Corporate Management Best-Practice Principles): (I) We comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, regulations relevant to publicly listed or OTC companies or other laws or regulations regarding commercial activities, as the underlying basis to facilitate ethical corporate management. (II) Our Regulations Governing Procedures for Board of Directors Meetings have established protocols for recusal of directors due to conflicts of interest. When a director attending or present at a Board meeting, or the juristic person represented thereby, has a stake in a proposal at the meeting, that director, supervisor, officer, or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of this Corporation would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. (III) The Ethical Operations Management Best Practice Principles state that directors, supervisors, managers, employees, and mandataries shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty for purposes of acquiring or maintaining interests. (IV) Succession planning for members of the board of directors and key management personnel: Based on the Company’s development direction and goals, we have succession plans which require successors to have professional capabilities in the areas of construction and consignment and the personality traits of ethics and value that align with the Company.			
(VII) If the Company has adopted corporate governance best-practice principles or the related bylaws, disclose how they can be found: We have formulated the “Corporate Governance Best Practice Principles” and disclosed the relevant information on finances and businesses on the MOPS in accordance with the			

regulations of the competent authority and the status of corporate governance on our website. We have also formulated the “Codes of Ethical Conduct” and the “Ethical Corporate Management Best-Practice Principles” for compliance, which can be accessed with the following methods:

We have formulated the Corporate Governance Best-Practice Principles and disclosed the relevant information on finances and businesses on the MOPS in accordance with the regulations of the competent authority and the status of corporate governance on our website. We have also formulated the “Codes of Ethical Conduct” and the “Ethical Corporate Management Best-Practice Principles” for compliance, which can be accessed with the following methods:

1. Click “Investor” section on our website (at <https://www.isanlin.com/>), and click “Important Rules and Regulations” under “Corporate Governance” to inquire about the relevant rules and regulations.
2. Click “Corporate Governance” section in the Market Observation Post System website (at <http://mops.twse.com.tw>), and click “Important Rules and Regulations” to inquire about the relevant rules and regulations. (VIII) Other important information that will provide a better understanding of the status of the Company’s implementation of corporate governance may also be disclosed: We disclose material information on the Market Observation Post System in accordance with the regulations of the competent authority and the relevant information on corporate governance on the Company’s official website.

(IX) Status of implementation of the Company's internal control protocols

1. Statement on Internal Control

JSL Construction & Development Co., Ltd.

Statement on Internal Control

Date: March 15, 2024

We declare the 2023 internal control protocols based on the results of self-evaluation as follows:

- I. The Company's board and management are responsible for establishing, implementing and maintaining a proper internal control system. Our internal control is a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability of our financial reporting and compliance with applicable laws and regulations.
- II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and we take immediate remedial actions in response to any identified deficiencies.
- III. The Company evaluates the design and execution of its internal control system based on the criteria specified in "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "The Governing Principles") to determine whether or not the existing policies continue to be effective. The criteria adopted by the "Governing Principles" identify five key components of managerial internal control: 1. Control environment. 2. Risk assessment. 3. Control activities. 4. Information and communication. 5. Monitoring. Each component has its own items. Please see the Governing Principles for details.
- IV. We have evaluated the design and operating effectiveness of our internal control system according to the aforementioned Regulations.
- V. Based on the assessments described above, the Company considers the design and execution of its internal control system to be effective as at December 31, 2023. This system (including the supervision and management of subsidiaries) has provided assurance with regards to the Company's operational results, target accomplishments, reliability, timeliness and transparency of reported financial information, and its compliance with relevant laws.
- VI. This Statement will be an integral part of the Company's annual report and prospectus and will be made public. Any falsehood, concealment or other illegality in the content made public will entail legal liability under Article 20, 32, 171 and 174 of the Securities and Exchange Act.
- VII. This Statement has been approved by the Board in the meeting held on March 15, 2024, with none of the 5 directors present expressing dissenting opinion, and the remainder all affirming the content of this Statement.

JSL Construction & Development Co., Ltd.

Chairman: Wen-Yu Chu Signature

President: Ching-Tsai Chang Signature



2. If the Financial Supervisory Commission of the Executive Yuan requires the Company to entrust the CPAs to review the internal control protocols, the review report from the CPAs shall be disclosed: None.

(X) For the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, disclose any sanctions imposed in accordance with the law upon the Company or its internal personnel, any sanctions imposed by the Company upon its internal personnel for violations of internal control system, principal deficiencies, and the state of any efforts to make improvements: Not applicable.

(XI) Important resolutions of a shareholders' meeting or a Board of Directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

1. Important resolutions of the annual general meeting of shareholders of the most recent year and the status of implementation:

Meeting Name	Date	Key Resolutions	Implementation
Annual General Meeting	2023.06.30	<ol style="list-style-type: none"> 1. Ratification of the 2022 business report and financial statements. 2. Ratification of 2022 profit distribution statement. 3. Approved the capitalization of profits and capital reserve for issue of new shares. 4. Approved amendment to provisions of the "Articles of Incorporation". 5. Present the proposal of capitalization of profits and capital surplus by issuing new shares for discussion. 	All proposal have been completed in accordance with the resolutions of the shareholders' meeting.

2. Key resolutions of the Board of Directors in the most recent year up to the publication date of the annual report

Meeting Name	Date	Key Resolutions
Board of Directors	2023.05.11	<ol style="list-style-type: none"> 1. Approved the Company entrusting the 100% subsidiary Chuwang Development Co., Ltd. to undertake the contracting of new construction (8-1) in The Paradise in Hsinchu. 2. Approved the Company entrusting the 100% subsidiary Chuwang Development Co., Ltd. to undertake the contracting of new construction (8-2) in The Paradise in Hsinchu. 3. Approved the Company entrusting the 100% subsidiary Chuwang Development Co., Ltd. to undertake the contracting of new construction (8-3) in The Paradise in Hsinchu. 4. Approved the Company entrusting the 100% subsidiary Chuwang Development Co., Ltd. to undertake the contracting of new construction (9-1) in The Paradise in Hsinchu. 5. Approved the Company entrusting the 100% subsidiary Chuwang Development Co., Ltd. to undertake the contracting of new construction (8-1) in Banqiao District, New Taipei City (River Palace 6). 6. Approved the Company entrusting the 100% subsidiary Jiatai Construction Co., Ltd. to undertake the contracting of new construction (The Castle) in Nuannuan District, Keelung City. 7. Approved the capital increase of 100% subsidiary Chuwang Development Co., Ltd. 8. Approved the application to banks for extension and adding of line of credit. 9. Approved the joint credit granting bank group with Taipei Fubon Commercial Bank and Agricultural Bank of Taiwan as the organizer.
Board of Directors	2023.07.10	<ol style="list-style-type: none"> 1. Approved the selection of Chairman of the Company 2. Approved the appointment of members of the fifth Salary and Remuneration Committee. 3. Approved the change to the development plans of the 8 land lots in No.172, Wuguwang Section, Sanchong District in New Taipei City.

		<ol style="list-style-type: none"> 4. Approved the change to the development plans of the 9 land lots in No.327, Wuguwang Section, Sanchong District in New Taipei City. 5. Approved the application to banks for adding and renewal of line of credit.
	2023.08.10	<ol style="list-style-type: none"> 1. Approved consolidated financial statements for Q2 2023 2. Approved the issue of new shares through capitalization of profit and capital reserve and authorizing the Chairman to set the record date and payment date for stock and cash dividends. 3. Approved profit and distribution of cash from capital surplus. 4. Approved the Company entrusting the 100% subsidiary Chuwang Development Co., Ltd. to undertake the contracting of new construction "City Hall No. 3" in Sanchong District of New Taipei City. 5. Approved the issuance of the 2023 1st series secured corporate bonds. 6. Approved the application to banks for adding and renewal of line of credit.
Board of Directors	2023.11.10	<ol style="list-style-type: none"> 1. Approved consolidated financial statements for Q3 2023 2. Approved domestic 2023 cash capital increase through issue of new shares. 3. Approved revisions to the Company's "Organizational Structure Chart". 4. Approved the appointment and dismissal of the Head of Information Security. 5. Approved the Company entrusting the wholly 100% subsidiary Chuwang Development Co., Ltd. to undertake the contracting of new construction (9-2) in The Paradise in Hsinchu. 6. Approved the application to banks for adding and renewal of line of credit.
Board of Directors	2023.12.18	<ol style="list-style-type: none"> 1. Approved the 2024 business plan and budget. 2. Approved the 2024 annual internal audit operation. 3. Approved amendment to provisions of the "Articles of Incorporation". 4. Approved amendment to provisions of the "Shareholders' Meeting Rules of Procedures". 5. Approved the 2023 employee remuneration distributed to officers. 6. Approved the 2023 year-end bonus standard for officers. 7. Approved the renewal of directors and officers' liability insurance policies. 8. Approved the Company's transfer of the investment real estate "No.128 Building on Longjiang Road" to fixed assets. 9. Approved the Company's change of the issue amount by cash capital increase. 10. Approved the change of the Company's contracting of new construction (The Castle) in Nuannuan District, Keelung City. 11. Approved the application to financial institutions for adding and extension of line of credit.
Board of Directors	2024.01.29	<ol style="list-style-type: none"> 1. Approved the application to banks for adding and renewal of line of credit. 2. Approved authorizing the Chairman to set the record date and payment date for stock and cash dividends. 3. Approved the change to the development plans of the land lots in New Taipei City. 4. Approved the land purchase and joint construction project in New Taipei City. 5. Approved the formulation of the GHG inventory and verification scheduling according to the Sustainable Development Roadmap for TWSE/TPEx Listed Companies announced by the Financial Supervisory Commission in March 2022.
Board of Directors	2024.02.05	Approved land purchase in New Taipei City.
Board of Directors	2024.03.15	<ol style="list-style-type: none"> 1. Approved the application to banks for adding and renewal of line of credit. 2. Approved the Company's application to the 100% subsidiary Chuwang Development Co., Ltd. for financing. 3. Approved the change to the original land purchase and change of area of joint construction and added area in New Taipei City approved by the Board. 4. Approved the land development project in New Taipei City and the split ownership in part of the land lots. 5. Approved the Company entrusting the 100% subsidiary Chuwang

		Development Co., Ltd. to undertake the contracting of new construction “City Hall No. 1” in Sanchong District of New Taipei City.
Board of Directors	2024.04.29	<ol style="list-style-type: none"> 1. Approved the 2023 annual profit distribution. 2. Approved profits and capital reserve for issue of new shares. 3. Approved distribution of cash from capital surplus. 4. Approved the increase of the contracting amount for the renovation of Longjiang Road in Taipei City. 5. Approved the application to banks for adding and renewal of lines of credit. 5. Approved the additions and changes to the 2024 annual shareholders’ meeting.

(XII) Where, during the most recent fiscal year and up to the date of this annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None.

(XIII) A summary of resignations and dismissals, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, of the Company’s Chairman, president, principal accounting officer, principal financial officer, chief internal auditor and principal research and development officer: None.

V. Audit fee of independent auditors

Audit fee of independent auditors

Unit: In NT\$1,000

Name of Accounting Firm	Name of Accountant	Audit Period	Audit Service	Non-Audit Service	Total	Remarks
KPMG Taiwan	Shih-Chin Chih	2023.01.01~2023.12.31	2,860	2,115	4,975	
	Hsin-Ting Huang					

Please specify the details on the fees of non-audit services: (such as attestation of tax compliance, assurance or other financial consulting services)

Note: If the Company has changed its accountants or accounting firm this year, the audit periods should be listed separately, and the reason for the change should be explained in the Remarks field. The audit and non-audit fees paid should also be disclosed in order. Non-audit fees should be accompanied by a note explaining the content of services.

- (I) If the non-audit fee paid to the certified accountant, the firm of the certified accountant and its affiliated institution is more than a quarter of the audit fee, the amount of audit fee and non-audit fee as well as the content of non-audit services shall be disclosed.
Content and amount of non-audit services: Attestation of tax compliance for NT\$740 thousand; ESG consultancy service for NT\$700 thousand; business registration service for NT\$170 thousand; review opinions on corporate bonds for NT\$30 thousand; protocol procedure for NT\$45 thousand; checklist of non-executive salary for NT\$60 thousand; report on affiliates for NT\$10 thousand; and translation of financial reports for NT\$360 thousand.
- (II) Changes in the accounting firm that result in lesser audit fees paid in comparison to the previous year, and disclosure for the change in audit fee, and the reason for the change: None.
- (III) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 15% or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: The fees for attestation of tax compliance were reclassified to non-audit services in accordance with the law.

VI. Information on change of accountants:

Starting Q1 2023, due to the internal job rotation at KPMG Taiwan, the CPAs were changed from Maggie Chang and Hsin-Ting Huang to Shih-Chin Chih and Hsin-Ting Huang.

VII. If the Chairman, president and managers in charge of the Company's finance and accounting operations held any positions within the Company's independent audit firm or its affiliates during the past one year: None.

VIII. Information on top ten shareholders and their mutual relationship

April 30, 2024

Name	Shareholding		Shareholding of Spouse and Minor Children		Shares Held in the Name of Others		Title, name and relationship of the top ten shareholders who have mutual relationship as spouse or blood relative within the second degree		Remarks
	Number of Shares	Ownership	Number of Shares	Ownership	Number of Shares	Ownership	Title (or name)	Relationship	
Chu Yuan Industrial Co., Ltd. Representative: Wen-Yu Chu	76,773,228	18.43%	—	—	—	—	—	—	—
Fengyun Advertising Co., Ltd. Representative: Yi Chu	75,484,446	18.12%	—	—	—	—	Wen-Yu Chu Ying-Chu Chang	Parent	—
Jaysanlyn Advertising Co., Ltd. Representative: Ying-Chu Chang	68,139,308	16.36%	—	—	—	—	Wen-Yu Chu Yi Chu	Spouse Mother-son	—
Yangshanlin Advertising Co., Ltd. Representative: Yi Chu	45,495,648	10.92%	—	—	—	—	Wen-Yu Chu Ying-Chu Chang	Parent	—
Wen-Yu Chu	36,876,750	8.85%	746,550	0.18%	—	—	Ying-Chu Chang Yi Chu	Spouse Father-son	—
Rui-Yang Development Co., Ltd. Representative: Yi-Chen Wu	6,770,000	1.62%	—	—	—	—	—	—	—
Chuyi Industrial Co., Ltd. Representative: Yi Chu	6,198,669	1.49%	—	—	—	—	Wen-Yu Chu Ying-Chu Chang	Parent	—
Humble House Hotel Co., Ltd. Representative: Ying-Li Lai	4,300,000	1.03%	—	—	—	—	None	None	—
Han-Hsi Investment Co., Ltd. Representative: Po-Han Tsai	3,410,609	0.82%	—	—	—	—	None	None	—
DA-CIN CONSTRUCTION CO., LTD. Representative: Ren-Jheng, Wang	2,655,963	0.64%	—	—	—	—	None	None	—

Note 1: All the top ten shareholders shall be listed, with the corporate shareholders listing the name of the legal entity and the representative separately.

Note 2: The calculation of shareholding percentage refers to the shares owned under one's name, or the name of their spouse or minor children or held in the name of others.

Note 3: The shareholders listed in the previous disclosure, including the legal persons and natural persons, shall disclose their mutual relationship in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

IX. Changes in the transfer or pledge of shares by directors, supervisors, officers, and shareholders holding over 10% of the outstanding shares in the previous year and by the date of report publication:

(I) Changes in shareholding of directors, supervisors, officers and principal shareholders

Job title	Name	2022		2023		As of April 30, 2024	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares	Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares	Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares
Chairman	Wen-Yu Chu (Note 1)	24,645,738	—	(16,542,250)	5,400,000	(4,631,000)	(850,000)
Juridical person director and principal shareholder	Chu Yuan Industrial Co., Ltd.	20,419,228	4,600,000	23,064,802	3,600,000	1,875,000	2,600,000
Representative of juridical person director	Wen-Yu Chu (Note 1)	24,645,738	—	(16,542,250)	5,400,000	(4,631,000)	(850,000)
Juridical person director and principal shareholder	Fengyun Advertising Co., Ltd. (Note 2)	19,698,406	—	35,933,346	2,300,000	1,250,000	3,100,000
Representative of juridical person director	Ching-Tsai Chang (Note 2)	(8,088,300)	—	—	—	—	—
Juridical person director and principal shareholder	Jaysanlyn Advertising Co., Ltd. (Note 3)	Not applicable	Not applicable	43,078,540	10,900,000	1,125,000	1,490,000
Representative of juridical person director	Ying-Chu Chang (Note 4)	(3,740,760)	1,650,000	(5,918,450)	—	—	—
Juridical person director	Yangshanlin Advertising Co., Ltd. (Note 5)	Not applicable	Not applicable	10,676,495	4,280,000	5,333,023	6,800,000
Representative of juridical person director	Yi Chu (Note 6)	Not applicable	Not applicable	—	—	—	—
Juridical person director	Yi-Feng International Development Co., Ltd. (Note 7)	8,876	—	(30,000)	—	—	—
Representative of juridical person director	Mao-Yen Hsu (Note 7)	—	—	—	—	—	—

Job title	Name	2022		2023		As of April 30, 2024	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares	Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares	Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares
Chairman	Wen-Yu Chu (Note 1)	24,645,738	—	(16,542,250)	5,400,000	(4,631,000)	(850,000)
Independent Director	Hsiang-Chi Hu	—	—	—	—	—	—
Independent Director	Ju-Chun Tsai	—	—	—	—	—	—
Independent Director	Chih-Hung Chang	—	—	—	—	—	—
Principal financial and accounting officer	Mei-Chin Yang	—	—	16,200	—	15,775	—

Note 1: Chairman Wen-Yu Chu was re-elected as the representative of juridical person director of Chu Yuan Industrial Co., Ltd. at the Annual Shareholders' Meeting on June 30, 2023.

Note 2: Fengyun Advertising Co., Ltd. was newly elected as a juridical person director of annual shareholders' meeting held on June 30, 2023.

Note 3: Jaysanlyn Advertising Co., Ltd. became a major shareholder holding more than 10% of shares in March, 2023; and was newly elected as a juridical person director of annual shareholders' meeting held on June 30, 2023.

Note 4: Mrs. Ying-Chu Chang was re-elected as the representative of juridical person director of Chu Yuan Industrial Co., Ltd. at the Annual Shareholders' Meeting held on May 5, 2021; and re-elected as the representative of juridical person director of Jaysanlyn Advertising Co., Ltd. at the Annual Shareholders' Meeting held on June 30, 2023.

Note 5: Yangshanlin Advertising Co., Ltd. was newly elected as a juridical person director at the annual shareholders' meeting held on June 30, 2023.

Note 6: Mr. Yi Chu was newly elected as the representative of juridical person director of Yangshanlin Advertising Co., Ltd. at the annual shareholders' meeting held on June 30, 2023, thereby calculating the disclosure of his equity from the date when newly elected.

Note 7: Representative and juridical person director of Yi-Feng International Development Co., Ltd.: Mr. Mao-Yen Hsu resigned at the Annual Shareholders' Meeting on June 30, 2023.

(II) Equity transfer information: No equity transfer with a related party.

(III) Equity pledge information: No equity pledge with a related party.

- X. The total number of shares and total equity stake held in any single enterprise by the Company, its directors and supervisors, officers, and any companies controlled either directly or indirectly by the Company:

April 30, 2024

Investee	Ownership by the Company		Ownership by Directors, Supervisors, Officers and Directly/Indirectly Owned Subsidiaries		Total Ownership	
	Number of Shares	Ownership	Number of Shares	Ownership	Number of Shares	Ownership
JSL Entertainment Co., Ltd.	3,600,000	100.00%	—	—	3,600,000	100.00%
JSL International Development Co., Ltd.	5,000,000	100.00%	—	—	5,000,000	100.00%
Shigang Construction & Development Co., Ltd.	30,000	100.00%	—	—	30,000	100.00%
JSL Food Art Creation Co., Ltd.	300,000	100.00%	—	—	300,000	100.00%
JSL Construction & Development Co., Ltd.	300,000	100.00%	—	—	300,000	100.00%
Chuwang Development Co., Ltd.	660,000	100.00%	—	—	660,000	100.00%

Note : Investment by the Company by using the equity method.

Four. Financing Activities

I. Capital and shares:

(I) Type of shares:

Unit: shares: NT\$

Type of Shares	Authorized Share Capital			Remarks
	Shares outstanding	Un-issued Shares	Total	
Common Stock	416,606,650	383,393,350	800,000,000	Shares of listed company

(II) History of capital formation:

Unit: shares: NT\$

Year and Month	Issue price	Authorized Share Capital		Paid-in Capital		Remarks		
		Number of Shares	Amount	Number of Shares	Amount	Source of capital	Capital Increase by Assets Other than Cash	Others
1986.09	10	2,000,000	20,000,000	2,000,000	20,000,000	Establishment and cash capital increase		
1987.01	10	8,000,000	80,000,000	8,000,000	80,000,000	Cash capital increase	-	-
1987.06	10	15,000,000	150,000,000	15,000,000	150,000,000	Cash capital increase	-	-
1988.11	10	27,400,000	274,000,000	27,400,000	274,000,000	Cash capital increase and capitalization of profit	-	-
1989.09	10	29,622,000	296,620,000	29,622,000	296,620,000	Capitalization of profit	-	Note 1
1990.08	10	40,062,000	400,620,000	40,062,000	400,620,000	Cash capital increase	-	Note 2
1990.11	10	46,083,386	460,833,860	46,083,386	460,833,860	Capitalization of profit	-	Note 3
1994.08	10	130,000,000	1,300,000,000	79,083,386	790,833,860	Cash capital increase	-	Note 4
1995.05	10	158,166,772	1,581,667,720	158,166,772	1,581,667,720	Cash capital increase	-	Note 5
1996.08	10	205,910,000	2,059,100,000	205,910,000	2,059,100,000	Capitalization of profit and capital reserve	-	Note 6
1997.08	10	350,000,000	3,500,000,000	350,000,000	3,500,000,000	Cash capital increase and capitalization of profit and capital reserve	-	Note 7
1999.10	10	385,000,000	3,850,000,000	385,000,000	3,850,000,000	Capitalization of capital reserve	-	Note 8
2001.04	10	380,000,000	3,800,000,000	380,000,000	3,800,000,000	Repurchase of treasury stock for capital reduction	-	Note 9
2004.05	10	380,000,000	3,800,000,000	379,465,000	3,794,650,000	Repurchased treasury stocks were not transferred to employees in three years, further reducing the capital	-	Note 10
2004.11	10	34,600,000	346,000,000	34,600,000	346,000,000	Capital reduction for offsetting losses	-	Note 11
2005.05	10	64,600,000	646,000,000	64,600,000	646,000,000	Cash capital increase through private placement	-	Note 12
2007.12	10	7,000,000	70,000,000	7,000,000	70,000,000	Capital reduction for offsetting losses	-	Note 13
2008.07	10	14,000,000	140,000,000	7,000,000	70,000,000	Increase total capital	-	Note 14
2013.05	10	14,000,000	140,000,000	14,000,000	140,000,000	Cash capital increase through private placement	-	Note 15
2013.11	10	56,600,000	566,000,000	56,600,000	566,000,000	Cash capital increase through private placement	-	Note 16
2013.12	10	96,600,000	966,000,000	96,600,000	966,000,000	Cash capital increase through private placement	-	Note 17
2014.11	10	50,000,000	500,000,000	146,600,000	1,466,000,000	Cash capital increase	-	Note 18
2021.11	10	300,000,000	3,000,000,000	161,260,000	1,612,600,000	Capitalization of capital reserve	-	Note 19
2022.10	10	500,000,000	5,000,000,000	266,079,000	2,660,790,000	Capitalization of profit and capital reserve	-	Note 20
2023.04	10	500,000,000	5,000,000,000	290,079,000	2,900,790,000	Cash capital increase		Note 21
2023.09	10	800,000,000	8,000,000,000	391,606,650	3,916,066,500	Capitalization of profit and capital reserve	—	Note 22
2024.04	10	250,000,000	8,000,000,000	416,606,650	4,166,066,500	Cash capital increase	-	Note 23

Note 1: Approved by 1989.09.04 (78) Tai-Tsai-Cheng (I) Document #01817.

Note 2: Approved by 1990.03.19 (79) Tai-Tsai-Cheng (I) Document #32126.

Note 3: Approved by 1990.11.05 (79) Tai-Tsai-Cheng (I) Document #03022.

Note 4: Approved by 1993.11.05 (82) Tai-Tsai-Cheng (I) Document #02465.

Note 5: Approved by 1995.02.08 (84) Tai-Tsai-Cheng (I) Document #53785.

Note 6: Approved by 1996.07.03 (85) Tai-Tsai-Cheng (I) Document #41613.

Note 7: Approved by 1997.07.28 (86) Tai-Tsai-Cheng (I) Document #55532.

Note 8: Approved by 1999.09.30 (88) Tai-Tsai-Cheng (I) Document #86001.

Note 9: Approved by 2001.03.01 (90) Tai-Tsai-Cheng (III) Document #106762.

Note 10: Approved by 2001.03.01 (90) Tai-Tsai-Cheng (III) Document #106762.

Note 21: Approved by 2023.04.12 Jing-Shang-Shou-Zi Document #11230059620.

Note 23: Approved by 2024.04.12 Jing-Shou-Shang-Zi Document #112330059060.

Note 11: Approved by 2004.10.19 Jin-Guan-Cheng-Yi-Zi Document #0930146553.

Note 12: Retroactive public issue three years after the delivery date.

Note 13: Approved by 2007.11.14 Jin-Guan-Cheng-Yi-Zi Document #0960056910.

Note 14: Approved by 2008.7.17 Fu-Chang-Yeh-Shang-Zi Document #09786455610.

Note 15: Approved by 2013.5.6 Fu-Chang-Yeh-Shang-Zi Document #10283619910.

Note 16: Approved by 2013.11.08 Jing-Shang-Shou-Zi Document #10201229060.

Note 17: Approved by 2013.12.03 Jing-Shang-Shou-Zi Document #10201243400.

Note 18: Approved by 2014.11.07 Jing-Shang-Shou-Zi Document #10301231530.

Note 19: Approved by 2021.11.12 Jing-Shang-Shou-Zi Document #11001208500.

Note 20: Approved by 2022.10.04 Jing-Shang-Shou-Zi Document #11101187960.

Note 22: Approved by 2023.09.23 Jing-Shou-Shang-Zi Document #11230185210.

(III) Information on the shelf registration: None.

(IV) Shareholder structure:

April 30, 2024

Shareholder structure Quantity	Government Agencies	Financial Institutions	Other Legal Persons	Individual	Foreign Institutions and Natural Persons	Total
Number of people	—	1	73	11,251	55	11,380
No. of Shares Held	—	18	327,876,439	81,008,560	7,721,633	416,606,650
Ownership	—	—	78.702%	19.445%	1.853%	100%

(V) Ownership dispersion:

1. Ownership dispersion of common shares

April 30, 2024

Shareholding Levels	Number of Shareholders	Number of Shares Held	Ownership
1 to 999	7,805	778,303	0.187%
1,000 to 5,000	2,601	4,704,355	1.129%
5,001 to 10,000	360	2,747,789	0.660%
10,001 to 15,000	162	2,034,912	0.488%
15,001 to 20,000	87	1,548,762	0.372%
20,001 to 30,000	110	2,728,521	0.655%
30,001 to 40,000	60	2,158,968	0.518%
40,001 to 50,000	30	1,372,537	0.329%
50,001 to 100,000	64	4,684,042	1.124%
100,001 to 200,000	38	5,516,491	1.324%
200,001 to 400,000	20	5,821,713	1.397%
400,001 to 600,000	15	7,553,337	1.813%
600,001 to 800,000	5	3,665,170	0.880%
800,001 to 1,000,000	3	2,595,361	0.623%
More than 1,000,001	20	368,696,389	88.500%
Total	11,380	416,606,650	100.00%

2. Ownership dispersion of preferred stock: None.

(VI) List of major shareholders (holding more than 5%):

April 30, 2024

Name of Major Shareholders	No. of Shares Held	Ownership
Chu Yuan Industrial Co., Ltd.	76,773,228	18.428%
Fengyun Advertising Co., Ltd.	75,484,446	18.118%
Jaysanlyn Advertising Co., Ltd.	68,139,308	16.355%
Yangshanlin Advertising Co., Ltd.	45,495,648	10.920%
Wen-Yu Chu	36,876,750	8.851%

(VII) Market price, net worth, earnings and dividends per share and the related information for the most recent two years:

Unit: NT\$: shares

Item \ Year		2022	2023	As of March 31, 2024 (Note)
Market Price Per Share	Highest	156.5	99.90	99.2
	Lowest	69.1	70.40	88.2
	Average	101.74	82.34	92.97
Net Worth Per Share	Before distribution	23.06	22.85	27.79
	After distribution	21.43	Not yet distributed	Not yet distributed
Earnings per share	Weighted Average Shares		266,079	391,607
	Earnings per share	Before retrospective adjustment	1.67	3.91
		After retrospective adjustment	1.21	Not yet distributed
Dividends Per Share	Cash dividends		1.50	1.50
	Bonus Share	Shares from Profit	2.50 (Note 9)	4
		Additional paid-in capital	1 (Note 9)	1
	Dividends in Arrears		-	-
Analysis of Return on Investment	Price/Earnings Ratio		60.92	21.05
	Price/Dividends Ratio		67.82	54.89
	Cash Dividends Yield		1.47%	1.83%

* If earnings or capital surplus are transferred to issue bonus shares as a capital increase, the information on the market value and cash dividends retrospectively adjusted according to the number of shares issued should be disclosed.

Note 1: List the highest and lowest market price per share of common stock in each fiscal year. Calculate each fiscal year's average market price based upon each fiscal year's actual trading prices and volume.

Note 2: Please refer to the number of issued shares at the end of the year and fill in according to the resolution of the Board or the shareholders' meeting of the next year.

Note 3: If retrospective adjustment is needed due to bonus shares, the earnings per share before and after the adjustment should be listed.

Note 4: If the provisions for the issuance of equity securities stipulate that the unpaid dividends of the current year may be accumulated to be distributed in the year when there is a surplus, the dividends that have been accumulated and unpaid for the year should be separately disclosed.

Note 5: Price to earning ratio = Average closing price per share / Earnings per share of the year.

Note 6: Price to dividend ratio = Average closing price per share / Cash dividends per share of the year.

Note 7: Cash dividends yield = Cash dividend per share / Average closing price per share of the year.

Note 8: Data verified (audited) by the accountant for the most recent quarter as of the publication date of the annual report should be filled in the net worth and earnings per share. The remaining fields should be filled with data of the year as of the publication date of the annual report.

Note 9: As of the publication date of the annual report, the dividend payment for 2023 has not been approved by the shareholders general meeting.

(VIII) Company's dividends policy and the implementation status

1. Dividends policy

- (1) The dividend policy determines the type, amount and timing of dividend distribution based on the Company's profitability, capital needs and financial structure, and with the goal of maintaining stable dividend payments.
- (2) It is expected that the distribution of dividends in the next three years will have the most appropriate ratio of cash and stock dividends for the current year after considering the profitability, capital needs, financial structure and the dividend policy specified based on the Articles of Incorporation.

- (3) If the Company has any surplus in earnings at the end of the fiscal year, the Company shall first pay tax, make up for accumulated losses of previous years and then set aside 10% as legal reserve. However, if the legal reserve balance has reached the Company's paid-in capital, no more legal reserve needs to be provided, and the remainder may be appropriated or reversed as a special reserve in accordance with the law or the regulations of the competent authorities. If there is still surplus, the remainder shall be added to the accumulated undistributed earnings and the Board of Directors shall prepare an earnings distribution proposal. If the distribution is made by issuing new shares, the distribution shall be approved by the shareholders' meeting. Profits distributed for shareholders may be in the form cash or stocks, and the cash dividends shall not be less than 10% of the total shareholders' dividends for the current year.
2. Status of implementation
- (1) The distributable profit at the start of 2023 was NT\$967,248,301 (reporting currency), together with the current net profit of NT\$1,507,668,089 and the recognized legal reserve of NT\$150,766,809, brings the final distributable profit to NT\$2,324,149,581.
- (2) Profit distribution for the year:
- (I) Stock dividends: NT\$1,666,426,600, at NT\$4 per share.
- (II) After the distribution, the Company's undistributed profit totaled \$657,722,981.
3. Significant change expected in the dividend policy: None.

(IX) The impact of bonus shares proposed by the shareholders' meeting on the Company's operating performance and earnings per share:

Item		Year	2023 (Estimated)
Opening paid-In capital NT\$ in thousands			416,607
Stock and Cash Dividends for the Year (Note 1)	Cash dividend per share (NT\$)		1.5
	Capitalization of profits to issue new stock (Share)		0.4
	Number of shares issued due to capitalization of capital surplus (shares)		0.1
Change in business performance:	Operating profit (NT\$)		Not applicable (Note)
	Year-on-year % increase (decrease) in operation profits		
	Net income after tax (NT\$)		
	Year-on-year % increase (decrease) in net income after taxes		
	Earnings per share (NT\$)		
	Year-on-year % increase (decrease) in earnings per share		
Pro forma earnings per share and P/E ratio	Capitalization of profits is distributed in cash dividends	Pro forma earnings per share (NT\$)	Not applicable (Note)
		Pro forma annual average return on investment	
	Without capitalization of capital surplus	Pro forma earnings per share (NT\$)	
		Pro forma annual average return on investment	
	Without capitalization of capital surplus and the capitalization of profits is distributed in cash dividends	Pro forma earnings per share (NT\$)	
		Pro forma annual average return on investment	

Note: Not applicable as the Company has not yet released the 2023 financial forecast information.

(X) Remuneration for employees, directors and supervisors

1. According to provisions of the Articles of Incorporation, no less than 1% of the profit

of the current year is distributable as employee remuneration and no higher than 3% of the profit of the current year is distributable as remuneration to directors. However, if the Company still has accumulated losses, an amount shall be reserved in advance to make up for the losses.

A Board resolution shall determine the distribution of employee remuneration in the form of stocks or cash. The distribution includes employees who meet certain criteria in controlled or subordinate companies. The Board is authorized to formulate the relevant criteria.

The basis for the estimate of the Company's employees, directors, and supervisors' remuneration is the amount, before deducting the remuneration to employees, directors and supervisors from the net profit before tax for each period, multiplied by the distribution percentage specified in the Articles of Incorporation, and the amount is recognized as part of the operating costs or operating expenses during the period. For 2023 and 2022, employee remuneration was accrued at \$39,545 thousand and \$11,904 thousand, respectively, and remuneration for directors and supervisors was accrued at \$9,886 thousand and \$2,976 thousand, respectively. If there are changes after the release of the financial report in the next year, they are treated as changes in accounting estimates, and the impact of the changes are recognized as profit or loss for the next year.

2. The actual distribution of employee, director, and supervisor remuneration for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor remuneration, additionally the discrepancy, cause, and how it is treated:

For 2022 and 2021, employee remuneration was recognized at NT\$11,904 thousand and NT\$29,701 thousand, respectively, and remuneration for directors and supervisors was accrued at NT\$2,976 thousand and NT\$7,425 thousand, respectively. There was no difference between the recognized amount and actual distribution amount for 2022. In 2021, the amount was underestimated by NT\$650 thousand mainly due to the difference between the estimated amount and the amount recognized in the resolution of the Board of Directors. The difference is regarded as an estimated change and listed as the profit and loss for 2022. Relevant information can be found in the MOPS.

(XI) Stock buybacks of the Company: None.

II. Issuance of corporate bonds

		March 31, 2024			
Types of corporate bonds	2021 first series domestic secured corporate bonds	2021 second series domestic secured corporate bonds	2021 third series domestic secured corporate bonds	2022 first series domestic unsecured corporate bonds	2023 first series domestic secured corporate bonds
Date of issue	July 30, 2021	November 25, 2021	January 6, 2022	July 4, 2022	September 21, 2023
Denomination	NT\$1 million	NT\$1 million	NT\$1 million	NT\$1 million	NT\$1 million
Place of issue and trading	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Issue price	Issued in full at face value	Issued in full at face value	Issued in full at face value	Issued in full at face value	Issued in full at face value
Total amount	NT\$500 million	NT\$600 million	NT\$500 million	NT\$500 million	NT\$270 million
Interest rate	Coupon fixed annual interest rate at 0.70%	Coupon fixed annual interest rate at 0.60%	Coupon fixed annual interest rate at 0.65%	Coupon fixed annual interest rate at 4.0%	Coupon fixed annual interest rate at 1.62%
Deadline	3-year Maturity date: July 30, 2024	5-year Maturity date: November 25, 2026	3-year Maturity date: January 6, 2025	3-year Maturity date: July 4, 2025	3-year Maturity date: September 21, 2026
Guarantee Agency	Bank of Panshin Co., Ltd.	First Commercial Bank, Ltd.	Taiwan Cooperative Bank Co., Ltd.	Not applicable	Taiwan Cooperative Bank
Trustee	JihSun International Commercial Bank Co., Ltd.	JihSun International Commercial Bank Co., Ltd.	JihSun International Commercial Bank Co., Ltd.	Taiwan Shin Kong Commercial Bank Co., Ltd.	Taipei Fubon Commercial Bank Co., Ltd.
Underwriter	Taiwan Cooperative Securities	First Securities Inc.	Taiwan Cooperative Securities	Taiwan Cooperative Securities	Taiwan Cooperative Securities
Certified attorney	Ya-Wen Chiu	Ya-Wen Chiu	Ya-Wen Chiu	Ya-Wen Chiu	Ya-Wen Chiu
CPA	Maggie Chang	Maggie Chang	Maggie Chang	Maggie Chang	Shih-Chin Chih
Repayment	One payment at maturity	One payment at maturity	One-fifth of the total issued amount of the corporate bonds is repaid one year after the issue date, another one-fifth of the total amount is repaid two years after the issue date, and three-fifths of the total amount is repaid three years after the issue date.	The repurchase right is exercised on the day of the interest payment date one year after the issue of the corporate bonds to buy back 50% of the total issue; and the repurchase right is exercised on the day of the interest payment date two years after the issue of the corporate bonds to buy back another 50%. If the Company has not exercised its repurchase right, the principal will be repaid in one payment at maturity three years after the issue date of the corporate bonds.	15% of the total issued amount of the corporate bonds is repaid one year after the issue date, another 15% of the total amount is repaid two years after the issue date, and 70% of the total amount is repaid three years after the issue date.
Outstanding amount	NT\$500 million	NT\$600 million	NT\$300 million	NT\$500 million	NT\$270 million
Terms of redemption or prepayment	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Restrictions	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Name of credit-rating agencies, date of rating, results of rating of corporate bonds	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Types of corporate bonds		2021 first series domestic secured corporate bonds	2021 second series domestic secured corporate bonds	2021 third series domestic secured corporate bonds	2022 first series domestic unsecured corporate bonds	2023 first series domestic secured corporate bonds
Additional rights	Amount of common shares, depositary receipts or other negotiable securities (exchanged or subscribed)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Issue and conversion (exchange or subscription)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Possible dilution of share and its impact on the equity of existing shareholders		Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Name of custodian entrusted with the exchange		Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

- III. Issuance of preferred stocks: None.
- IV. Issuance of overseas depository receipts: None.
- V. Status of employee stock option plan: None.
- VI. Status of employee restricted stock: None.
- VII. Name and acquisition and subscription status of the officers who acquired employee stock options and the employees who acquired the top 10 stock options as of the publication date of the annual report: None.
- VIII. New share issuance in connection with mergers and acquisitions: None.
- IX. Implementation of the Company's capital allocation plans:

(I) Content of plans

As of the quarter before the publication date of the annual report, the previous issues that have not been completed or have been completed within the last three years without the planned benefits: The 2024 cash capital increase has not been completed, so the benefits have not been fully realized. The planned Item of cash capital increase and scheduled completion date for 2024 are set out below:

Unit: NT\$ in thousands

Planned Item	Estimated date of completion	Total amount required	Utilization progress of estimated funds		
			Q1 2024	Q2 2024	Q3 2024
Raise operation funds	Q3 2024	1,165,880	354,435	490,778	320,667
Repay bank loans	Q1 2024	834,120	834,120	—	—
Total		2,000,000	1,188,555	490,778	320,667

(II) Implementation

- (1) Reported effective starting July 30, 2021 by the Zheng-Gui-Zhai-Zi Document #11000077272 of the Taipei Exchange, which approved the issuance of 2021 first series secured corporate bonds for NT\$500 million, all of which have been completed.
- (3) Reported effective starting November 16, 2021 by the Zheng-Gui-Zhai-Zi Document #11000125241 of the Taipei Exchange, which approved the issuance of 2021 second series secured corporate bonds for NT\$600 million, all of which have been completed.
- (4) Reported effective starting December 29, 2021 by the Zheng-Gui-Zhai-Zi Document #11000142841 of the Taipei Exchange, which approved the issuance of domestic 2021 third series secured corporate bonds for NT\$500 million, all of which have been completed.
- (5) Reported effective starting June 24, 2022 by the Zheng-Gui-Zhai-Zi Document #11100063751 of the Taipei Exchange, which approved the issuance of domestic 2022 first series unsecured corporate bonds for NT\$500 million, all of which have been completed.
- (6) Cash capital increase approved by Jin-Guan-Zheng-Zi Document #1110368271 on January 30, 2023 has been completed on March 30, 2023. The total amount of NT\$1,728,000 thousand to be raised was used to repay borrowings of NT\$579,750 thousand and raise working capital of NT\$11,48,250 thousand, and all have been completed as of March 31, 2024.
- (7) Cash capital increase approved by Jin-Guan-Zheng-Fa-Zi Document #1120366597 on January 17, 2024 has been completed on March 28, 2023. The total amount of NT\$1,728,000 thousand to be raised was used to repay borrowings of NT\$834,120 thousand and raise working capital of NT\$1,165,880 thousand, and the implementation is as follows as of March 31, 2024:

Planned Item	Date of completion and implementation				Reasons for progress or lag and improvement plan
Raise operation funds	Q1 2024	Expenditure amount	Estimated	354,435	As the fundraising process was completed on March 28, 2024, and the vendor request process is still under verification, no funds have been spent as of the Q1 2024.
			Actual	0	
		Status of implementation	Estimated	30.40%	
			Actual	0.00%	
Repay bank loans	Q1 2024	Expenditure amount	Estimated	834,120	As the fundraising process was completed on March 28, 2024, and the construction financing of River Palace #5 still in operation has not been repaid in the Q1 2024, the rest of the loans have been executed in the Q1 2024 according to the expected progress.
			Actual	376,130	
		Status of implementation	Estimated	100.00%	
			Actual	45.09%	

Five. Overview of Operations

I. Operations of the Company

(I) About our business

1.Scope of business

(1)Main business

- A. General Advertisement Service.
- B. Wholesale of Computer Software.
- C. Housing and Building Development and Rental.
- D. Real Estate Business.
- E. Real Estate Rental and Leasing.
- F. Data Processing Services.
- G. Real Estate Intermediary Broking.
- H. Real Estate Consignment Broking.
- I. All businesses that are not prohibited or restricted by law, except those that are subject to special approval.

(2)Proportion of business and product items:

Unit: NT\$ in thousands

Year Items	2022		2023		March 31, 2024	
	Amount	%	Amount	%	Amount	%
Construction segment	391,795	8.28	613,899	7.58	0	0
Consignment segment	2,571,872	54.33	5,047,865	62.29	1,761,475	75.62
Builder segment	1,698,082	35.87	2,361,607	29.14	539,730	23.17
Others	72,261	1.53	79,911	0.99	28,218	1.21
Total	4,734,010	100.00	8,103,282	100.00	2,329,423	100.00%

(III) The Company's current main products (services)

The main businesses include real estate intermediary and consignment, commissioning builders to construct public housing, lease or sales of commercial buildings, sales, purchase of building materials and interior decoration.

- A. The consignment business accepts cases that better meet the needs of consumers and have price competitiveness and product highlights, aiming to provide consumers with more diverse and high-quality product choices.
- B. The development of individual construction projects is mainly on owner's own land lots of joint construction, and it is hoped that the projects can expand the land development area to enable us to grasp the trends of urban development. In terms of product planning, the projects focus on meeting the rigid needs of personal use and first-time homebuyers, and have safety, health and environmental protection as the value propositions, as we are committed to constructing sustainable and smart buildings.

- C. The subsidiary Chuwang Development Co., Ltd. is responsible for undertaking the builder contracting business, and it is committed to providing outstanding services and maintaining the quality of construction projects.

(IV) Industry overview:

The main businesses of the Company and subsidiaries include real estate intermediary and consignment, commissioning builders to construct public housing, lease or sales of commercial buildings, sales, purchase of building materials, interior decoration, information software services, third-party payment, comprehensive construction activities, property management and wholesale of food and grocery. As the main operating income is consignment sales, the overview of operations described below mainly covers consignment business of real estate properties and the real estate industry as a whole:

Industry status

The main businesses of the Company and subsidiaries include real estate intermediary and consignment, commissioning builders to construct public housing, lease or sales of commercial buildings, sales, purchase of building materials, interior decoration, information software services, third-party payment, comprehensive construction activities, property management and wholesale of food and grocery. As the main operating income is from consignment sales, construction projects and sales of construction premises, the overview of operations described below mainly covers consignment business of real estate properties and building industry as a whole:

A. Real estate development industry

Recent years have seen disruption of the global supply chain due to the COVID-19 pandemic, Russia-Ukraine war and the mutual economic sanctions between the EU and Russia, which caused soaring prices in raw materials such as oil and gas and grain, and high global inflation. In 2022 and 2023, the annual growth rate of the Consumer Price Index released by the Accounting Department was 2.95% and 2.5% respectively, which were 2% higher than the inflation threshold for two consecutive years. In order to curb high inflation, the world's major central banks have raised interest rates in response. China's central bank completed a 3-year rate increase (0.75%), and adjusted the mortgage interest rate from 1.378% to 2.077% between 2022 to March, 2023 (according to the average interest rate of new loans undertaken by the five major banks announced by the central bank).

In recent years, Taiwan's real estate market has been heating up. In order to guide the normal development of the real estate market, prevent speculation conducted by private entities and false price reporting, and block contract resale for profit, the Ministry of the Interior proposed to amend the "Equalization of Land Rights Act" at the end of November 2021, and approved the draft amendment on December 9. On April 7, 2022, the Executive Yuan approved the draft amendment to provisions of the Equalization of Land Rights Act, which was submitted to the Legislative Yuan for deliberation. The initial review was completed on December 21, 2022 while the third reading was completed on January 10, 2023. Under the trend of housing market control and market interest rate increase, the transaction volume in the real estate market decreased by 18.7% in the first half of 2023 compared with the same period in 2022; the overall economic situation is stable in the second half of the year, with the Taiwan stock market flourishing, and the confidence of consumption and home buying recovering, and new Loan of Government Housing Subsidies for the Youth by the government promoting many first-time buyers to accelerate their entry. In view of long-term inflation, long-term property buyers increased their willingness to buy houses, resulting in a rebound in transaction volume. According to the statistics of the Ministry of the Interior, the volume of purchases and sales transfer in Taiwan

for 2023 was 306,971, a decrease of about 11,000 compared with 2022, and an annual decrease of 3.5%.

Due to people's expectations of inflation, coupled with high costs such as construction and land prices, the overall house price marked a record high in 2023. In this regard, the government implemented a number of housing market controls, including heavy penalties for real estate speculation, restrictions on resale of contracts, private legal person to buy residential acquisition permit system, reporting bonus system, and pre-sale of housing cancellation registration. In early January this year, the Legislative Yuan passed the third reading of some provisions of the "Equalization of Land Rights Act" amendment draft, officially launching on July 1, 2023.

(2) Real estate consignment industry

The rise of the domestic real estate consignment industry is closely related to the development of housing presale. In October 1971, Taiwan's first consignment company Taipei Housing Service Center Co., Ltd. was established. It launched the first project case, "IKEA Building". Combined with a housing sales model of planning and sales, it even became a legend by selling out within 7 days, and established the model of future business planning for real estate consignment companies. The consignment industry began to develop. After that, the development of the domestic real estate marketing industry also began to fluctuate together with the real estate.

Benefiting from sufficient resources and the control of diverse marketing channels in real estate consignment industry, large consignment companies have continued to expand into construction or intermediary operations, forming a more complete investment, construction, marketing and service system in the real estate market to improve the operational flexibility. In addition, the marketing models also break away from the methods focusing on breadth or a single point generally adopted in the industry, and focus on database and online marketing methods. The use of external online media for active in-depth communications with customers effectively increased the transaction volume. With a large number of cases and dispersed distribution, large consignment companies can also make good use of the database data to adjust strategies and carry out precise marketing in response to market changes.

According to the statistics of My Housing Magazine, the total case volume of the top 10 consignment companies in northern Taiwan reached NT\$512.66 billion for 2023, a decrease of about 13.9% compared with that of 2023. Most of the top ten consignment companies enjoy rich experience. In the era of high housing prices, construction companies insist on prices while expecting to take into account momentum, so they will choose to cooperate with consignment companies with certain qualifications, resulting in a trend that the bigger consignment players tend to get even stronger.

(3) Builders

According to the statistics of the Ministry of the Interior, a total of 130,844 residential construction projects were started in 2023, with a total floor area of 17.69 million square meters, a decrease of 10.65% and 14.83% respectively, compared with the previous year. The construction companies were relatively cautious about the planning of the start time, which was mainly due to the increase in construction costs and the shortage of workers.

The "Construction Project Price Index" has risen sharply since July 2020. The prices of domestic construction-related costs such as formwork, steel, concrete and mechanical and electrical construction have risen sharply. The price

index of construction works in 2023 was 109.23, an increase of only 1.74% compared with 2022, but an increase of 10.94% and 7.36% in 2021 and 2022 respectively. The overall construction cost is still high. Until March, 2024, the Building Engineering Price Index continued to increase to 110.5, reaching the highest in recent years. In the future, the introduction of the carbon tax and other issues may have an impact on construction costs. In the future, construction companies need to calculate the cost and construction period more carefully.

2. Correlation of upstream, midstream and downstream industry

(1) Real estate development industry

The real estate development industry is composed of many related industries with different specialties, mainly including construction development, construction financing, real estate brokerage, builders, operations management consulting firms, professional sales services, building materials, etc. The products and services provided by the industry include various professional services involving buildings and those that support the investment, production and operation management of buildings. The main demand for the former comes from general consumers, and the demand for the latter comes from developers of buildings. The development and management of buildings is a long-term business. In practice, it must be divided into many relatively short-term supply-demand relationships during the market intervention phase and based on professional division of labor, and then combined into a market activity system for the overall construction industry.

Among the upstream, midstream and downstream relationships of services provided in the construction industry in four aspects, investment, production, transaction and use, it is identified that the investment phase is the most critical part. Related industries provide construction developers with various professional information during the product lifecycle, such as land brokers, financial institutions, and consulting. The economic activities in the production phase include product positioning, architectural planning, construction financing, construction, and engineering management, among which product positioning and architectural design are placed between investment and production, with professional consultation and services generally provided by architects, consultants and consignment companies. For other parts, there are financial institutions, construction management companies and builders providing related services. The economic activities in the transaction phase are mainly planning, advertising, sales, etc. Traditionally, the services are mostly provided by consignment companies, or handled by the construction developers themselves. The economic activities in the use phase are mainly product warranty and operations management; construction developers are mostly responsible for the former, while property management or related consulting firms are responsible for the latter.

(2) Real estate consignment industry

The real estate consignment industry is located in the downstream of the real estate development industry. Its relationship with the real estate value chain is described in the previous paragraph.

(3) Construction Industry

Builders are located in the midstream of the real estate development industry. The relationship with the real estate value chain is described in the previous paragraph.

3. Development trends and competition of products

(1) Real estate development industry

It is not easy to obtain large areas of land lots that are suitable for construction in today's highly competitive and developed urban districts. As the overall real estate market trends and prices have been corrected, the principles for selecting land for development should be about cost control, risk management and easy product planning and subsequent sales. Therefore, in addition to the traditional land purchase, the Company should continue to adopt diverse development and cost control approaches, such as joint development and urban renewal projects.

As for product planning, due to factors such as smaller household population, changes in social patterns and limited affordability, mid- to small-sized residential properties with affordable prices continue to be hot sellers in the market.

(2) Real estate consignment industry

Affected by the pandemic in recent years, many countries have adopted loose monetary policies to boost the economy, resulting in a real estate boom and strong buying motivating acceptance of consignment projects. The sales data on consignment operators in recent years show no significant changes in the ranking of key domestic consignment companies. As larger companies tend to be more capable of undertaking large benchmark projects, they have advantages over small- and medium-sized operators in terms of brand reputation and profitability. In 2022, due to the government's housing market policies and interest rate hikes, the real estate market has cooled down slightly, but the rankings of consignment companies have not changed much.

(3) Construction Industry

Since the construction period of projects can last for several years, it is exposed to impact from factors such as economic prosperity, price index fluctuations, inflation, etc. Therefore, progress control while maintaining the same quality is one of the main keys to project profitability.

According to statistics from the Ministry of the Interior, there were 19,798 domestic full-service builders as of 2023, with a total capital of NT\$982.5 billion, showing an increase of 1.22% and 3.58%, respectively, over the previous year. Smaller Class C builders and civil engineering contractors account for the majority of the companies. However, larger builders tend to have the advantages in handling larger projects with higher engineering requirements, so that the trend of bigger players getting even bigger has become more apparent. In 2023, there were 3,231 Class A builders, with a total capital of NT\$464.5 billion. The number of companies may account for only 16.32% of the total, but the combined capital accounts for 47.27% of all the builders, slightly increasing by 46.19% compared with that of Grade A building capital in 2022.

(V) Overview of technology and R&D:

1. R&D expenditure and results for the year: None.
2. Future research development plan:
 - (1) Research on urban development plans.
 - (2) Industrial economy research.
 - (3) Market and marketing research.
 - (4) Product research.

(VI) Long- and short-term business development plans:

1. Short-term development plan:
 - (1) Select high-quality construction companies and reinforce collaborative relationships to promote the real estate consignment business and improve the Company's profitability.

- (2) Considering the ROI of projects, working capital turnover and the demand trends in the housing market, we still mainly focus on investing in the construction of projects in rezoned areas in northern Taiwan.
- (3) Cultivate related talents to improve specialties in construction.
2. Long-term development plan:
 - (1) Pay attention to the development of urban planning, and launch consignment and construction projects that can meet the demand in the markets with potential to improve the overall competitive advantage.
 - (2) Cooperate with the government's laws and regulations and actively promote urban renewal and renovation of old buildings.
 - (3) Develop businesses with stable income to lay a foundation for long-term profitability.
 - (4) Consolidate various related businesses in the real estate market to elaborate on the industry synergy.

II. Overview of the market, production and sales

(I) Market analysis

1. Major markets of the Company's products and sales amount:
The Company's main businesses are in real estate consignment and construction, and the sales is 100% domestic.

2. Market share and future supply and demand and growth potential of the market:

(1) Market share

According to the statistics of My Housing Magazine, in 2023, the top ten (number of residential products) builders in Taiwan launched cases of NT\$320.95 billion, a decrease of approx. 7.7% compared with those of 2022. The main rezoned areas cover Bade, Tamsui, Sanchong, Tucheng, Beitou, Zhongli, Taoyuan, Banqiao, Linkou and other areas. Among them, Taoyuan, Zhongli, Sanchong, Beitou, and Tucheng have one thing in common as the promotion focuses on the projects in rezoned areas. Our construction business emphasizes that the principles for selecting land for development should be about cost control, risk management and easy product planning and subsequent sales. Currently, we mainly focus on rezoned areas in Hsinchu Science Park, New Taipei City and urban renewal projects in Taipei City and New Taipei City, and the construction business is still in the growth phase.

According to the statistics of My Housing Magazine on the top ten (residential products) consignment in northern Taiwan in 2023 (excluding commercial and factory construction cases), the top ten consignment cases achieved NT\$18.93 billion to NT\$109.25 billion, while the total receiving volume reached NT\$512.66 billion, which was 13.9% lower than that in 2022. We have a professional team specializing in consignment. In addition to expertise in sales, advertising and marketing, we have a rigorous approach in case selection and participate in planning to meet buyers' demand and achieve a win-win situation with our clients and project owners. According to the statistics of My Housing Magazine, our consignment project volume in 2023 led most of the industry peers.

The builder business of our subsidiaries focuses on undertaking the construction projects of the Company and affiliates. The main operating objectives are effective cost and progress control and the consolidated of various resources for construction to elaborate on the synergy of upstream and downstream operations, further improving the Corporate Group's external competitive advantages.

- (2) Market supply and demand situation and growth in the future

In 2023, the number of construction permits granted nationwide and the total floor area were 18,542 cases and 37.44 million square meters, a decrease

of 20.27% and an increase of 18.3%, respectively, compared with 2022. Under the influence of factors such as housing market control policies, rising construction costs and shortage of workers, builders adopt a conservative attitude and slow down the application for construction permits and the start time.

The total amount of land transactions in 2023 was only NT\$128.4 billion, a decrease of more than 20% compared with that of 2022. The construction industry, the largest buyer of land in the market, only spent NT\$70.2 billion on purchasing lands this year, a decrease of 14% compared with last year. It is mainly due to the current housing market control measures and the central bank's interest rate hike causing builders to be more conservative in purchasing lands. The property market has gradually warmed up since the second half of 2023. As of March 22, Q1 2024, the land transaction volume of Taiwan reached NT\$40.1 billion, and the transaction amount has reached 31% of last year, showing that under the recovery of housing market transactions, builders began to expand land inventory, resulting in an increase in land transactions.

In terms of the demand, the availability of the large amount of market capital and low interest rates during the pandemic led to a strong demand for housing purchases. Since 2022-2023, the government has tried to curb the domestic inflation expectations, so the Central Bank has continued to adopt a tighter monetary policy. As of March 2024, the mortgage interest rates from five major banks have risen to 2.086%, much higher than last year's level. However, the new Loan of Government Housing Subsidies for the Youth policy has had a positive effect on the housing market, and the monthly amount of housing loans has shown an upward trend since 2023.

Statistics of new commitment to loans and interest rates from five major banks (Bank of Taiwan, Taiwan Cooperative Bank, Land Bank of Taiwan, Hua Nan Commercial Bank and First Commercial Bank)

Unit: NT\$ millions, annual interest rate

Period	2023/01	2023/02	2023/03	2023/04	2023/05	2023/06	2023/07	2023/08	2023/09	2023/10	2023/11	2023/12	2024/01	2024/02	2024/03
Interest rate	1.953	1.980	1.985	2.080	2.101	2.098	2.098	2.091	2.076	2.077	2.071	2.079	2.073	2.077	2.086
Home mortgage	36,954	46,265	58,375	46,814	62,481	57,767	56,424	63,201	71,015	78,774	89,562	98,955	93,195	55,751	89,283

Source: Central Bank Global Information Network; compiled by the Company

Statistics of balance of consumer loans and construction loans

Unit: NT\$1 billion

Period	2023/01	2023/02	2023/03	2023/04	2023/05	2023/06	2023/07	2023/08	2023/09	2023/10	2023/11	2023/12	2024/01	2024/02	2024/03
Home mortgage loan	9.366	9.388	9.415	9.448	9.503	9.564	9.616	9.681	9.761	9.840	9.932	10.038	10.114	10.138	10.220
Construction loans	3.121	3.140	3.150	3.172	3.188	3.206	3.214	3.226	3.235	3.236	3.235	3.226	3.240	3.255	3.261

Source: Central Bank Global Information Network; compiled by the Company

3. Favorable and unfavorable factors of competitive advantages and development prospects

(1) Competitive niche and favorable factors

- (A) Global inflation is continuing. The general public's mindset on home purchases and the expectation of rising prices still make real estate a hedge in general investments.
- (B) The government vigorously promotes infrastructure construction in various areas and the planning of science parks, which are expected to

stimulate local development and balance between regions and help the development of the housing market.

- (C) The government actively promotes urban renewal and renovation of old buildings, which is conducive to integration of areas.
- (D) The release of land lots of rezoning areas in various districts is helpful for construction planning compared with old urban areas, which will promote buying momentum.
- (E) After the 403 earthquake, the safety of residential structures has attracted high attention, and reconstruction has become a hot topic.

(2) Unfavorable factors:

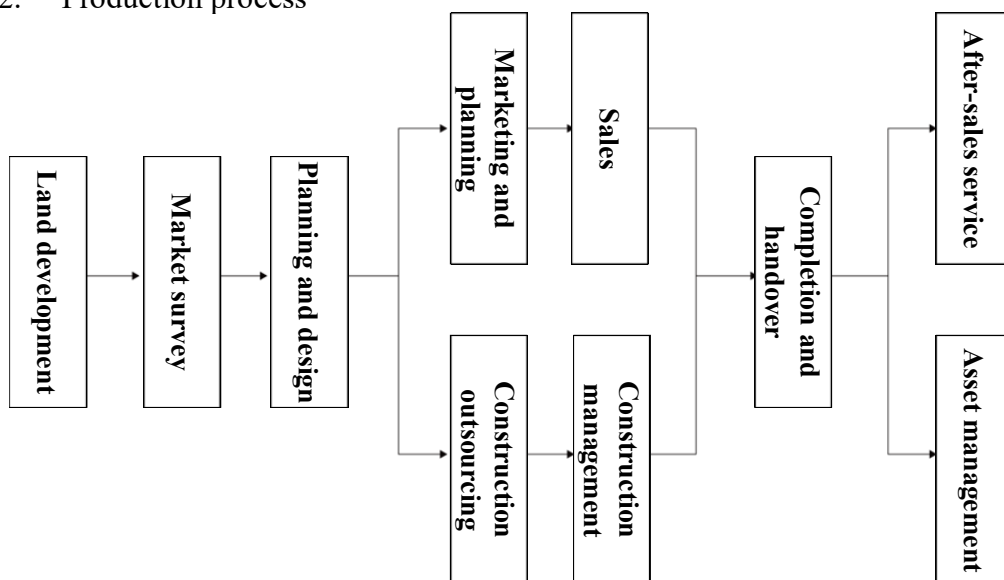
- (A) The number of accumulated unsold presale homes and leftover units of newly built homes remains high, which may have an impact on market competition.
- (B) Intense competition in key areas of sales may lead to price competition.
- (C) The number of properties being inherited has been increasing, which may affect the demand for home purchases.
- (D) In recent years, the government has implemented various housing market control measures and interest rate hikes, which may affect the willingness for transactions.
- (E) Sharp rises in land construction costs reduce profits for industry operators.

(II) Main uses and production processes of major products:

1. Key purposes of main products:

The Company and subsidiaries are currently engaged in real estate development, construction and consignment businesses, and the products are used as residential properties, offices and stores.

2. Production process



(III) Supply status of main raw materials:

1. Real estate development industry

- (1) Land acquisition: Development over purchased land, joint development with separate ownership, joint development with partial sale and urban renewal.
- (2) Construction project acquisition: We have our subsidiaries or select trustworthy builders to whom we contract out projects, and then control the building progress and ensure quality of construction.

2. Real estate consignment industry

The main cost is the expenses incurred by the consignment personnel to provide labor services, and the rest is composed of the advertising planning fee or the construction cost of the sample house for each consignment project.

3. Builders

The main materials used in building projects are steel bars, concrete, stones and others. There have been price fluctuations. The supply is still stable due to our long-term collaboration with our vendors.

(V) Production volume and value in the most recent two years

Unit: In NT\$1,000

Production volume and value Major commodities (or business unit)	Year	2022			2023		
		Production capacity	Volume	Value	Production capacity	Volume	Value
Construction engineering		-	-	-	17.4 units		330,034
Building engineering		-	-	1,657,029	-		2,292,552
Service contract		-	-	1,499,625	-		1,743,876
Others		-	-	58,678	-	-	53,811
Total		-	-	3,215,332	-	-	4,420,273

Note 1: The production volume and value of construction projects refer to the total number of households and total cost of construction projects completed in each year.

Note 2: The production value of builder projects refers to the total cost of builder business in each year.

Note 3: The production value of the service contract refers to the total cost of the consignment sales business in each year.

(VI) Sales volume and value the most recent two years

Unit: In NT\$1,000

Sales volume and value Major commodities (or business unit)	Year	2022				2023			
		Domestic		Overseas		Domestic		Overseas	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
Construction engineering		11 units	391,795	-	-	20.4 units	613,899	-	-
Building engineering		-	1,698,082	-	-		5,047,865	-	-
Service contract		-	2,571,872	-	-		2,361,207	-	-
Others		-	72,261	-	-		79,911	-	-
Total			4,734,010		-		8,103,882		-

Note 1: The sales volume and value of construction projects refer to the total number of households and total revenue of construction projects recognized as construction revenue in each year.

Note 2: The sales value of construction projects refers to the revenue recognized based on the progress of projects in each year.

Note 3: The sales value of the service contract refers to the total revenue of the consignment sales business in each year.

III. Employees

Information on employees for the most recent two years and up to the publication date of the annual report

Year		2022	2023	As of March 31, 2024
Number of employees	Employees	93	87	87
	Technicians	0	0	0
	Operators	0	0	0
	Total	94	87	87
Average age		41	41	39.2
Average service tenure		5.3	5.8	6.1
Distribution of educational background	Doctoral degree	2	2	2
	Master's degree	5	6	6
	College	61	59	59
	Senior High School	26	20	20
	Below senior high school	0	0	0

IV. Environmental protection expenditure

- (I) Total amount of loss (including damages) and penalties incurred due to pollution as of the most recent year and the date of publication of the annual report: NT\$1,127 thousand (including subsidiaries).
- (II) Future countermeasures and improvements:
 - A. Use low-pollution and low-noise construction equipment.
 - B. Dispatch additional temporary workers to keep the areas around the construction sites clean, and reinforce the fence around the construction sites.
 - C. Set up garbage storage equipment, perform cleaning services or commission vendors for transportation.
 - D. Set up a dedicated unit to monitor the implementation results in various sites.

V. Labor relations

- (I) Employee benefit plans, continuing education, training, retirement systems and the status of their implementation, as well as the status of labor-management agreements and measures for preserving employees' rights and interests:
 1. Various employee welfare measures and implementation status

The Company and subsidiaries all have good employment relationships. In addition to complying with the government's laws and regulations, we have implemented the following welfare measures and benefits:

 - A. Employees, their parents, children or spouses are eligible for receiving benefits (handled by the welfare committee) in circumstances such as marriage, childbirth, hospitalization, and death.
 - B. Employee insurance:

According to Article 6 of the Labor Insurance Act and the requirements of the National Health Insurance Act, all employees are entitled to participate in labor insurance and National Health Insurance policies from the day they join the Company.

C. Bonuses for national holidays:

Bonuses for national holidays are issued based on the Company's operations for the year.

D. Others:

We organize company trips for employees from time to time every year to promote the relationship and cohesion between employees.

2. Continuing education and training:

We provide new hires with comprehensive education and training courses, and organize lectures from time to time to ensure that every employee is equipped with comprehensive professional knowledge.

3. Retirement system

The "Labor Pension Act" became effective on July 1, 2005, which is considered a defined-location pension plan. Our employees may choose to continue their eligibility for the pensions under the "Labor Standards Act" and retain the service tenure under the conditions for which the eligibility applies. According to the regulations, the Company makes a monthly contribution of no less than 6% of the monthly wages of the employees to the labor pension personal accounts set up by the Bureau of Labor Insurance.

(II) Losses due to labor disputes, and the potential current and future amount, and response measures as of the most recent year and the date of publication of the annual report:

The civil lawsuit between the Company and OO Pan and OO Chen for the payment of bonuses shall be handled in accordance with the mediation record of the Labor Court of Taiwan High Court on February 22, 2024, with no significant impact on the finance and business.

VI. Cybersecurity management

(1) Cybersecurity management framework

A. In order to protect the safety of the Company and customers' confidential information, we have set up an information system department to be responsible for information security management and supervision, and formulated the "Management of Personal Data Protection" and the "Control Operation of Cybersecurity Inspection" to clearly define our management procedures and standards. The Information System Department is responsible for coordinating information security and related matters and establishing an information security management system.

B. The Audit Office formulates relevant internal control procedures and conducts internal audits on a regular basis. The Audit Office formulates relevant internal control procedures and conducts internal audits on a regular basis. The Information System Department regularly conducts self-inspection based on the information environment control and application system audit matters provided by professional vendors to ensure the security of information procedures.

C. The CPAs conduct audits of information operations every year, and request improvements and track improvement results for any deficiencies found.

D. In order to highlight the importance of information security, responsible units regularly report the Company's information security governance and implementation status to the Board every year.

(2) Cybersecurity policies

In order to reinforce our information security management and strengthen the supervision and improvement of our information security protection, so that we can effectively reduce

the risk of internal and external theft, improper use, leak, tampering or destruction of information assets caused by human error, deliberate actions or natural disasters, we have established a proper computer environment to fully support various tasks, and formulated relevant measures for information and security management and response practices.

- (3) Information security-specific management plan, and the resources committed to cybersecurity management

We have built internal and external firewalls to reduce the risk of network attacks, and through the internal virus protection measures, we have reduced the infection of malicious viruses and eliminated network viruses in real time. We currently have four specialists committed to the management and maintenance of software and hardware, and will continue to invest more IT resources in the response, backup and recovery measures of the information systems and the foundation of continuous operations of the information systems. We continue to promote the importance of information security and conduct protection drills to improve everyone's awareness and sense of responsibility.

- (4) List the losses, possible impacts and countermeasures suffered from major information security incidents as of the most recent year and the date of publication of the annual report. For the incidents that cannot be reasonably estimated, describe the facts: For the last two years and as of the publication date of the annual report, we have not experienced losses due to major information security incidents.

VI. Important contracts

By company	Nature of Contract	Counterparty	Contract Period	Important Information	Restrictions
JSL	Joint development contract	Guan Yang Construction Co., Ltd.	2013/12/07 to completion of handover of joint development	The Grand Palace	None
		OO Lu and others	2014/11/28 to completion of handover of joint development		
		OO Wang and others	2014/12/12 to completion of handover of joint development		
		OO Tu	2018/07/21 to completion of handover of joint development	Wenhua Section, Banqiao District	None
		OO Li and others	2018/08/08 to completion of handover of joint development		
		OO Chen	2019/06/13 to completion of handover of joint development		
		OO Yang and others	2019/07/10 to completion of handover of joint development	Jiang-Chui Section, Banqiao District (D3)	None
		Lih Shinn Construction Co., Ltd.	2018/12/05 to completion of handover of joint development		
		OO Yeh	2019/04/07 to completion of handover of joint development	Minzu Section, Banqiao District (I)	None
		OO He and others	2019/10/03 to completion of handover of joint development		
		OO Luo	2019/10/24 to completion of handover of joint development		
		OO Hu	2019/12/20 to completion of handover of joint development		
		OO Chang	2020/01/13 to completion of handover of joint		

By company	Nature of Contract	Counterparty	Contract Period	Important Information	Restrictions
			development		
		OO Jiang	2020/03/04 to completion of handover of joint development		
		OO Jiang and others	2021/11/06 to completion of handover of joint development		
		OO Jiang	2021/11/12 to completion of handover of joint development		
		OO Jiang	2021/12/11 to completion of handover of joint development		
		OO Yu and others	2020/04/05 to completion of handover of joint development	Minzu Section, Banqiao District (II)	None
		OO Lin	2020/04/27 to completion of handover of joint development		
		OO Chou and others	2020/05/05 to completion of handover of joint development		
		OO Liu	2020/05/11 to completion of handover of joint development		
		Lotun Science Co., Ltd.	2020/05/19 to completion of handover of joint development		
		OO Wang and others	2020/05/23 to completion of handover of joint development		
		OO Huang	2020/05/24 to completion of handover of joint development		
		OO Lin and others	2020/06/19 to completion of handover of joint development	Minzu Section, Banqiao District (II)	None
JSL	Joint development contract	OO Lin	2020/07/10 to completion of handover of joint	Minzu Section, Banqiao District (II)	None

By company	Nature of Contract	Counterparty	Contract Period	Important Information	Restrictions
			development		
		OO Lin	2020/07/17 to completion of handover of joint development		
		OO Jia	2020/08/15 to completion of handover of joint development		
		OO Chang	2020/09/21 to completion of handover of joint development		
		OO Chang and others	2020/09/22 to completion of handover of joint development		
		OO Huang	2020/11/25 to completion of handover of joint development		
		OO Wang	2020/11/29 to completion of handover of joint development		
		OO Yang	2021/03/15 to completion of handover of joint development		
		OO Hong	2021/03/23 to completion of handover of joint development		
		OO Xu and others	2022/01/03 to completion of handover of joint development		
		OO Lu	2022/03/25 to completion of handover of joint development		
		OO Yang	2022/05/25 to completion of handover of joint development		
		OO Xiao	2022/09/12 to completion of handover of joint development		
		OO Wan	2022/09/27 to completion of handover of joint		

By company	Nature of Contract	Counterparty	Contract Period	Important Information	Restrictions
			development		
		OO Hong	2022/10/07 to completion of handover of joint development		
		OO Lin	2023/05/13 to completion of handover of joint development		
		OO Lin	2023/05/13 to completion of handover of joint development		
		OO Qiu	2023/05/13 to completion of handover of joint development		
		OO Chang	2023/05/13 to completion of handover of joint development		
		OO Guo and others	2023/05/13 to completion of handover of joint development		
		OO Chen	2023/05/13 to completion of handover of joint development		
		OO Chen	2023/05/13 to completion of handover of joint development		
		OO Wen	2023/05/13 to completion of handover of joint development		
		OO You	2023/05/13 to completion of handover of joint development		
		OO Guo	2023/06/06 to completion of handover of joint development		
		OO Lin	2023/06/13 to completion of handover of joint development		
		OO Hsu	2023/06/13 to completion of handover of joint		

By company	Nature of Contract	Counterparty	Contract Period	Important Information	Restrictions
			development		
		OO Liao	2023/06/13 to completion of handover of joint development		
		OO Xiao	2023/11/30 to completion of handover of joint development		
		Lih Shinn Construction Co., Ltd.	2020/04/09 to completion of handover of joint development	Hsindu Section, Banqiao District (C1)	None
		Lih Shinn Construction Co., Ltd.	2020/04/09 to completion of handover of joint development	Jiang-Chui Section, Banqiao District (D2)	None
		OO Xu and others	2020/04/21 to completion of handover of joint development	Hsi-Song Section, Songshan District	None
		OO Li and others	2021/04/05 to completion of handover of joint development		
		OO Dai	2021/04/09 to completion of handover of joint development		
		OO You and others	2021/04/21 to completion of handover of joint development		
		OO Luo	2021/05/10 to completion of handover of joint development		
		OO Chang	2023/04/28 to completion of handover of joint development		
		OO Chen	2024/01/30 to completion of handover of joint development		
		OO Liu	2024/01/30 to completion of handover of joint development		
		OO Wang	2024/01/31 to completion of handover of joint		

By company	Nature of Contract	Counterparty	Contract Period	Important Information	Restrictions
			development		
		OO Hsu	2024/01/31 to completion of handover of joint development		
		OO Weng	2024/01/31 to completion of handover of joint development		
		OO Yan	2024/01/31 to completion of handover of joint development		
		OO Yeh	2024/02/17 to completion of handover of joint development		
		OO Li	2020/05/07 to completion of handover of joint development	Wuguwang Section, Sanchong District (A)	None
		OO Li	2020/05/15 to completion of handover of joint development		
		OO Li and others	2020/05/19 to completion of handover of joint development		
		OO Li	2020/05/26 to completion of handover of joint development		
		OO Lin	2020/06/24 to completion of handover of joint development		
		OO Du	2020/07/02 to completion of handover of joint development		
		OO Li	2020/07/09 to completion of handover of joint development		
		Lai Luo Fu Clan Association in Taipei City	2020/09/22 to completion of handover of joint development		
		OO Du	2020/10/16 to completion of handover of joint		

By company	Nature of Contract	Counterparty	Contract Period	Important Information	Restrictions
			development		
		Chien-Fu Construction Co., Ltd.	2020/12/18 to completion of handover of joint development		
		OO Li	2021/12/01 to completion of handover of joint development		
		OO Li	2022/09/19 to completion of handover of joint development		
		OO Chen	2020/06/05 to completion of handover of joint development	Guoguang Section, Yonghe District	None
		OO Hsu	2020/12/12 to completion of handover of joint development		
		OO Lin and others	2021/01/28 to completion of handover of joint development		
		OO Li	2023/02/20 to completion of handover of joint development		
		OO Wang	2023/04/12 to completion of handover of joint development		
		OO Tsai	2023/06/14 to completion of handover of joint development		
		OO Zhuang	2023/09/01 to completion of handover of joint development		
		OO Yeh	2023/10/24 to completion of handover of joint development		
		OO Yang and others	2020/12/22 to completion of handover of joint development	Part of Bai-Ling Section, Shilin District	None
		OO Ji and others	2021/04/01 to completion of handover of joint		

By company	Nature of Contract	Counterparty	Contract Period	Important Information	Restrictions
			development		
		OO Shao and others	2021/04/25 to completion of handover of joint development		
		OO Qin	2021/10/23 to completion of handover of joint development		
		OO Li	2021/11/27 to completion of handover of joint development		
		OO Ji	2024/01/30 to completion of handover of joint development		
		OO Ji	2024/01/30 to completion of handover of joint development		
		OO Ji	2024/01/30 to completion of handover of joint development		
		OO Ji	2024/01/30 to completion of handover of joint development		
		OO Ji	2024/01/30 to completion of handover of joint development		
		OO Ji	2024/01/30 to completion of handover of joint development		
		OO Ji	2024/01/30 to completion of handover of joint development		
		OO Li and others	2021/03/26 to completion of handover of joint development	Wuguwang Section, Sanchong District (B)	None
		OO Lin	2021/04/13 to completion of handover of joint development		
		OO Liang and others	2021/04/15 to completion of handover of joint		

By company	Nature of Contract	Counterparty	Contract Period	Important Information	Restrictions
			development		
		OO Li	2021/04/30 to completion of handover of joint development		
		Xianse Temple in Sanchong District, New Taipei City	2021/06/17 to completion of handover of joint development		
		OO Li and others	2021/07/06 to completion of handover of joint development		
		OO Li	2021/03/26 to completion of handover of joint development	Wuguwang Section, Sanchong District (C)	None
		OO Li and others	2021/10/27 to completion of handover of joint development	Wuguwang Section, Sanchong District (C)	None
		OO Yan	2022/03/10 to completion of handover of joint development		
JSL	Joint development contract	OO Lin and others	2021/03/26 to completion of handover of joint development	Zhongxing Section, Sanchong District	None
		OO Chen	2022/03/21 to completion of handover of joint development	Wuguwang Section, Sanchong District (D)	None
		OO Wu	2022/05/16 to completion of handover of joint development		
		OO Xie	2022/09/23 to completion of handover of joint development		
		YONGJI INTERNATIONAL LIMITED	2023/05/31 to completion of handover of joint development	Wuguwang Section, Sanchong District (E)	None
		Youyi Investment Co., Ltd.	2023/07/10 to completion of handover of joint development		
		OO Chen	2022/05/18 to completion of handover of joint	Shanjie Section in Guishan District, Taoyuan	None

By company	Nature of Contract	Counterparty	Contract Period	Important Information	Restrictions
			development		
		OO Yang	2022/05/28 to completion of handover of joint development	Land lot No.48, Sanchong Section	None
		OO Chen and others	2022/08/16 to completion of handover of joint development	Linyi Section, Zhongzheng District	None
		OO Chen	2022/08/17 to completion of handover of joint development		
		OO Zhao	2022/08/26 to completion of handover of joint development		
		OO Shen and others	2022/08/29 to completion of handover of joint development		
		OO Su	2022/09/02 to completion of handover of joint development		
		OO Tsai	2022/09/06 to completion of handover of joint development		
		OO Chen	2022/09/07 to completion of handover of joint development		
		OO Yu and others	2022/09/14 to completion of handover of joint development		
		OO Lin	2022/09/29 to completion of handover of joint development		
		OO Lin	2022/10/05 to completion of handover of joint development		
		OO Li and others	2023/02/23 to completion of handover of joint development		
		OO Wang	2023/03/09 to completion of handover of joint		

By company	Nature of Contract	Counterparty	Contract Period	Important Information	Restrictions
			development		
		OO Li	2023/03/27 to completion of handover of joint development		
		OO Li	2023/09/13 to completion of handover of joint development		
		OO Chen	2023/10/09 to completion of handover of joint development		
		OO Su	2023/10/11 to completion of handover of joint development		
		OO Wang	2023/11/03 to completion of handover of joint development		
		OO Xie	2023/11/03 to completion of handover of joint development		
		Huiyu Co., Ltd.	2023/12/06 to completion of handover of joint development		
		OO Lin	2023/12/07 to completion of handover of joint development		
		OO Kou	2023/12/19 to completion of handover of joint development		
		OO Jiang	2023/12/23 to completion of handover of joint development		
		OO Jiang	2023/12/23 to completion of handover of joint development		
		OO Tian	2023/12/27 to completion of handover of joint development		
		OO Lu	2023/12/27 to completion of handover of joint		

By company	Nature of Contract	Counterparty	Contract Period	Important Information	Restrictions
			development		
		OO Wang	2023/12/28 to completion of handover of joint development		
		OO Wang	2023/12/29 to completion of handover of joint development		
		OO Lin	2023/12/29 to completion of handover of joint development		
		OO Xie and others	2024/02/06 to completion of handover of joint development		
		OO Chen	2022/08/31 to completion of handover of joint development	Ganlin Section, Tucheng District	None
		OO Xu and others	2022/10/17 to completion of handover of joint development		
		OO Peng and others	2022/10/17 to completion of handover of joint development		
		OO Li	2023/01/06 to completion of handover of joint development	Wen Zai Zhen, Xinzhuang District	None
		OO Li	2023/01/06 to completion of handover of joint development		
		OO Li	2023/01/06 to completion of handover of joint development		
		OO Li	2023/01/06 to completion of handover of joint development		
		OO Guo	2023/03/15 to completion of handover of joint development		
		OO Chen	2023/03/15 to completion of handover of joint		

By company	Nature of Contract	Counterparty	Contract Period	Important Information	Restrictions
			development		
		OO Chen	2023/03/15 to completion of handover of joint development		
		OO Chen	2023/03/15 to completion of handover of joint development		
		OO Yang	2023/03/15 to completion of handover of joint development		
		OO Yang	2023/03/15 to completion of handover of joint development		
		OO Jian	2023/03/15 to completion of handover of joint development		
		OO Li	2024/03/08 to completion of handover of joint development		
		OO Li	2024/03/08 to completion of handover of joint development		
		OO Li	2024/03/08 to completion of handover of joint development		
		OO Li	2024/03/08 to completion of handover of joint development		
		OO Li	2024/03/08 to completion of handover of joint development		
		OO Lu, OO Wang and others	2023/03/20 to completion of handover of joint development	Shaungshi Road, Banqiao District	None
		OO Jiang	2023/03/20 to completion of handover of joint development		
		OO Lu	2023/03/20 to completion of handover of joint		

By company	Nature of Contract	Counterparty	Contract Period	Important Information	Restrictions
			development		
		OO Song	2023/03/20 to completion of handover of joint development		
		OO Li	2023/03/20 to completion of handover of joint development		
		OO Hong	2023/03/20 to completion of handover of joint development		
		OO Chang	2023/03/20 to completion of handover of joint development		
		OO Tsai	2023/03/20 to completion of handover of joint development		
		OO Lai	2023/03/20 to completion of handover of joint development		
		OO Lai	2023/03/20 to completion of handover of joint development		
		OO Zhong	2023/03/20 to completion of handover of joint development		
		OO Zhong	2023/03/20 to completion of handover of joint development		
		OO Zhou	2023/09/27 to completion of handover of joint development		
		OO Li	2023/06/10 to completion of handover of joint development	Wuguwang Section, Sanchong District (F)	None
		OO Li	2023/06/10 to completion of handover of joint development		
		OO Li	2023/06/10 to completion of handover of joint		

By company	Nature of Contract	Counterparty	Contract Period	Important Information	Restrictions
			development		
		OO Li	2023/06/10 to completion of handover of joint development		
JSL	Real estate transaction contract	OO Chou and others	2022/05/18	Bao-Hsiang Section, Hsinchu County	None
		OO Gan and others	2022/07/16		
		OO Huang	2022/12/20			Wuguwang Section, Sanchong District (D)	None
		OO Hsu	2022/01/12		
		OO Lin	2022/08/12		
		OO Ou	2022/08/26	Wuguwang Section, Sanchong District (E)	None
		OO Li	2022/09/02		
		OO Lin and others	2022/02/25		
		Futang Consulting Co., Ltd.	2022/05/27		
		OO Li and others	2022/05/27		
		OO Wu and others	2022/05/06		
		OO Ding and others	2022/07/08		
		Han Bau Development Group	2023/12/05		
		OO Li	2023/04/11	Wuguwang Section, Sanchong District (F)	
		OO Li	2023/04/11		
		OO Li	2023/05/27		
		O Li	2023/05/27		
		OO Chang, OO Chou and others	2023/08/03		
		Jayshelyn Construction Co., Ltd.	2023/08/03		
		JSL Entertainment Co., Ltd.	2023/08/03		
		OO Lin	2022/01/26	Wen Zai Zhen, Xinzhuang District	None
		OO Huang	2022/02/23		
		OO Lin	2022/03/25		
		OO Zhou	2022/04/18		
		OO Lin	2022/03/25		
		OO Zhou	2022/04/18		
JSL	Real estate transaction contract	OO Zhou	2022/04/18		
		OO Zhou	2022/12/29		
		OO Li	2023/01/06		
		OO Lin	2024/01/26		
		Dai Shen Development Co., Ltd.	2022/03/09	Daitian Temple Section, Le-An District, Keelung City	None

By company	Nature of Contract	Counterparty	Contract Period	Important Information	Restrictions
		OO Wu and others	2022/05/06	Wuguwang Section, Sanchong District (C)	None
		OO Lin	2022/08/22		
		OO Lin and others	2022/05/20	Jinhua Section, Nuannuan District, Keelung City	None
		OO Chen	2022/08/31	Ganlin Section, Tucheng District	None
		OO Liao and others	2022/09/12		
		OO Wu	2023/04/07	Shenao Section, Xinyi District, Keelung City	None
		OO Chang	2023/04/07		
		OO Lin and others	2023/06/02		
		OO Xie	2023/06/29	Gaofeng Section, Hsinchu City	None
		Deshuo Construction Co., Ltd.	2024/02/05	Zhongshan Section, Taishan District	None
JSL	Joint venture construction contract	Lih Shinn Construction Co., Ltd.	2017/06/28 to completion	Hsindu Section, Banqiao District (C3)	None
		Tan Shi Construction	2018/07 to completion	Wenhua Section, Banqiao District	None
		OO Wang			
		Lih Shinn Construction Co., Ltd.	2018/12/05 to completion	Jiang-Chui Section, Banqiao District (D3)	None
		Lih Shinn Construction Co., Ltd.	2018/12/05 to completion	Jiang-Chui Section, Banqiao District (D5)	None
		Tan Shi Construction	2018/12 to completion	Fuhe Section, Yonghe District	None
		OO Wang			
		Guang-Tai-Ji Construction Co., Ltd.	2019/01 to completion	Minzu Section, Banqiao District (I)	None
		Yi-Chuan Development	2019/06/10 to completion	Bao-Hsiang Section, Hsinchu County	None
		Lih Shinn Wei-Yeh Co., Ltd.	2020/01 to completion	Jiang-Chui Section, Banqiao District (F3)	None
		Lih Shinn Construction Co., Ltd.	2020/04/09 to completion	Hsindu Section, Banqiao District (C1)	None
		Lih Shinn Construction Co., Ltd.	2020/04/09 to completion	Jiang-Chui Section, Banqiao District (D2)	None
		Guang-Tai-Ji Construction Co., Ltd.	2020/11/12 to completion	Land lot No.48, Sanchong Section, Sanchong District	None
		Yu Yeh Investment	2023/06/01 to completion	Wuguwang Section, Sanchong District (E)	None
		Chien-Fu			

By company	Nature of Contract	Counterparty	Contract Period	Important Information	Restrictions
		Construction Co., Ltd.			
		Yicheng Construction Co., Ltd.			
		Qianhao Co., Ltd.			
		Han Bau Development Group	2023/12/05 to completion		
		Chien-Fu Construction Co., Ltd.	2021/12/06 to completion	Wuguwang Section, Sanchong District (A)	None
		Yi Cheng Construction	2022/11/28 to completion	Wuguwang Section, Sanchong District (H)	None
		Shang-Jing Industrial Co., Ltd.			
		Chien-Fu Construction Co., Ltd.	2023/07/10 to completion	Wuguwang Section, Sanchong District (B)	None
		He-Ching Construction Co., Ltd.	2022/12/07 to completion	Wen Zai Zhen, Xinzhuang District	None
		Chien-Fu Construction Co., Ltd.	2023/07/10 to completion	Wuguwang Section, Sanchong District (C)	None
		Jiayi Investment Co., Ltd.			
		Chien-Fu Construction Co., Ltd.	2023/07/10 to completion	Wuguwang Section, Sanchong District (D)	None
JSL	Construction contract	DA-CIN CONSTRUCTION CO., LTD.	2019/10/30 to project completion and acceptance	The Grand Palace	None
		Chuwang Development Co., Ltd.	2019/10/30 to project completion and acceptance	The Grand Palace	None
		Chuwang Development Co., Ltd.	2021/08/19 to project completion and acceptance	The Grand Palace	None
		Chuwang Development Co., Ltd.	2020/12/01 to project completion and acceptance	River Palace #3	None
		Chuwang Development Co., Ltd.	2021/05/12 to project completion and acceptance	River Palace #2	None
		Chuwang Development Co., Ltd.	2020/07/07 to project completion and acceptance	River Palace #5	None
		Chuwang Development	2020/12/01 to project completion	River Palace #5	None

By company	Nature of Contract	Counterparty	Contract Period	Important Information	Restrictions
		Co., Ltd.	and acceptance		
JSL	Construction contract	Lih Shinn Gong Construction Co., Ltd.	2021/07/30 to project completion and acceptance	Butterfly	None
		Lih Shinn Gong Construction Co., Ltd.	2021/07/30 to project completion and acceptance	Riverfront	None
		Chuwang Development Co., Ltd.	2021/10/05 to project completion and acceptance	Pingtung Garden Palace	None
		Chuwang Development Co., Ltd.	2021/12/17 to project completion and acceptance	The Paradise in Hsinchu	None
		Jiatai Construction Co., Ltd.	2022/09/16 to project completion and acceptance	The Castle	None
		Jiatai Construction Co., Ltd.	2023/08/09 to project completion and acceptance	The Castle	None
		Chuwang Development Co., Ltd.	2022/09/15 to project completion and acceptance	City Hall No. 1	None
		Chuwang Development Co., Ltd.	2022/12/15 to project completion and acceptance	City of Love	None
		Chuwang Development Co., Ltd.	2023/06/01 to project completion and acceptance	The Paradise in Hsinchu 8-1	None
		Chuwang Development Co., Ltd.	2023/08/01 to project completion and acceptance	The Paradise in Hsinchu 8-2	None
		Chuwang Development Co., Ltd.	2023/08/01 to project completion and acceptance	The Paradise in Hsinchu 8-3	None
		Chuwang Development Co., Ltd.	2023/06/01 to project completion and acceptance	The Paradise in Hsinchu 9-1	None
		Chuwang Development Co., Ltd.	2023/12/01 to project completion and acceptance	The Paradise in Hsinchu 9-2	None
		Chuwang Development Co., Ltd.	2023/08/09 to project completion and acceptance	River Palace #6	None
		Chuwang Development Co., Ltd.	2023/08/11 to project completion and acceptance	City Hall No. 2	None
		Chuwang Development Co., Ltd.	2023/09/05 to project completion and acceptance	City Hall No. 3	None
		Chuwang Development Co., Ltd.	2024/02/01 to project completion and acceptance	Decoration for Longjiang Road	None

By company	Nature of Contract	Counterparty	Contract Period	Important Information	Restrictions
		Chuwang Development Co., Ltd.	2024/04/01 to project completion and acceptance	The Castle	None
JSL	Consignment contract	Jayshelyn Construction Co., Ltd.	2018/10/01 to three months after obtaining the use permit	The Palace	None
		Fudun Development Co., Ltd.			
		Huajiang International Development Co., Ltd.			
		Kaiyue Construction	2020/06/01~2024/12/31	Ocean Palace	None
		An-Zhan Industrial Co., Ltd.			
		Liang-Ji Industrial Co., Ltd.			
		Hsing-Jiu Industrial Co., Ltd.			
		Jayshelyn Construction Co., Ltd.	2019/01/01~ to sold out	Green Plaza	None
		Jayshelyn Construction Co., Ltd.			
		Hong Da Di Construction Co., Ltd.			
		Yu-De Investment Co., Ltd.	Obtained permit to 2024/06/30	Gangnam Star	None
		Zhong-De Construction Co., Ltd.			
		Han-Hsiang Development Co., Ltd.			
		Guan Yang Construction Co., Ltd.	2020/03/01 to one month after obtaining the use permit	The Grand Palace	None
		Nanzong Construction Developments Co., Ltd.	2019/09/01 to 18 months after obtaining the use permit	The Global One	None
		Yuan-Rui Development	2022/08/01 to 18 months after		

By company	Nature of Contract	Counterparty	Contract Period	Important Information	Restrictions
		Industrial Co., Ltd.	obtaining the use permit		
		Nankang Rubber Tire Corp., Ltd.			
		Chih-Kai Development Co., Ltd.			
		Dushanlin Development Co., Ltd.	2019/11/01 to 2024/12/31	Binhai	None
		Lih Shinn Construction Co., Ltd.	2019/10/01 to one month after obtaining the use permit	River Palace #2	None
		Lih Shinn Construction Co., Ltd.	2019/10/01 to one month after obtaining the use permit	River Palace #3	None
		Lih Shinn Construction Co., Ltd.	2019/10/01 to one month after obtaining the use permit	River Palace #5	None
		Lih Shinn Construction Co., Ltd.	2020/06/01 to one month after obtaining the use permit	Butterfly	None
		Lih Shinn Construction Co., Ltd.	2020/06/01 to one month after obtaining the use permit	Riverfront	None
		Jayshelyn Construction Co., Ltd.	2023/01/07 to six months after obtaining the use permit	Shanhe Palace	None
		Huajiang International Development Co., Ltd.			
		Jayshelyn Construction Co., Ltd.	2024/01/18 to 2027/06/30	Shanhe Palace 2	None
		Huajiang International Development Co., Ltd.			
		Yi-Chuan Development	2022/05/16 to six months after obtaining the use permit	The Paradise in Hsinchu	None
		Sen Yuan Construction Co., Ltd.	2021/05/01 to 2024/12/31	Forest Dream	None
		Chang Hsin Hui	2021/12/15 to		

By company	Nature of Contract	Counterparty	Contract Period	Important Information	Restrictions
		Co., Ltd.	2024/06/30		
		Sing Hong Yang Construction Co., Ltd.			
		Shenghong Xingye Co., Ltd.	2022/09/15 to 2024/06/30		
		Kaixin Investment Co., Ltd.			
		Hui-Da Development Co., Ltd.				2022/03/25 to 2024/12/31
		Dong-Tai International Construction	2021/10/15 to 2025/07/31	Izu Manor	None
		Kaixin Investment Co., Ltd.	2023/09/15 to 2025/07/31		
		OO Chen			
JSL	Consignment contract	OCI International Holdings Ltd	2024/04/01 to 2025/07/31	Izu Manor 2	None
		Jiayou Co., Ltd.			
		OO Wang			
		Sin Zong Yang Construction Co., Ltd.	Obtained permit to 2024/06/30	Contemporary Courtyard No. 1	None
		OO Zheng			
		Ko Bin Da Construction Co., Ltd.	2022/04/01 to 2024/03/31	Nanshan Palace	None
		Guo-Ju Investment Co., Ltd.	Sales begins after the license is obtained, and the sales period will be 2 years	The Top City	None
		Ding-Lu Development Co., Ltd.			
		Weide Construction Co., Ltd.	Sales begins after the license is obtained, and the sales period will be 2 years	The Top City 2	None
		Ding-Lu Development Co., Ltd.			
		Keqin Investment Co., Ltd.			
		BlackRock Inc.			
		Jiede Investment Co., Ltd.			
		XIN ZHONG INTERNATIONAL LIMITED			

By company	Nature of Contract	Counterparty	Contract Period	Important Information	Restrictions
		Changyao Investment Co., Ltd.			
		Xinzi Investment Co., Ltd.			
		Jiehe Investment Co., Ltd.			
		Weibang Investment Co., Ltd.			
		De-An Development	2022/05/01 to 2025/04/30	De-An Beauty Club	None
		Lih Shinn Wei-Yeh Co., Ltd.	2022/12/16 to one month after obtaining the use permit	River Palace #6	None
		RUN LONG CONSTRUCTION CO., LTD.	2022/07/01 to six months after obtaining the use permit	Dream City	None
		Hai Ju Construction Co., Ltd.			
		Highwealth Construction Corp.	2022/09/15 to 2026/12/31	Taipei One TAIPEI ONE	None
		Da-Hsin Construction	2022/08/16 to 2025/04/30	Da'an Xin Jing	None
		Sotai Real Estate Co., Ltd.	2022/10/20 to 10 months after obtaining the construction permit and sales staff launching the sales	Landmark Mansion	None
		Jayshelyn Construction Co., Ltd.	2023/03/01 to six months after obtaining the use permit	The Grand Palace	None
		Hsing-Yi-Fa Construction Enterprise	2023/04/01 to 2024/09/30	MRT Peach Garden	None
		J.D Construction Co., Ltd.	2023/07/01 to 2027/12/31	J.D MRT Mansion	None
		RUN LONG CONSTRUCTION CO., LTD.	2023/08/10 to 2024/07/31	Jing'an Wenhui	None
		Chuangding Construction Co., Ltd.			
		Chu Yuan Industrial Co., Ltd.	2023/09/20 to six months after obtaining the use	Beauty Palace	None

By company	Nature of Contract	Counterparty	Contract Period	Important Information	Restrictions
		Wancixing Construction Co., Ltd.	permit		
		Sin Zong Yang Construction Co., Ltd.	2024/02/27 to 2027/07/31	Global Economic and Trade Centre	None
		Changde Construction Co., Ltd.	Sales begins after the license is obtained, and the sales period will be 2 years	Du Mei Shi Jie Xing	None
		RUN LONG CONSTRUCTION CO., LTD.	2024/01/01 to six months after obtaining the use permit	Windsor	None
		Hongquan Construction Real Estate Co., Ltd.	Sales begins after the license is obtained, and the sales period will be 2 years	Renxin Section, Sanchong District	None
		Yuanhong Development Co., Ltd.			
		MAW DER PROPERTY DEVELOPMENT CO., LTD.	Sales begins after the license is obtained, and the sales period will be one year	Xinhe Section, Maode District	None
		Han-Ji Construction Co., Ltd.	Party A shall notify the official start date of the sale, and the sales shall last 18 months	Urban Life	None
		MAW DER PROPERTY DEVELOPMENT CO., LTD.	2024/04/01 to 2026/03/31	Park66	None
		Deyu Construction Co., Ltd.			
		Hanxiang Development Co., Ltd.	2024/04/01 to 2026/03/31	ParkYOYO	None
		Leli Development Co., Ltd.			
JSL INTERNATIONAL DEVELOPMENT CO., LTD.	Consignment contract	Jayshelyn Construction Co., Ltd.	2018/03/01 to 2024/02/28	Sky Mansion	None
		Hong Da Di Construction Co., Ltd.			
		Yi-Chuan Development	2023/03/31 to 2027/03/31	The Paradise in Hsinchu	None
JSL	Consignment	Jayshelyn	2018/10/01 to	Melody Palace	None

By company	Nature of Contract	Counterparty	Contract Period	Important Information	Restrictions
Entertainment	contract	Construction Co., Ltd.	2024/04/30		
		Chu Yuan Industrial Co., Ltd.			
		Wancixing Construction Co., Ltd.			
		Lih Shinn Construction Co., Ltd.	2019/10/01 to one month after obtaining the use permit	River Palace #1	None
		Chu Yuan Industrial Co., Ltd.			
		Shang-Jing Industrial Co., Ltd.	2020/08/01 to one month after obtaining the use permit		
		Hsin-Lu Construction Co., Ltd.	2020/09/01 to 2023/12/31	MRT View Nature	None
		Hongshen Investment Co., Ltd.	2024/01/01 to 2024/12/31	Snow Garden	None
Chuwang Development Co., Ltd.	Construction contract	Jaysanlyn Construction Co., Ltd.	2022/05/10 to project completion and acceptance	The Grand Palace No. 2	None
		Jaysanlyn Construction Co., Ltd.	2022/05/10 to project completion and acceptance	The Grand Palace No. 1	None
		Jayshelyn Construction Co., Ltd.	2020/07/01 to project completion and acceptance	The Palace	None
		JSL CONSTRUCTION & DEVELOPMENT CO., LTD.	2021/08/19 to project completion and acceptance	The Grand Palace	None
		Chu Yuan Industrial Co., Ltd./Lih Shinn Construction Co., Ltd.	2023/03/01 to project completion and acceptance	River Palace #1	None
		JSL CONSTRUCTION & DEVELOPMENT CO., LTD./Lih Shinn Construction Co., Ltd.	2021/05/12 to project completion and acceptance	River Palace #2	None
		JSL	2020/12/01 to	River Palace #3	None

By company	Nature of Contract	Counterparty	Contract Period	Important Information	Restrictions
		CONSTRUCTION & DEVELOPMENT CO., LTD./ Lih Shinn Construction Co., Ltd.	project completion and acceptance		
		JSL CONSTRUCTION & DEVELOPMENT CO., LTD./ Lih Shinn Construction Co., Ltd.	2020/12/01 to project completion and acceptance	River Palace #5	None
		JSL CONSTRUCTION & DEVELOPMENT CO., LTD./ Lih Shinn Co., Ltd	2023/03/10 to project completion and acceptance	River Palace #6	None
		JSL CONSTRUCTION & DEVELOPMENT CO., LTD.	2021/10/05 to project completion and acceptance	Pingtung Garden Palace	None
		JSL CONSTRUCTION & DEVELOPMENT CO., LTD./Chien-Fu Construction	2022/09/15 to project completion and acceptance	City Hall No. 1	None
		JSL CONSTRUCTION & DEVELOPMENT CO., LTD./Chien-Fu Construction	2023/09/05 to project completion and acceptance	City Hall No. 3	None
		JSL CONSTRUCTION & DEVELOPMENT CO., LTD./Yi-Chuan Development	2023/03/14 to project completion and acceptance	The Paradise in Hsinchu - Early site development	None
		JSL CONSTRUCTION & DEVELOPMENT	2023/06/01 to project completion and acceptance	Bao-Hsiang-Hua De 9-1 District	None

By company	Nature of Contract	Counterparty	Contract Period	Important Information	Restrictions
		T CO., LTD./Yi-Chuan Development			
		JSL CONSTRUCTION & DEVELOPMENT CO., LTD./Yi-Chuan Development	2023/06/01 to project completion and acceptance	Bao-Hsiang-Central 8-1 District	None
		JSL CONSTRUCTION & DEVELOPMENT CO., LTD./Yi-Chuan Development	2023/08/01 to project completion and acceptance	Bao-Hsiang-Central 8-2 District	None
		JSL CONSTRUCTION & DEVELOPMENT CO., LTD./Yi-Chuan Development	2023/08/01 to project completion and acceptance	Bao-Hsiang-Central 8-3 District	None
		JSL CONSTRUCTION & DEVELOPMENT CO., LTD./Yi-Chuan Development	2023/12/01 to project completion and acceptance	Bao-Hsiang-Central 9-2 District	None
		Jaysanlyn Construction Co., Ltd.	2022/11/28 to project completion and acceptance	Park Palace	None
		JSL CONSTRUCTION & DEVELOPMENT CO., LTD./Guang-Tai-Ji	2022/12/15 to project completion and acceptance	City of Love	None
		Jayshelyn Construction Co., Ltd.	2023/06/05 to project completion and acceptance	Shanhe Palace 1	None
		Jaysanlyn Construction/Shin Ruenn Development	2023/06/12 to project completion and acceptance	Nature One	None
		JSL CONSTRUCTION & DEVELOPMENT	2024/04/01 to project completion and acceptance	The Castle	None

By company	Nature of Contract	Counterparty	Contract Period	Important Information	Restrictions
		T CO., LTD.			

Six. Overview of Financial Status

I. Condensed balance sheets and statements of comprehensive income for the past five fiscal years

(I) Condensed balance sheet

1. Condensed balance sheet – Consolidated

Unit: In NT\$1,000

Item \ Year		Financial information for the past five fiscal years (Note 1)					Financial information as of March 31, 2024 (Note 2)
		2019	2020	2021	2022	2023	
Current assets		10,087,594	13,048,477	17,113,495	23,598,227	31,891,579	34,455,758
Long-term investments accounted for using equity method		2,260	2,260	2,260	-	-	-
Property, plant and equipment		885,079	870,543	863,827	852,038	819,857	973,754
Intangible assets		31	245	181	1,298	1,766	1,189
Other assets		1,735,185	1,879,298	2,427,590	2,659,374	2,846,509	2,932,960
Total assets		12,710,149	15,800,823	20,407,353	27,110,937	35,559,711	38,363,661
Current liabilities	Before distribution	6,083,157	7,957,530	11,588,543	17,799,159	23,770,315	24,263,644
	After distribution	6,083,157	8,104,130	12,152,953	18,234,278	Not yet distributed	Not yet distributed
Non-current liabilities		2,263,224	2,572,814	2,562,866	3,175,629	2,841,177	2,521,316
Total Liabilities	Before distribution	8,346,381	10,530,344	14,151,409	20,974,788	26,611,492	26,784,960
	After distribution	8,346,381	10,676,944	14,715,819	21,409,907	Not yet distributed	Not yet distributed
Equity attributable to shareholders of the parent company		4,363,676	5,270,479	6,255,944	6,136,149	8,948,219	11,578,701
Capital		1,466,000	1,466,000	1,612,600	2,660,790	3,916,067	4,166,067
Capital reserve		2,075,556	2,076,211	1,783,011	1,299,231	2,218,593	3,998,218
Retained earnings	Before distribution	8,252,120	1,728,268	2,860,333	2,176,128	2,813,559	3,414,416
	After distribution	8,252,120	1,581,668	2,699,073	2,031,019	Not yet distributed	Not yet distributed
Other equity interests			-	-	-	-	
Treasury stock			-	-	-	-	
Non-controlling interests		92	92	-	-	-	
Total equity	Before distribution	4,161,379	4,363,768	5,270,479	6,255,944	8,948,219	11,578,701
	After distribution	4,161,379	4,363,768	5,123,879	5,691,534	Not yet distributed	Not yet distributed

* If the Company prepares parent-only financial statements, it should also prepare parent-only condensed balance sheet and statement of comprehensive income for the last five years.

*If the financial data using IFRSs is less than five years old, the following Table should be prepared separately: (2) Financial information using ROC SEASs.

Note 1: The year that has not been certified by the accountants should be indicated.

Note 2: If asset revaluation has been performed for the year, the date of revaluation and the revaluation increment should be indicated.

Note 3: TWSE or TPEx listed companies should disclose the financial information of the most recent period that has been attested or reviewed by CPAs as of the publication date of the annual report.

Note 4: The “After distribution” figures are filled in according to the resolution of the Board or the shareholders’ meeting of the next year.

Note 5: For those who have been notified by the competent authority to revise their financial information, all the figures/numbers used shall be the revised ones, and the status and reasons for such revision shall be noted.

Note 6: The financial information for the last five years has been verified and certified by accountants.

Note 7: The financial information for Q1 2024 has been reviewed by the certified accountants.

Note 8: The dividend payment for the year has not been approved by the annual general meeting of shareholders.

2. Condensed balance sheet – Parent Company Only financial statement

Unit: In NT\$1,000

Year Item		Financial information for the past 5 fiscal years (Note 1)				
		2019	2020	2021	2022	2023
Current assets		9,755,383	12,084,449	15,556,492	21,621,348	28,918,568
Property, plant and equipment		882,727	867,737	860,244	848,152	835,800
Intangible assets		31	245	181	354	206
Other assets		1,993,864	2,365,542	2,925,559	3,085,563	3,436,148
Total assets		12,632,005	15,317,973	19,342,476	25,555,417	33,190,722
Current liabilities	Before distribution	6,071,264	10,603,530	10,603,530	16,316,322	21,481,436
	After distribution	6,071,264	10,603,530	11,167,940	16,751,441	Not yet distributed
Non-current liabilities		2,197,065	2,483,750	2,483,002	3,102,946	2,761,067
Total Liabilities	Before distribution	8,268,329	13,086,532	13,086,532	19,419,268	24,242,503
	After distribution	8,268,329	13,086,532	13,650,942	19,854,387	Not yet distributed
Equity attributable to shareholders of the parent company		4,363,676	5,270,479	6,255,944	6,136,149	8,948,219
Capital		1,466,000	1,466,000	1,612,600	2,660,790	3,916,067
Capital reserve		2,075,556	2,076,211	1,783,011	1,299,231	2,218,593
Retained earnings	Before distribution	822,120	1,728,268	2,860,333	2,176,128	2,813,559
	After distribution	822,120	1,728,268	2,699,073	2,031,089	Not yet distributed
Other equity interests		-	-	-	-	-
Treasury stock		-	-	-	-	-
Non-controlling interests		-	-	-	-	-
Total equity	Before distribution	4,363,676	5,270,479	6,255,944	6,136,149	8,948,219
	After distribution	4,363,676	5,270,479	5,691,534	5,991,109	Not yet distributed

Note 1: The financial information for the last five years has been verified and certified by accountants.

Note 2: The dividend payment for 2023 has not been approved by the annual general meeting of shareholders.

(II) Condensed Statement of Comprehensive Income

1. IFRS – Consolidated financial statements

Unit: In NT\$1,000

Item \ Year	Financial information for the last five fiscal years (Note 1)					Financial information as of March 31, 2024 (Note 2)
	2019	2020	2021	2022	2023	
Operating revenue	2,221,028	4,778,150	5,521,414	4,734,010	8,102,882	2,329,423
Gross profit	798,247	2,044,665	2,315,534	1,410,158	3,322,898	1,224,058
Operating income	423,617	1,304,023	1,654,016	716,555	2,272,308	925,056
Non-operating income and expenses	(136,870)	(112,829)	(143,980)	(113,605)	(290,807)	(64,897)
Pre-tax net income	286,747	1,191,194	1,510,036	602,950	1,981,501	860,157
Net gain of current period from continuing operations	202,389	906,148	1,132,065	444,615	1,507,668	600,857
Loss from discontinued operations	-	-	-	-	-	-
Profit (loss) for the year	202,389	906,148	1,132,065	444,615	1,507,668	600,857
Other comprehensive income for the period (net after taxes)	-	-	-	-	-	-
Total comprehensive income for the year	202,389	906,148	1,132,065	444,615	1,507,668	600,857
Net income attributable to owners of the parent company	202,613	906,148	1,132,065	444,615	1,507,668	600,857
Net income attributable to non-controlling interests	(224)	-	-	-	-	-
Total comprehensive income attributable to shareholders of the parent company	202,613	906,148	1,132,065	444,615	1,507,668	600,857
Total comprehensive income attributable to non-controlling interests	(224)	-	-	-	-	-
Earnings per share (NT\$)	0.56	2.52	3.15	1.21	3.91	1.53

Note 1: The financial information for the last five years has been verified and certified by accountants.

Note 2: The financial information for Q1 2024 has been reviewed by the certified accountants.

Condensed Statement of Comprehensive Income

2. IFRS – Parent Company Only

Unit: NT\$ in thousands (earnings per share in NT\$)

Item \ Year	Financial information for the past 5 fiscal years (Note)				
	2019	2020	2021	2022	2023
Operating revenue	1,988,847	3,433,358	3,437,715	2,783,221	5,487,239
Gross profit	722,984	1,861,125	2,001,806	1,137,734	3,006,928
Operating income	434,818	1,257,365	1,513,718	633,703	2,314,838
Non-operating income and expenses	(144,382)	(76,153)	(39,792)	(53,402)	(387,873)
Pre-tax net income	290,436	1,181,212	1,473,926	580,301	1,926,965
Net gain of current period from continuing operations	202,613	906,148	1,132,065	444,615	1,507,668
Loss from discontinued operations	-	-	-	-	-
Profit (loss) for the year	202,613	906,148	1,132,065	444,615	1,507,668
Other comprehensive income for the period (net after taxes)	-	-	-	-	-
Total comprehensive income for the year	202,613	906,148	1,132,065	444,615	1,507,668
Net income attributable to owners of the parent company	202,613	906,148	1,132,065	444,615	1,507,668
Net income attributable to non-controlling interests	-	-	-	-	-
Total comprehensive income attributable to shareholders of the parent company	202,613	906,148	1,132,065	444,615	1,507,668
Total comprehensive income attributable to non-controlling interests	-	-	-	-	-
Earnings per share (NT\$)	0.56	2.52	3.15	1.21	3.91

Note: The financial information shown above has been audited and attested by the CPAs.

(III) Names and opinions of auditors for the past five years

Year	Name of Accounting Firm	Name of CPAs	Opinions
2019	KPMG Taiwan	Shih-Chin Chih, Judy Chien	An unqualified opinion
2020	KPMG Taiwan	Maggie Chang, Yi-Lien Han	An unqualified opinion
2021	KPMG Taiwan	Maggie Chang, Lydia Huang	An unqualified opinion
2022	KPMG Taiwan	Maggie Chang, Lydia Huang	An unqualified opinion
2023	KPMG Taiwan	Shih-Chin Chih, Hsin-Ting Huang	An unqualified opinion

II. Financial analysis for the most recent five years

1. IFRS – Consolidated financial statements

Year Items to be analyzed		Financial analysis for the last five years (Note 1)					Financial analysis as of March 31, 2024 (Note 2)
		2019	2020	2021	2022	2023	
Financial structure %	Debt to asset ratio	65.66	66.64	69.34	77.36	74.83	69.81
	Long-term fund to property, plant and equipment ratio	748.73	900.96	1,020.90	1,092.88	1,437.98	1448.00
Solvency %	Current ratio	165.82	163.97	147.67	132.58	134.16	142.00
	Quick ratio	26.68	39.25	40.55	30.04	34.17	39.53
	Times interest earned	2.75	8.23	9.54	3.36	5.61	9.15
Operating performance	Average collection turnover (times)	3.20	3.93	3.07	2.38	2.98	2.60
	Days sales outstanding	114.06	92.87	118.89	153.36	122.48	140.38
	Average inventory turnover (times)	0.18	0.30	0.29	0.22	0.23	0.16
	Accounts payable turnover (times)	1.77	2.25	2.52	2.11	1.94	1.68
	Average inventory turnover days	2027.77	1,216.67	1,258.62	1,659.09	1,586.95	2881.25
	Property, plant and equipment turnover (times)	2.55	5.44	6.36	5.51	9.69	10.36
	Total asset turnover (times)	0.18	0.33	0.30	0.19	0.25	0.24
Profitability	Return on assets (%)	2.77	7.19	7.03	2.73	5.90	7.40
	Return on equity (%)	4.74	18.79	19.64	7.17	19.98	23.40
	Pre-tax net income to paid-in capital ratio (%)	19.55	81.30	93.63	22.66	50.59	20.64
	Net margin (%)	9.11	18.96	20.50	9.39	18.60	25.79
	Earnings per share (NT\$)	1.26	5.62	7.02	1.21	3.91	1.53
Cash flow	Cash flow ratio (%)	-	-	-	-	-	
	Cash flow adequacy ratio (%)	-	-	-	-	-	
	Cash reinvestment ratio (%)	-	-	-	-	-	
Leverage	Operating leverage	1.88	1.56	1.39	1.96	1.46	1.32
	Financial leverage	1.63	1.14	1.11	1.55	1.23	1.12

Please indicate the reasons for the changes in the financial ratios in the past two years (those who experience less than 20% in change can be exempted from the analysis).

1. The ratio of long-term fund to property, plant and equipment increased with the fund expansion by the cash capital increase in 2023 and earnings during the year.
2. The interest coverage ratio compared to the previous period increased with earnings for 2023.
3. The increase in accounts receivable turnover and the decrease in average cash collection days were due to the rapid sales and smooth collection of part of hot-selling cases during the year.
4. The increase in property, plant and equipment turnover ratio and total assets turnover ratio was due to the increase in profitability resulting from higher sales in the consignment business during the year.
5. The increase in profitability indicators over the previous year was due to higher sales in the sales business resulting in higher profitability.
6. The increase in sales of the consignment business during the year resulted in a relatively lower proportion of fixed costs and interest expense, as well as lower operating and financial leverage during the period.

Note 1: The annual financial reports from 2019 to 2023 have been audited and attested by certified public accountants.

Note 2: The Consolidated Financial Report for Q1 2024 has been reviewed by the certified accountants.

Note 3: Formulas are shown as follows:

1. Financial structure
 - (1) Debt-to-asset ratio = Total liabilities / Total assets
 - (2) Long-term fund to property, plant and equipment ratio = (Shareholders' equity + non-current liabilities) / Net property, plant and equipment
2. Solvency
 - (1) Current ratio = Current assets / Current liabilities
 - (2) Quick ratio = (Current assets - inventories - pre-paid expenses) / Current liabilities
 - (3) Times interest earned = Earnings before interest and taxes / Interest expenses
3. Operating performance
 - (1) Receivables (including accounts receivable and notes receivable due to business operation) turnover = Net sales / the balance of average receivables of different periods (including accounts receivable and notes receivable due to business operation)
 - (2) Days sales outstanding = 365 / Average collection turnover
 - (3) Average inventory turnover = Cost of goods sold / average inventory
 - (4) Payables (including accounts payables and notes payable due to business operation) turnover = Cost of goods sold / the balance of average payables of different periods (including accounts payables and notes payable due to business operation)
 - (5) Average inventory turnover days = 365 / Average inventory turnover
 - (6) Property, plant and equipment turnover = Net sales / Average property, plant and equipment
 - (7) Total assets turnover = Net sales / total assets
4. Profitability
 - (1) Return on total assets = [Net income + Interest expenses x (1 - tax rate)] / Average total assets
 - (2) Return on equity = PAT / Average net equity
 - (3) Net margin = Net income / Net sales
 - (4) Earnings per share = (Net income attributable to shareholders of the parent - preferred stock dividend) / Weighted average number of shares outstanding (Note 4)
5. Cash flow
 - (1) Cash flow ratio = Net cash provided by operating activities / Current Liabilities
 - (2) Cash flow adequacy ratio = Five-year sum of cash from operations / Five-year sum of capital expenditures, inventory additions, and cash dividend
 - (3) Cash flow reinvestment ratio = (Cash provided by operating activities - cash dividends) / (Gross property, plant and equipment + long-term investments + other non-current assets + working capital)
 - (4) Cash flow used in operating activities will not be calculated.
6. Leverage:
 - (1) Operating leverage = (Net sales - variable cost) / Operating profit (Note 6).
 - (2) Financial leverage = Operating profit / (Operating profit - Interest expense)

Note 4: Pay attention to the following issues when making calculations for the earnings per share based on the above formula:

1. Based on the weighted-average number of common shares rather than the number of shares outstanding at the end of the year.
2. Where there are cash capital increases or treasury stock transactions, the weighted average number of shares should be used considering the period of circulation.
3. In case of capital increase out of earnings or capital surplus, the calculation of earnings per share for the past fiscal year and the fiscal half-year shall be retrospectively adjusted based on the capital increase ratio, without the need to consider the issuance period for the capital increase.

4. If the preferred shares are non-convertible cumulative preferred shares, the dividend of the current year (whether issued or not) shall be subtracted from the net profit after tax, or added to the net loss after tax. In the case of non-cumulative preferred shares, if there is net profit after tax, dividend on preferred shares shall be subtracted from the net profit after tax; if there is a loss, no adjustment is made.

Note 5: Pay attention to the following issues when carrying out cash flow analysis:

1. Net cash flow from operating activities represents the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditures represent the annual cash outflows from capital investments.
3. Increase in inventory is included only if the ending balance is greater than the beginning balance, or zero if inventory decreases at the end of the year.
4. Cash dividends include cash dividends on common stock and preferred stock.
5. Gross property, plant and equipment represents the total amount of property, plant and equipment before accumulated depreciation.

Note 6: Issuers shall separate operating costs and operating expenses by their nature into fixed and variable categories. When estimations or subjective judgments are involved, pay attention to their reasonableness and maintain consistency.

Note 7: Issuers shall separate operating costs and operating expenses by their nature into fixed and variable categories. When estimations or subjective judgments are involved, pay attention to their reasonableness and maintain consistency.

Note 8: The Q1 turnover rate has been annualized for comparison with other years.

2. Financial analysis – Taiwan Financial Accounting Standards – Parent Company Only
financial statements

Year Items to be analyzed		Financial analysis for the last five years (Note 1)					Financial analysis as of March 31, 2024
		2019	2020	2021	2022	2023	
Financial structure %	Debt to asset ratio	65.45	65.59	67.65	75.98	73.03	No parent-only financial report was prepared in the current period
	Long-term fund to property, plant and equipment ratio	743.23	893.61	1,015.86	1,089.32	1,400.96	
Solvency %	Current ratio	160.68	159.76	146.71	132.51	134.62	
	Quick ratio	25.33	33.48	33.02	23.38	25.43	
	Times interest earned	2.81	8.25	9.43	3.30	5.47	
Operating performance	Average collection turnover (times)	3.14	3.84	2.87	2.13	3.29	
	Days sales outstanding	116.24	95.05	127.17	171.36	110.94	
	Average inventory turnover (times)	0.16	0.18	0.14	0.11	0.12	
	Accounts payable turnover (times)	1.61	1.74	1.84	2.00	1.89	
	Average inventory turnover days	2281.25	2,027.77	2,607.14	3,318.18	3,041.66	
	Property, plant and equipment turnover (times)	2.29	3.92	3.98	3.26	6.52	
	Total asset turnover (times)	0.16	0.24	0.19	0.12	0.18	
Profitability	Return on assets (%)	2.76	7.42	7.34	2.88	6.31	
	Return on equity (%)	4.75	18.81	19.64	7.17	19.98	
	Pre-tax income to paid-in capital (%) (Note 7)	19.81	80.57	91.40	21.80	49.20	
	Net margin (%)	10.19	26.39	32.93	15.97	27.48	
	Earnings per share (NT\$)	1.26	5.62	7.02	1.67	3.91	
Cash flow	Cash flow ratio (%)	-	-	-	-	-	
	Cash flow adequacy ratio (%)	-	-	-	-	-	
	Cash reinvestment ratio (%)	-	-	-	-	-	
Leverage	Operating leverage	1.66	1.48	1.32	1.79	1.29	
	Financial leverage	1.58	1.14	1.13	1.66	1.22	

Please indicate the reasons for the changes in the financial ratios in the past two years (those who experience less than 20% in change can be exempted from the analysis).

1. The ratio of long-term fund to property, plant and equipment increased with the fund expansion by the cash capital increase in 2023 and earnings during the year.
2. The interest coverage ratio compared to the previous period increased with earnings for 2023.
3. The increase in accounts receivable turnover and the decrease in average cash collection days were due to the rapid sales and smooth collection of part of hot-selling cases during the year.
4. The increase in property, plant and equipment turnover ratio and total assets turnover ratio was due to the increase in profitability resulting from higher sales in the consignment business during the year.
5. The increase in profitability indicators over the previous year was due to higher sales in the sales business resulting in higher profitability.
6. The increase in sales of the consignment business during the year resulted in a relatively lower proportion of fixed costs and interest expense, as well as lower operating and financial leverage during the period.

Note 1: The annual financial reports from 2019 to 2023 have been audited and attested by certified public accountants.

III. Audit Committee review of the most recent annual financial report

JSL Construction & Development Co., Ltd.
Audit Committee Report

We have reviewed the Company's 2023 business report and financial statements (including consolidated financial statements) prepared by the Board of Directors. The financial statements (including consolidated financial statements) have been audited by CPA Shih-Chin Chih and Hsin-Ting Huang of KPMG entrusted by the Company, and an independent auditor's report has been issued. The above-mentioned reports submitted by the Board have been reviewed and determined to be correct and accurate by the Audit Committee. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Sincerely yours,
The 2024 Annual Shareholders' Meeting

JSL Construction & Development Co., Ltd.

Convener of the Audit Committee: Hsiang-Chi Hu



March 15, 2024

IV. Financial statements for the most recent year



安侯建業聯合會計師事務所
KPMG

台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel	+ 886 2 8101 6666
傳真 Fax	+ 886 2 8101 6667
網址 Web	kpmg.com/tw

Independent Auditors' Report

To the Board of Directors of JSL CONSTRUCTION & DEVELOPMENT CO., LTD.:

Opinion

We have audited the financial statements of JSL CONSTRUCTION & DEVELOPMENT CO., LTD. (“the Company”), which comprise the balance sheet as of December 31, 2023 and 2022, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, 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 of our opinion.

Key Audit Matters

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

1. Selling real estate properties revenue recognition

Refer to Note 4(n) for the accounting policies on revenue recognition; Note 5 for details on the significant accounting assumptions and judgments, and major sources of the estimation uncertainty on revenue recognition; Note 6(w) “Revenues from contracts with customers” for revenue recognition.

Description of key audit matter:

The principle income of the Company is generated from selling real estate properties, of which has a higher tendency of revenue fluctuation due to impacts of various factors such as overall economic environment, supply and demand and reform of house and land transactions income tax system; to respond to aforementioned changes, the management has set up relevant internal control procedures over income and payment collection. The consolidated service contract income for the year ended December 31, 2023 was amounted to \$4,843,309 thousand. The accounting treatment of service contracts involve estimates and judgments; thus, it was continuously considered as significant audit risk for the Company. Consequently, revenue recognition is one of our key audit matters.

How the matter was addressed in our audit:

Our principal audit procedures included the following: Testing the effectiveness of the design and implementing the internal control system of sales revenue; Understanding the effectiveness of the control mechanism for the Company's real estate sales revenue and collection operations. Also, to spot check the pre-orders forms of on site real estate sales, confirmation on completion of sales contract and site daily report for sales on site, the invoice of marketing planning services, bank transactions records; testing if the accounting treatment adopted for service contract income was in accordance with accounting policies; to sample check on sales transactions for the period before and after the financial reporting date and confirm the related vouchers to assess whether the revenue recognition period is appropriate.

2. Revenue recognition of property sales

Refer to Note 4(n) for the accounting policies on revenue recognition; Note 5 for details on the significant accounting assumptions and judgments, and major sources of the estimation uncertainty on revenue recognition; for revenue recognition, please refer to note 6(w) Revenue from Contracts with Customers.

Description of key audit matter:

The real estate industry, in which JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES is into, has a higher tendency of revenue fluctuation due to macroeconomics, economic conditions, tax policy reform and real estate demands, therefore the management has set up relevant income and collection procedures to countermeasure the aforementioned environmental changes. The revenue from property sales is \$613,899 thousand, thus, the appropriateness of recognition of revenue from property sales cast significant impacts on financial report. Consequently, revenue recognition is one of our key audit matters.

How the matter was addressed in our audit:

Our principal audit procedures included understanding the sales revenue of property and lands of the Company and control mechanism of collection procedure as well as testing the effectiveness of the design and implementing the internal control system of sales revenue. Inspection of property and land sales contracts, bank account transaction record, collection record and real estate ownership transfer document and delivery list, etc. In addition, testing the samples of sales transaction before and after the end of the year to ensure the correctness of sales revenue.

3. Valuation of inventories

Please refer to Note 4(f) and Note 5 for the accounting policy of inventory valuation, as well as the estimation and assumption uncertainty of the valuation of inventory, respectively. Information of estimation of the valuation of inventory are disclosed in Note 6(e) of the financial statements.



Description of key audit matter:

As of December 31, 2023, inventory of the Company (construction industry) was amounted to \$22,742,523 thousand, which accounted for 69% of the consolidated total assets, and the inventory amount was presented with lower of cost or net realizable value. The judgment of net realizable value relies on management since the Company focuses on real estate industry, the industry is not only deeply affected by politics, economics, and reform of house and land transactions income tax system, but also an industry that is capital intensive and has long recover period. Consequently, revenue recognition is one of our key audit matters.

How the matter was addressed in our audit:

Our principal audit procedures included the following: understanding the Company's operating and accounting procedures for inventory valuation.; obtaining the Company management's data on net realizable value of inventory or individual investment evaluation forms, then sampling these data to review their market prices and comparing with contract prices of recent sales by the Company or the most updated selling prices of nearby properties. Consequently, confirming if the net realizable value of inventory is appropriate.

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

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

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

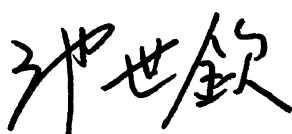
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

The engagement partners on the audit resulting in this independent auditors' report are Chih, Shih-Chin and Huang, Hsin-Ting.

KPMG

Taipei, Taiwan (Republic of China)
March 15, 2024



Notes to Readers

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

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

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

JSL CONSTRUCTION DEVELOPMENT CO., LTD.

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Assets					
Current assets:					
1100	Cash and cash equivalents (Note 6(a))	\$ 714,331	2	435,794	2
1150	Notes receivable, net (Notes 6(d) and (w))	38,198	-	20,583	-
1160	Notes receivable due from related parties, net (Notes 6(d), (w) and 7)	-	-	640	-
1170	Accounts receivable, net (Notes 6(d) and (w))	1,947,815	6	1,191,782	5
1180	Accounts receivable due from related parties, net (Notes 6(d), (w) and 7)	112,544	-	21,977	-
1200	Other receivables, net	231	-	3,371	-
1210	Other receivables due from related parties, net (Note 7)	28,876	-	20,542	-
1320	Inventories (for construction business), net (Notes 6(e), 7 and 8)	22,742,523	69	17,179,125	67
1410	Total prepayments (Note 6(f))	95,292	-	78,921	-
1476	Other current financial assets (Notes 6(k), 8 and 9)	2,522,195	8	2,077,676	9
1479	Other current assets, others	98,747	-	42,437	-
1480	Current assets recognised as incremental costs to obtain contract with customers (Notes 6(k) and 7)	401,090	1	212,490	1
1482	Current assets recognised from costs to fulfil contracts with customers (Note 6(e))	216,726	1	336,010	1
		28,918,568	87	21,621,348	85
Non-current assets:					
1510	Total non-current financial assets at fair value through profit or loss (Note 6(b))	399,758	1	188,560	1
1517	Total non-current financial assets at fair value through other comprehensive income (Note 6(c))	5,396	-	5,396	-
1550	Investments accounted for using equity method, net (Note 6(g))	673,330	2	550,660	2
1600	Total property, plant and equipment (Notes 6(h) and 8)	835,800	3	848,152	3
1755	Right-of-use assets (Notes 6(i), 7 and 8)	1,059,586	3	1,059,367	4
1760	Investment property, net (Notes 6(j), 7 and 8)	859,420	3	702,443	3
1780	Total intangible assets	206	-	354	-
1840	Deferred tax assets (Note 6(s))	53,692	-	39,387	-
1980	Total other non-current financial assets (Notes 6(k) and 8)	384,711	1	539,495	2
1995	Other non-current assets, others	255	-	255	-
		4,272,154	13	3,934,069	15
		<u>\$ 33,190,722</u>	<u>100</u>	<u>25,555,417</u>	<u>100</u>
Total assets					
Liabilities and Equity					
Current liabilities:					
	Total short-term borrowings (Note 6(l))	\$ 11,268,431	34	9,217,320	36
	Total short-term notes and bills payable (Note 6(l))	1,987,702	6	1,551,324	6
	Current contract liabilities (Notes 6(w) and 9)	3,446,655	10	2,288,086	9
	Total notes payable (Note 6(o))	14,432	-	7,992	-
	Total accounts payable (Note 6(o))	1,086,634	3	849,968	3
	Total accounts payable to related parties (Notes 6(o) and 7)	510,978	2	151,129	1
	Total other payables	333,200	1	197,087	1
	Other payables to related parties (Note 7)	954,332	3	713,217	3
	Current tax liabilities	313,801	1	108,536	-
	Current provisions for employee benefits (Note 6(r))	4,407	-	4,801	-
	Current lease liabilities (Notes 6(p) and 7)	28,028	-	16,301	-
	Other current financial liabilities	-	-	8,225	-
	Bonds payable, current portion (Note 6(n))	640,500	2	400,000	2
	Long-term borrowings, current portion (Note 6(m))	841,562	3	781,095	3
	Other current liabilities, others	50,774	-	21,241	-
		21,481,436	65	16,316,322	64
Non-Current liabilities:					
	Total bonds payable (Notes 6(n) and 7)	1,629,500	5	2,000,000	8
	Total long-term borrowings (Note 6(m))	664,419	2	677,504	3
	Total deferred tax liabilities (Note 6(s))	26,414	-	4,756	-
	Non-current lease liabilities (Notes 6(p) and 7)	359,365	1	349,851	1
	Guarantee deposits received	31,369	-	20,835	-
	Other non-current liabilities, others (Note 6(j))	50,000	-	50,000	-
		2,761,067	8	3,102,946	12
		24,242,503	73	19,419,268	76
Total liabilities					
Equity attributable to owners of parent (Note 6(t)):					
	Ordinary share	3,916,067	12	2,660,790	10
	Total capital surplus, additional paid-in capital	2,208,631	7	1,293,675	5
	Capital surplus, treasury share transactions	5,556	-	5,556	-
	Capital surplus, others	4,406	-	-	-
	Total retained earnings	2,813,559	8	2,176,128	9
		8,948,219	27	6,136,149	24
	Total equity	<u>33,190,722</u>	<u>100</u>	<u>25,555,417</u>	<u>100</u>
	Total liabilities and equity	<u>\$ 33,190,722</u>	<u>100</u>	<u>25,555,417</u>	<u>100</u>

See accompanying notes to parent company only financial statements.

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

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (Notes 6(w) and 7)	\$ 5,487,239	100	2,783,221	100
5000	Operating costs (Notes 6(e) and 7)	<u>2,480,311</u>	<u>45</u>	<u>1,645,487</u>	<u>59</u>
	Gross profit	<u>3,006,928</u>	<u>55</u>	<u>1,137,734</u>	<u>41</u>
	Operating expenses (Notes 6(u), (x) and 7):				
6100	Selling expenses	350,496	7	239,593	9
6200	Administrative expenses	321,969	6	249,279	9
6450	Impairment loss determined in accordance with IFRS (Note 6(d))	<u>19,625</u>	<u>-</u>	<u>15,159</u>	<u>1</u>
		<u>692,090</u>	<u>13</u>	<u>504,031</u>	<u>19</u>
	Net operating income	<u>2,314,838</u>	<u>42</u>	<u>633,703</u>	<u>22</u>
	Non-operating income and expenses:				
7100	Interest income (Note 6(y))	16,011	-	2,479	-
7010	Other income (Note 6(y))	4,638	-	19,001	1
7020	Other gains and losses (Notes 6(g), (j), (y) and 7)	96,415	2	133,159	5
7050	Finance costs (Notes 6(p), (y) and 7)	(431,344)	(8)	(252,830)	(9)
7070	Share of profit (loss) of subsidiaries, associates, and joint ventures under the equity method	<u>(73,593)</u>	<u>(1)</u>	<u>44,789</u>	<u>2</u>
		<u>(387,873)</u>	<u>(7)</u>	<u>(53,402)</u>	<u>(1)</u>
7900	Profit before tax	1,926,965	35	580,301	21
7950	Less: Income tax expenses (Note 6(s))	<u>419,297</u>	<u>8</u>	<u>135,686</u>	<u>5</u>
	Profit	<u>1,507,668</u>	<u>27</u>	<u>444,615</u>	<u>16</u>
8300	Other comprehensive income, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total comprehensive income	<u>\$ 1,507,668</u>	<u>27</u>	<u>444,615</u>	<u>16</u>
	Earnings per share (NT dollar) (Note 6(v))				
	Basic earnings per share (in New Taiwan dollars)	<u>\$ 3.91</u>		<u>1.21</u>	
	Diluted earnings per share (in New Taiwan dollars)	<u>\$ 3.90</u>		<u>1.21</u>	

See accompanying notes to parent company only financial statements.

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

JSL CONSTRUCTION & INVESTMENT CO., LTD.

Statement of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Share capital	Capital surplus	Legal reserve	Retained earnings	Total retained earnings	Total equity
	Ordinary shares			Unappropriated retained earnings		
Balance at January 1, 2022	\$ 1,612,600	1,783,011	180,975	2,679,358	2,860,333	6,255,944
Profit (loss)	-	-	-	444,615	444,615	444,615
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	444,615	444,615	444,615
Earnings appropriation and distribution:						
Legal reserve appropriated	-	-	113,206	(113,206)	-	-
Cash dividends of ordinary share	-	-	-	(161,260)	(161,260)	(161,260)
Stock dividends of ordinary share	967,560	-	-	(967,560)	(967,560)	-
Other changes in capital surplus:						
Cash dividends from capital surplus	-	(403,150)	-	-	-	(403,150)
Stock dividends from capital surplus	80,630	(80,630)	-	-	-	-
Balance at December 31, 2022	2,660,790	1,299,231	294,181	1,881,947	2,176,128	6,136,149
Profit (loss)	-	-	-	1,507,668	1,507,668	1,507,668
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	1,507,668	1,507,668	1,507,668
Appropriation and distribution of retained earnings:						
Legal reserve appropriated	-	-	44,462	(44,462)	-	-
Cash dividends of ordinary share	-	-	-	(145,039)	(145,039)	(145,039)
Stock dividends of ordinary share	725,198	-	-	(725,198)	(725,198)	-
Other changes in capital surplus:						
Cash dividends from capital surplus	-	(290,079)	-	-	-	(290,079)
Stock dividends from capital surplus	290,079	(290,079)	-	-	-	-
Lapsed share options	-	4,406	-	-	-	4,406
Issue of shares	240,000	1,495,114	-	-	-	1,735,114
Balance at December 31, 2023	\$ 3,916,067	2,218,593	338,643	2,474,916	2,813,559	8,948,219

See accompanying notes to parent company only financial statements.

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

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Statement of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2023	2022
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,926,965	580,301
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	39,751	30,433
Amortization expense	322	316
Provision (reversal of provision) for bad debt expense	19,625	15,159
Net gain on financial assets or liabilities at fair value through profit or loss	(11,476)	-
Interest expense	431,344	252,830
Interest income	(16,011)	(2,479)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	73,593	(44,789)
Losses on disposal of property, plant and equipment	106	-
Gain on disposals of investment property	-	(18,745)
Loss on disposal of investments accounted for using equity method	-	742
Dividend Revenue	(16)	-
Share-based payment transactions	5,112	-
Total adjustments to reconcile profit	542,350	233,467
Changes in operating assets and liabilities:		
Changes in operating assets:		
(Increase) decrease in notes accounts receivable, net	(17,615)	72,707
Decrease (increase) in notes receivable due from related parties	640	(640)
Increase in accounts receivable	(770,657)	(59,544)
(Increase) decrease in accounts receivable due from related parties	(90,567)	96,695
Decrease in other receivable	3,140	6,635
Increase in other receivable due from related parties	(8,334)	(11,957)
Increase in inventories	(5,461,904)	(5,383,977)
Increase in prepayments	(16,371)	(18,420)
Increase in other current assets	(444,432)	(588,328)
Increase in other current financial assets	(56,310)	(17,026)
Increase in assets recognised as incremental costs to obtain contract with customers	(188,600)	(134,415)
Decrease (increase) in assets recognised from costs to fulfil contracts with customers	119,284	(175,848)
Total changes in operating assets	(6,931,726)	(6,214,118)
Changes in operating liabilities:		
Increase in contract liabilities	1,158,569	1,046,502
Increase (decrease) in notes payable	6,440	(58,579)
Increase in accounts payable	236,666	448,131
Increase (decrease) in accounts payable to related parties	359,849	(20,910)
Increase (decrease) in other payables	137,405	(84,567)
(Decrease) increase in other payable to related parties	(298,885)	250,865
Decrease in provisions for employee benefits	(394)	(40)
(Decrease) increase in other financial liabilities	(8,225)	4,063
Increase (decrease) in other current liabilities	29,533	(6,163)
Total changes in operating liabilities	1,620,958	1,579,302
Total changes in operating assets and liabilities	(5,310,768)	(4,634,816)
Total adjustments	(4,768,418)	(4,401,349)
Cash outflow generated from operations	(2,841,453)	(3,821,048)
Interest received	10,923	2,459
Interest paid	(594,836)	(280,877)
Income taxes paid	(206,679)	(217,916)
Net cash flows generated from operating activities	(3,632,045)	(4,317,382)

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

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Statement of Cash Flows (CONT'D)

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	For the year ended December 31	
	2023	2022
Cash flows from investing activities:		
Acquisition of financial assets designated at fair value through profit or loss	(207,340)	-
Proceeds from disposal of financial assets designated at fair value through profit or loss	7,618	-
Acquisition of investments accounted for using equity method	(250,000)	-
Proceeds from disposal of investments accounted for using equity method	-	38
Acquisition of property, plant and equipment	(3,037)	(1,335)
Proceeds from disposal of property, plant and equipment	60	-
Acquisition of intangible assets	(174)	(489)
Acquisition of investment properties	(129,548)	(148,343)
Proceeds from disposal of investment properties	-	78,874
(Decrease) increase in other non-current financial assets	154,784	(87,939)
Dividends received	60,161	127,765
Net cash outflows used in investing activities	(367,476)	(31,429)
Cash flows from financing activities:		
Increase in short-term loans	9,775,388	6,798,761
Decrease in short-term loans	(7,673,306)	(4,195,260)
Increase in short-term notes and bills payable	9,149,200	6,891,600
Decrease in short-term notes and bills payable	(8,706,900)	(5,661,100)
Proceeds from issuing bonds	270,000	1,000,000
Repayments of bonds	(400,000)	(500,000)
Proceeds from long-term debt	58,460	73,010
Repayments of long-term debt	(11,078)	(3,091)
Increase in guarantee deposits received	10,534	12,428
Increase in other payables to related parties	540,000	350,000
Payment of lease liabilities	(27,122)	(13,596)
Cash dividends paid	(435,118)	(564,410)
Proceeds from issuing shares	1,728,000	-
Net cash inflows generated from financing activities	4,278,058	4,188,342
Net Increase (decrease) in cash and cash equivalents	278,537	(160,469)
Cash and cash equivalents at the beginning of the year	435,794	596,263
Cash and cash equivalents at the end of the year	\$ 714,331	435,794

See accompanying notes to parent company only financial statements.

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

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

For the years ended December 31, 2023 and 2022

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

(1) Company history

JSL CONSTRUCTION & DEVELOPMENT CO., LTD. (the “Company”) was incorporated on June 1986 as a company limited by shares under the laws of the Republic of China (“R.O.C.”) and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company’s registered office is 11F-2, NO.166, Section 4, Zhongxiao East Road, Da-an District, Taipei City 106, Taiwan. On June 24, 2013, the resolution of the ordinary shareholders’ meeting was passed and approved by the Ministry of Economic Affairs on July 5, 2013 to change the name of the company, formerly known as “Kim Shangchang Development Co., Ltd” to “JSL CONSTRUCTION & DEVELOPMENT CO., LTD.” The principal activities of the Company are real estate agents and sellers, to commission construction companies for the construction of national housing, commercial building for rental leases and sales, trading of building materials and operation of interior decoration.

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

The parent company only financial statements were authorized for issuance by the Board of Directors on March 15, 2024.

(3) New standards, amendments and interpretations adopted:

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

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

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

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

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

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

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

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”

(4) Summary of material accounting policies:

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

- (a) Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as the Regulations) and the International Financial Reporting Standard.

- (b) Basis of preparation

- (i) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the following material items in the statement of financial position:

- 1) Financial instruments at fair value through profit or loss are measured at fair value;
- 2) Financial assets at fair value through other comprehensive income

- (ii) Functional and presentation currency

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

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

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

An asset is classified as current when one of following criteria is met; all other assets are classified as non-current assets.

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(d) Cash and cash equivalents

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

(e) Financial instruments

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

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value, plus/minus the cumulative amortization using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment loss, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income derived from equity investments is recognized on the date that the Company's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortized cost or at FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designates a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

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

4) Impairment of financial assets

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

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

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

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

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

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

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 180 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off either partially or in full to the extent that there is no realistic prospect of recovery. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

5) Derecognition of financial assets

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

When the Company enters into transactions whereby it transfers assets but retains either all or substantially all of the risks and rewards of the assets, the transferred assets are not derecognized from statement of balance sheet.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

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

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

3) Financial liabilities

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

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

4) Derecognition of financial liabilities

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

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

5) Offsetting of financial assets and liabilities

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

(f) Inventories

(i) Selling

Contract costs

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Company recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria: the costs relate directly to a contract or to an anticipated contract that the Company can specifically identify; the costs generate or enhance resources of the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and the costs are expected to be recovered.

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

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(ii) Construction

The cost of inventories shall comprise all costs of purchase and other costs incurred in bring the inventories to their present location and condition. The real estate development costs include construction costs, land costs, borrowing costs, and project costs incurred during the development period. When completion, construction in progress is carried over to buildings and land held for sale. Then, it is amortized over either by income approach or built-up area approach (units of ping). The real estate development costs proportionate to the sale are carried forward to the operating cost. Subsequently, measure the lower of cost and net realizable value. When the cost of inventories is higher than the net realizable value, it should be offset against the cost to net realizable value, and the amount of inventory should be recognized as cost of goods sold in the current period. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The measurements of net realizable value are as below:

- 1) Construction Site: Net realizable value is by referring to the estimate made by the competent authorities in accordance with the prevailing market conditions.
- 2) Construction in progress: Net realizable value is the estimated selling price (based on current market condition) in the ordinary course of business, less the estimated costs of sales, as well as cost and selling expenses for completion of work.
- 3) Buildings and land held for sale: the net realizable value is the estimated price (based on the market condition), less, the estimated selling expenses during the sales.

(g) Investment in associates

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

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

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

Gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of unrelated Company's interests in the associate.

When the Company's share of losses exceeds its interests in an associate, the carrying amount of the investment, including any long term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent the Company has an obligation or has made payments on behalf of its associates.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(h) Investment in subsidiaries

The subsidiaries in which the Company holds controlling interest are accounted for under equity method in the parent company only financial statements. Under equity method, the net income, other comprehensive income and equity in the parent company only financial statement are the same as those attributable to the owners of parent in the financial statements.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(i) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

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

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

(j) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent expenditure

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

(iii) Depreciation

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

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

Land is not depreciated.

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

1) Buildings	3~50 years
2) Office equipment	3~5 years
3) Leasehold improvement	3 years
4) Transportation equipment	5 years

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

(k) Leases

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

(i) As a lessee

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

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

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

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

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

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

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

- 1) there is a change in future lease payments arising from the change in an index or rate; or
- 2) there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- 3) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- 4) there is a change in the lease term resulting from a change of the Company's assessment on whether it will exercise an extension or termination option; or
- 5) there is any lease modifications

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

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

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the balance sheets.

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

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

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(ii) As a lessor

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

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies IFRS15 to allocate the consideration in the contract.

The Company recognizes a finance lease receivable at an amount equal to its net investment in the lease. Initial direct costs incurred in negotiating and arranging an operating lease is added to the net investment of the leased asset. The interest income is recognized over the lease term based on a pattern reflecting a constant periodic rate of return on the net investment in the lease. The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

(l) Intangible assets

(i) Recognition and measurement

Other intangible assets, including customer relationships, patents and trademarks, that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

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

(iii) Amortization

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

The estimated useful lives for current and comparative periods are as follows:

- | | |
|-------------|---------|
| 1) Software | 3 years |
|-------------|---------|

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

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

(m) Impairment of non financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, contract assets, deferred tax assets and investment properties and biological assets, measured at fair value, less costs) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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

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

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

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(n) Revenue from contracts with customers

(i) Revenue from contracts with customers

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

1) Land development and sale of real estate

The Company develops and sells residential properties and usually sales properties in advance during construction or before construction begins. Revenue is recognized when control over the properties has been transferred to the customer. Therefore, revenue is recognized at a point in time when the legal title has passed to the customer and the transfer of properties to the customer is complete. If the Company only meets one of the two criteria at the reporting date, the revenue is recognized as well.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

The revenue is measured at the transaction price agreed under the contract. For sale of readily available house, in most cases, the consideration is due when legal title of a property has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months. The transaction price is, therefore not adjusted for the effects of a significant financing component. For pre-selling properties, the consideration is usually received by installment during the period from contract inception until the transfer of properties to the customer. If the contract includes a significant financing component, the transaction price will be adjusted for the effects of the time value of money during the period, using the specific borrowing rate of the construction project. Receipt of a prepayment from a customer is recognized as contract liability. Interest expense and contract liability are recognized when adjusting the effects of the time value of money. Accumulated amount of contract liability is recognized as revenue when control over the property has been transferred to the customer.

2) Revenue from service rendered

The Company engaged in real estate sales and brokerage and recognized related revenue during the financial reporting period for the provision of services. Fixed price contracts recognized revenue based on the actual service provided per the contract as of the reporting date. The consideration promised in the contract includes fixed and variable amounts. The customer pays the fixed amount based on a payment schedule. Certain variable considerations are estimated by the most probable amount (such as bonus for higher closing price). The Company recognizes revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. If the Company has recognized revenue, but not issued a bill, then the entitlement to consideration is recognized as a contract asset. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional.

The customer pays the fixed amount based on a payment schedule. If the services rendered by the Company exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

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

3) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(ii) Contract costs

1) Incremental costs of obtaining a contract

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

(o) Employee benefits

(i) Defined contribution plans

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

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed during the period in which employees render services.

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

(p) Share-based payment

The Company's proceeds from issuing shares shall, in accordance with the requirements, retain the shares subscribed by the Company and the Company's affiliated companies and shall measure the fair value of the equity instruments given at the grant date.

The share-based payment date of the Company's is the date on which the enterprise confirms the number of shares subscribed by its employees, and the payment of such share base is immediately vested. The Company shall recognize the salary expense on the grant date and estimate the fair value of the share option using option pricing model.

(q) Income taxes

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

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

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

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

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

- (i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
 - (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or
 - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.
- (r) Earnings per share

The basic and diluted EPS attributable to shareholders of the Company are disclosed in the financial statements. Basic earnings per share is calculated as the profit attributable to the ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potential dilutive ordinary shares. Dilutive potential ordinary shares comprise accrued employee remuneration.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(s) Operating segments

Segment information was disclosed in consolidated financial statements; therefore, it was not disclosed in the parent company only financial statement.

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

The preparation of the financial statements in conformity with the IFRSs endorsed by the FSC requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Management continues to monitor the accounting estimations and assumptions. Management recognizes any changes in the accounting estimations during the period in which the estimates are revised and in any future periods affected.

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

(a) Classification of investment property

The Company leases vacant shopping malls, stores and offices but recognize the assets as investment property rather than lease assets under property, plant and equipment because of its intention to gain long-term capital appreciation or to earn rent income.

(b) Lease term

The Company determines the lease term as the non-cancellable period of the lease, together with periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, and periods covered by an option to terminate the lease if the lessee is reasonably not to exercise that option. In assessing whether a lessee is reasonably to exercise the options, the Company considers all relevant facts and circumstances that create an economic incentive for the lessee. The Company reassesses whether it is reasonably certain to exercise an extension option or not to exercise the option upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. If there is a change in the lease term, the Company recognizes the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Please refer to Note 6(i).

(c) Identifying a lease

The Company leases superficies, land lot of the construction and housings. The contract involves an identified asset, so the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use. The Company has the right to direct the use of the identified asset throughout the period of use. Accordingly, the Company recognize the said contract as lease. The Company recognizes a right of use asset and a lease liability at the lease commencement date. For the details, please refer to Note 6(i).

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

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

(a) The loss allowance of trade receivable

The Company has estimated the loss allowance of trade receivables that is based on the risk of a default occurring and the rate of expected credit loss. The Company has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating the impairments and the selected inputs. The relevant assumptions and input values, please refer to Note 6(d).

(b) Inventory valuation

As inventories are stated at the lower of cost or net realizable value, The Company estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. Due to the rapid industrial transformation, and impacts of politics, economics, and reform of house and land transactions income tax system, there may be significant changes in the net realizable value of inventories, which is estimated on the basis of current market condition. Refer to Note 6(e) for further description of the valuation of inventories.

(c) Right-of-use assets -Impairment assessment

In the process of evaluating the potential impairment of assets, the Company is required to make subjective judgments in determining the independent cash flows, useful lives, expected future income and expenses related to the specific asset groups with the consideration of the usage mode of asset and the nature of industry. Any changes in these estimates based on changed economic conditions or business strategies could result in significant impairment charges or reversal in future years. Please refer to Note 6(i) for the assessment of impairment.

(d) Recognition of deferred tax assets

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which those deferred tax assets can be utilized. The Company assesses the realization of deferred income tax assets based on assumptions such as expected future revenue growth, profit margin, tax exemption period, available income tax offsets and tax planning. Changes in the economic environment, industry trends, and relevant laws and regulations may result in adjustments to the deferred tax assets. Refer to Note 6(s) for further description of the estimation of deferred tax assets.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(e) Revenue recognition

Service contract revenue and costs are recognized by reference to the stage of completion of each contract. The stage of completion of a contract is measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The Company estimates the total contract revenue by taking into account each product positioning, pricing strategy and real estate business dynamic. In addition, the Company estimates the cost to fulfill a contract by taking into account such factors as sales method, expected contract items and amounts. If there are changes in situations, the estimates of revenue, cost and percentage of completion should be modified. Changes in aforementioned estimates might cause significant adjustment in the revenue, cost and percentage of completion and related profits from construction contracts. Refer to Note 6(w) for further description of the revenue recognition.

Valuation procedure

The Company evaluates its assets and liabilities using the observable market inputs. The different inputs of levels of fair value hierarchy in determination of fair value are as follows:

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

The transfer policy between fair value levels.

If there is any movement of financial instruments measured at fair value between Level 1, Level 2, and Level 3, the Company recognizes the movement at the reporting date.

Please refer to Note 6(z) for assumptions used in measuring fair value.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and petty cash	\$ 4,830	4,701
Demand deposits	709,182	430,673
Checking account deposits	319	420
Cash and cash equivalents in the statement of cash flows	\$ 714,331	435,794

Please refer to Note 6(z) for the interest rate risk and sensitivity analysis of the financial assets and liabilities of the Company.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

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

	December 31, 2023	December 31, 2022
Domestic unlisted common shares - Preference share class A	\$ 197,219	188,560
Domestic unlisted common shares - Preference share class B	202,539	-
	<u>\$ 399,758</u>	<u>188,560</u>

The financial assets mentioned above were not pledged as collateral.

- (c) Financial assets at fair value through other comprehensive income

	December 31, 2023	December 31, 2022
Equity investments at fair value through other comprehensive income:		
Unlisted common shares	<u>\$ 5,396</u>	<u>5,396</u>

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

The Company designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Company intends to hold for long-term strategic purposes.

During the years ended December 31, 2023 and 2022, the dividends were \$16 thousand and \$0, related to equity investments at FVOCI held were recognized.

- (ii) For credit risk (including the impairment of debt investments) and market risk, please refer to Note 6(z).

- (iii) The aforementioned financial assets were not pledged as collateral.

- (d) Notes and accounts receivables (including related parties)

	December 31, 2023	December 31, 2022
Notes receivable—from operating activities	\$ 38,198	20,583
Notes receivable—from related parties—from operating activities	-	640
Accounts receivable—measured at amortized cost	1,992,068	1,216,410
Accounts receivable due from—related parties—measured at amortized cost	112,544	21,977
Less: Loss allowance	<u>(44,253)</u>	<u>(24,628)</u>
	<u>\$ 2,098,557</u>	<u>1,234,982</u>

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

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

December 31, 2023			
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 2,034,139	0.52%	10,551
Less than 30 days past due	42,875	13.63%	5,844
31~60 days past due	14,514	22.74%	3,301
61~90 days past due	32,972	40.53%	13,364
91~180 days past due	12,495	43.04%	5,378
More than 181 days past due	5,815	100%	5,815
	\$ 2,142,810		44,253

December 31, 2022			
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 1,169,703	1.07%	12,525
Less than 30 days past due	56,935	6.76%	3,846
31~60 days past due	24,143	11.34%	2,738
61~90 days past due	2,786	27.35%	762
91~180 days past due	5,148	75.02%	3,862
More than 181 days past due	895	100%	895
	\$ 1,259,610		24,628

The movement in the allowance for notes and trade receivables were as follows:

	For the years ended December 31	
	2023	2022
Balance at January 1	\$ 24,628	9,469
Impairment losses recognized	19,625	15,159
Balance at December 31	\$ 44,253	24,628

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(e) Inventories

	December 31, 2023	December 31, 2022
Selling:		
Costs to fulfill a contract	\$ 216,726	336,010
Construction industry:		
Prepayment for land purchases	235,729	299,683
Land held for construction site	7,445,980	8,841,246
Construction in progress	13,931,426	6,856,266
Buildings and land held for sale	1,129,388	1,181,930
Subtotal	22,742,523	17,179,125
Total	\$ 22,959,249	17,515,135

- (i) For the years ended December 31, 2023 and 2022, the cost of inventory recognized as the cost of goods sold and expenses amounted to \$2,480,311 thousand and \$1,645,487, respectively.
- (ii) The Company hadn't recognized loss on inventory write down and reversal of inventory write down in 2023 and 2022.
- (iii) Please refer to Note 6(y) for the capitalization of interest of construction in progress for the years ended December 31, 2023 and 2022.
- (iv) The Company has acquired of inventory (construction industry) from other related parties, please refer to Note 7 for details.
- (v) For the information on inventories pledged as collateral, as of December 31, 2023 and 2022, please refer to Note 8 for details.
- (vi) The Company has acquired 9 land in Ganlin section, Xinbei country, 51 land in Baoxiang section, Hsinchu county, but such land are classified as farmland and are registered under the name of another person. A real estate entrust contract are entered and are pledged to the Company with an equivalent amount. Please refer to Note 7 for details.

(f) Prepayments

	December 31, 2023	December 31, 2022
Business tax carry forward	\$ 52,534	37,668
Prepayments (selling)	14,677	15,433
Prepayments (construction)	2,696	3,198
Others	25,385	22,622
	\$ 95,292	78,921

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(g) Investments accounted for using equity method

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

	December 31, 2023	December 31, 2022
Subsidiaries	\$ <u><u>673,330</u></u>	<u><u>550,660</u></u>

(i) Subsidiaries

Please refer to the consolidated financial statements for the year ended December 31, 2023.

(ii) Associates

The Company's financial information for investments accounted for using equity method that are individually insignificant was as follows:

	December 31, 2023	December 31, 2022
The carrying amount of the equity interests in all individually insignificant joint ventures	\$ <u><u>-</u></u>	<u><u>-</u></u>

	For the years ended December 31	
	2023	2022
Shares attributable to the Company are as follows:		
Profit from continuing operation	\$ -	(1,946)
Other comprehensive income (loss)	<u>-</u>	<u>-</u>
Total comprehensive income	\$ <u><u>-</u></u>	<u><u>(1,946)</u></u>

(iii) The Company disposed of all the ordinary shares of its associate, Shengming construction co., ltd.during 2022 at a disposal price amounting to \$38 thousand, which is recognized as loss on disposal of investments amounting to \$742 thousand, which is accounted for under "Other gains and losses".

(iv) Pledge to secure

As of December 31, 2023 and 2022, the investments accounted for using equity method were not pledged as collateral for long term borrowings and financing facilities.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(h) Property, plant and equipment

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

	<u>Land</u>	<u>Buildings and Construction</u>	<u>Office equipment</u>	<u>Leasehold improvements</u>	<u>Transportation equipment</u>	<u>Total</u>
Cost or deemed cost:						
Balance at January 1, 2023	\$ 695,942	170,615	6,202	34,656	5,562	912,977
Additions	-	-	417	-	2,620	3,037
Disposals	-	-	(1,474)	-	-	(1,474)
Transferred from investment property	-	801,571	-	-	-	801,571
Reclassified to investment property	<u>(678,242)</u>	<u>(155,507)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(833,749)</u>
Balance at December 31, 2023	<u>\$ 17,700</u>	<u>816,679</u>	<u>5,145</u>	<u>34,656</u>	<u>8,182</u>	<u>882,362</u>
Balance at January 1, 2022	\$ 695,942	170,615	4,867	34,656	5,562	911,642
Additions	-	-	1,335	-	-	1,335
Balance at December 31, 2022	<u>\$ 695,942</u>	<u>170,615</u>	<u>6,202</u>	<u>34,656</u>	<u>5,562</u>	<u>912,977</u>
Depreciation and impairment losses:						
Balance at January 1, 2023	\$ -	25,559	3,528	34,656	1,082	64,825
Depreciation	-	2,191	1,069	-	1,254	4,514
Disposals	-	-	(1,308)	-	-	(1,308)
Reclassified to investment property	<u>-</u>	<u>(21,469)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,469)</u>
Balance at December 31, 2023	<u>\$ -</u>	<u>6,281</u>	<u>3,289</u>	<u>34,656</u>	<u>2,336</u>	<u>46,562</u>
Balance at January 1, 2022	\$ -	22,191	2,492	26,561	154	51,398
Depreciation	-	3,368	1,036	8,095	928	13,427
Balance at December 31, 2022	<u>\$ -</u>	<u>25,559</u>	<u>3,528</u>	<u>34,656</u>	<u>1,082</u>	<u>64,825</u>
Book value:						
Balance at December 31, 2023	<u>\$ 17,700</u>	<u>810,398</u>	<u>1,856</u>	<u>-</u>	<u>5,846</u>	<u>835,800</u>
Balance on January 1, 2022	<u>\$ 695,942</u>	<u>148,424</u>	<u>2,375</u>	<u>8,095</u>	<u>5,408</u>	<u>860,244</u>
Balance on December 31, 2022	<u>\$ 695,942</u>	<u>145,056</u>	<u>2,674</u>	<u>-</u>	<u>4,480</u>	<u>848,152</u>

Please refer to Note 8 for the property, plant and equipment pledged to secure bank loans as of December 31, 2023 and 2022.

The Company leased out the buildings and land No 32-2 at Jintai section of Zhongshan District in Taipei city for self-use to a third party for the year ended December 31, 2023. The real estate was reclassified to investment property at its cost and accumulated depreciation when the use of the property changed. Please refer to Note 6(j) for details.

The Company transferred its investment property to property, plant and equipment by resolution of the Board of Directors on December 18, 2023, as its building on land number 517-2, 520 in Changchun Section 2, Zhongshan District in Taipei city were changed to self use for operation headquarter. Please refer to Note 6(j) for details.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(i) Right-of-use assets

The Company leases many assets including superficieses, land, buildings and vehicles. Information about leases for which the Company as a lessee is presented below:

	<u>Superficies</u>	<u>Land</u>	<u>Buildings and Construction</u>	<u>Transportation equipment</u>	<u>Total</u>
Cost:					
Balance at January 1, 2023	\$ 1,134,162	21,894	9,167	7,357	1,172,580
Rental Adjustment	(31,370)	-	-	-	(31,370)
Maturity year	-	(7,039)	-	-	(7,039)
Additions	-	7,525	69,249	2,959	79,733
Balance at December 31, 2023	<u>\$ 1,102,792</u>	<u>22,380</u>	<u>78,416</u>	<u>10,316</u>	<u>1,213,904</u>
Balance at January 1, 2022	\$ 1,112,170	18,826	9,167	3,784	1,143,947
Maturity year	-	(11,787)	-	-	(11,787)
Additions	21,992	14,855	-	3,573	40,420
Balance at December 31, 2022	<u>\$ 1,134,162</u>	<u>21,894</u>	<u>9,167</u>	<u>7,357</u>	<u>1,172,580</u>
Accumulated depreciation and impairment losses:					
Balance at January 1, 2023	\$ 99,169	7,970	3,667	2,407	113,213
Maturity year	-	(7,039)	-	-	(7,039)
Depreciation for the year	24,453	9,195	11,305	3,191	48,144
Balance at December 31, 2023	<u>\$ 123,622</u>	<u>10,126</u>	<u>14,972</u>	<u>5,598</u>	<u>154,318</u>
Balance at January 1, 2022	\$ 73,950	13,585	2,751	946	91,232
Maturity year	-	(11,787)	-	-	(11,787)
Depreciation for the year	25,219	6,172	916	1,461	33,768
Balance at December 31, 2022	<u>\$ 99,169</u>	<u>7,970</u>	<u>3,667</u>	<u>2,407</u>	<u>113,213</u>
Book value:					
Balance at December 31, 2023	<u>\$ 979,170</u>	<u>12,254</u>	<u>63,444</u>	<u>4,718</u>	<u>1,059,586</u>
Balance at December 31, 2022	<u>\$ 1,034,993</u>	<u>13,924</u>	<u>5,500</u>	<u>4,950</u>	<u>1,059,367</u>
Balance at January 1, 2022	<u>\$ 1,038,220</u>	<u>5,241</u>	<u>6,416</u>	<u>2,838</u>	<u>1,052,715</u>

As of December 31, 2023 and 2022, the right-of-use asset were pledged as collateral for long term borrowings, please refer to Note 8.

For the aforementioned impairment assessment of superficieses, the discount rates adopted for the years ended December 31, 2022 were 6.60%, to reflect the specific risks of the relevant cash-generating unit. The value of the financial forecast represents management's assessment of future operational results, while taking into account of historical information from internal and external sources.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

Based on the impairment assessment for the years ended December 31, 2022, no impairment losses were recognized as the recoverable amount of the CGU was higher than its carrying value. In addition, the building on land number 517-2, 520 in Changchun Section 2, Zhongshan District in Taipei city, was changed to operation headquarters for self use in 2023 and transferred its construction property from investment property to property, plant and equipment. The superficies of leasehold is evaluated with property, plant and equipment and there is no indication of impairment.

(j) Investment property

Investment property including assets owned by the Company.

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

	Owned property			
	Land and improvements	Buildings and improvements	Construction in progress	Total
Cost or deemed cost:				
Balance at January 1, 2023	\$ 178,599	-	652,443	831,042
Additions	-	-	149,128	149,128
Transferred from property, plant and equipment	678,242	155,507	-	833,749
Reclassified to property, plant and equipment	-	-	(801,571)	(801,571)
Balance at December 31, 2023	<u>\$ 856,841</u>	<u>155,507</u>	<u>-</u>	<u>1,012,348</u>
Balance at January 1, 2022	\$ 224,756	42,078	455,402	722,236
Additions	-	-	197,041	197,041
Disposal	(46,157)	(42,078)	-	(88,235)
Balance at December 31, 2022	<u>\$ 178,599</u>	<u>-</u>	<u>652,443</u>	<u>831,042</u>
Depreciation and impairment losses:				
Balance at January 1, 2023	\$ 128,599	-	-	128,599
Depreciation for the year	-	2,860	-	2,860
Transferred from property, plant and equipment	-	21,469	-	21,469
Balance at December 31, 2023	<u>\$ 128,599</u>	<u>24,329</u>	<u>-</u>	<u>152,928</u>
Balance at January 1, 2022	\$ 139,243	17,024	-	156,267
Depreciation for the year	-	438	-	438
Disposal	(10,644)	(17,462)	-	(28,106)
Balance at December 31, 2022	<u>\$ 128,599</u>	<u>-</u>	<u>-</u>	<u>128,599</u>
Carrying amounts:				
Balance at December 31, 2023	<u>\$ 728,242</u>	<u>131,178</u>	<u>-</u>	<u>859,420</u>
Balance at December 31, 2022	<u>\$ 50,000</u>	<u>-</u>	<u>652,443</u>	<u>702,443</u>
Balance at January 1, 2022	<u>\$ 85,513</u>	<u>25,054</u>	<u>455,402</u>	<u>565,969</u>
Fair value:				
Balance at December 31, 2023			\$	<u>860,788</u>
Balance at December 31, 2022 (note)			\$	<u>50,000</u>
Balance at January 1, 2022 (note)			\$	<u>130,873</u>

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

Note: The above fair value does not include the unfinished construction of the superficieses in the Changchun Section.

- (i) The buildings and land No 32-2 at Jintai section of Zhongshan District in Taipei city was reclassified from property, plant and equipment to investment property when the use of the property changed by resolution of the Board of Directors on February 9, 2023. Please refer to Note 6(h) for details.
- (ii) The building on land number 517-2, 520 in Changchun Section 2, Zhongshan District in Taipei city was reclassified from investment property to property, plant and equipment when the use of the building changed to operation headquarters for self use by resolution of the Board of Directors on December 18, 2023. Please refer to Note 6(h) for details.
- (iii) The Company entered into a real estate contract and acquired land with Huang Jinqiu on July 31, 2000 of approximately 3,106.07 ping in Milan, Tamsui District (Sankong Spring Section). The total contract price was \$178,599 thousand and \$50,000 thousand of it was paid from mortgage pledged by the land owner, Huang Jinqiu using the land as collateral to CHINA UNITED TRUST & INVESTMENT CORPORATION; then, the debtor's rights were transferred to the Company. In addition to the paid amount of \$128,599 thousand, the remaining \$50,000 thousand is part of the debtor's right not yet transferred (equivalent amounts are accounted for under investment property and other non-current liabilities - other). The land ownership was transferred to the Company in May 2001 but it was classified as farm land and registered in the name of another person for the moment. The trust deed was entered and an equivalent amount of land price was pledged as collateral to the Company.
- (iv) The Company sold the land and buildings in Sanchong District, New Taipei City for the year ended December 31, 2022 and completed the transfer of the property in August of the same year, the gain on disposal of property amounting to \$18,745 thousand was recognized and accounted for as other gains and losses. Please refer to Note 6(y) for details.
- (v) The fair value of investment property held by the Company is based on a valuation by an independent evaluator who has certified professional qualification and related valuation experience in locations/types of the valuated investment property. Under the valuation techniques for financial instruments measured at fair value, the inputs are categorized at level 3.
- (vi) As of December 31, 2023 and 2022, the investment properties were pledged as collateral for long-term borrowings, please refer to Note 8.
- (vii) For the years ended December 31, 2023 and 2022, please Note 6(y) for details of the interest capitalization of the unfinished construction of the investment properties (superficieses) of the Company.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

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

	December 31, 2023	December 31, 2022
Other current financial assets	\$ 2,522,195	2,077,676
Current incremental costs to obtain contract with customers	401,090	212,490
Other non-current financial assets	384,711	539,495
Total	<u>\$ 3,307,996</u>	<u>2,829,661</u>

(i) Other financial asset

It mainly consists of time deposit notes, restricted bank deposits, pre-order price trust deposits, co-construction guarantee deposit which are pledged as collateral.

(ii) Current incremental costs to obtaining a contract

The Company expects that incremental commission fees paid to intermediaries, and the bonus for the internal sales department are recoverable. The Company has therefore capitalized them as contract costs. Capitalized commission fees are amortized when the related revenues are recognized. Capitalized commission fees are amortized when the related revenues are recognized. For the years ended December 31, 2023 and 2022, the Company recognized 27,777 thousand and \$0 of amortized expense respectively.

(l) Short-term borrowings, notes and bills payable

	December 31, 2023	December 31, 2022
Secured bank loans	\$ 9,682,886	7,158,150
Unsecured bank borrowings	1,585,545	2,059,170
Short-term notes payables	1,987,702	1,551,324
	<u>\$ 13,256,133</u>	<u>10,768,644</u>
Unused short-term credit lines	<u>\$ 12,887,283</u>	<u>4,935,937</u>
Range of interest rates	<u>2.403%~3.626%</u>	<u>1.951%~3.478%</u>

(i) Issuance and redemption of loan

The Company borrowed \$18,924,588 thousand and \$13,690,361 thousand of additional loans for the years ended December 31, 2023 and 2022, respectively. In addition, the Company repaid \$16,380,206 thousand and \$9,856,360 thousand for the years ended December 31, 2023 and 2022, respectively.

(ii) Pledged assets for bank loans

The Company had pledged assets as collateral for short-term borrowings and short term notes and bills payable, please refer to Note 8.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(m) Long-term borrowings

	December 31, 2023	December 31, 2022
Secured bank loans	\$ 1,505,981	1,458,599
Less: current portion	(841,562)	(781,095)
Total	\$ 664,419	677,504
Unused short-term credit lines	\$ 103,540	162,000
Range of interest rates	2.36%~3.12%	2.11%~2.995%

(i) Issuance and redemption of loan

The Company borrowed \$58,460 thousand and \$73,010 thousand of additional loans for the years ended December 31, 2023 and 2022, respectively. In addition, the Company repaid \$11,078 thousand and \$3,091 thousand for the years ended December 31, 2023 and 2022, respectively.

(ii) Pledged assets for bank loans

For the collateral for bank loans, please refer to Note 8.

(n) Bonds payable

	December 31, 2023	December 31, 2022
Secured ordinary corporate bond— noncurrent	\$ 1,770,000	1,900,000
Unsecured ordinary corporate bond— noncurrent	500,000	500,000
Less: current portion	(640,500)	(400,000)
	\$ 1,629,500	2,000,000

(i) Issuance and redemption of bonds payable

The Company issued secured ordinary corporate bond of \$270,000 thousand for the years ended December 31, 2023. The coupon rate was 1.62% and interests were paid annually. The period of issuance was three years. The Company issued secured ordinary corporate bond of \$500,000 thousand and unsecured ordinary corporate bond of \$500,000 thousand for the years ended December 31, 2022. The coupon rates were 0.65% and 4%, respectively and interests were paid annually. The period of issuance was both three years. For the year ended December 31, 2023 and 2022, \$100,000 was repaid to the secured corporate bond issued in January 2022, respectively, \$300,000 was repaid to the secured corporate bond issued in 2020 and \$500,000 was repaid to the secured corporate bond issued in January 2019.

(ii) Collateral pledged for corporate bonds payable

The Company had pledged assets as collateral and collateral provided by related parties for bonds payable, please refer to Note 7 and Note 8.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(o) Notes and accounts payables (including related parties)

	December 31, 2023	December 31, 2022
Construction projects	\$ 975,942	765,288
Selling projects	631,136	242,695
Others	4,966	1,106
	<u>\$ 1,612,044</u>	<u>1,009,089</u>

(p) Lease liabilities

Lease liabilities of the Company for financing were as follows:

	December 31, 2023	December 31, 2022
Current	<u>\$ 28,028</u>	<u>16,301</u>
Non-current	<u>\$ 359,365</u>	<u>349,851</u>

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

The amounts recognized in profit or loss were as follows:

	For the years ended December 31 2023	2022
Interests on lease liabilities	<u>\$ 10,839</u>	<u>8,539</u>
Expenses relating to short-term leases	<u>\$ 1,021</u>	<u>1,006</u>

The amounts of leases recognized in the statement of cash flows for the Company was as follows:

	For the years ended December 31 2023	2022
Total cash outflow for leases	<u>\$ 38,982</u>	<u>23,141</u>

(i) Real estate leases

As of December 31, 2023 and 2022, the Company leases superficies, land, buildings and transportation equipment for its sales office and operation office. The leases typically run for 3 to 50 years.

(ii) Other leases

The Company leases transportation equipment, with lease terms of three years.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(q) Operating lease

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

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

	December 31, 2023	December 31, 2022
Less than one year	\$ 78,379	17,426
One to two years	78,379	17,077
Two to three years	78,379	17,077
Three to four years	76,956	17,077
Four to five years	60,793	2,846
More than five years	166,184	-
Total undiscounted lease payments	\$ 539,070	71,503

For the years ended December 31, 2023 and 2022, the rental income from real estates amounted to \$33,038 thousand and \$19,487 thousand, respectively.

(r) Employee benefits

(i) Defined benefit plans

The Company's employee benefit liabilities were as follows:

	December 31, 2023	December 31, 2022
Short-term Compensated absences liability	\$ 4,407	4,801

(ii) Defined contribution plans

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company contributes a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

The cost of the pension contributions to the Bureau of Labor Insurance for the years ended December 31, 2023 and 2022 amounted to \$6,841 thousand and \$6,168 thousand, respectively.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(s) Income tax

(i) Income tax expense

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

	For the years ended December 31	
	2023	2022
Current tax expenses		
Current period	\$ 396,301	151,888
Adjustment for prior years	13,527	(1,050)
Land value increment tax	2,116	-
	<u>411,944</u>	<u>150,838</u>
Deferred tax expense		
Origination and reversal of temporary differences	7,353	(15,152)
Income tax expense from continuing operations	<u>\$ 419,297</u>	<u>135,686</u>

Reconciliation of income tax and profit before tax for 2023 and 2022 is as follows:

	For the years ended December 31	
	2023	2022
Profit before tax	\$ 1,926,965	580,301
Income tax using the Company's domestic tax rate	\$ 385,393	116,060
The book-tax difference in taxation of deferred interest expenses	3,187	18,121
Loss (gain) on domestic investments accounted for using equity method	14,719	(9,051)
Gain on financial assets valuation	(2,240)	-
Change in provision in prior periods	13,527	(1,050)
Land value increment tax	2,116	2,446
Others	2,595	9,160
	<u>\$ 419,297</u>	<u>135,686</u>

(ii) Deferred tax assets and liabilities

Recognized deferred income tax assets and liabilities

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

	Deferred advertisement expense	Impairment loss	Total
Deferred Tax Assets:			
Balance at January 1, 2023	\$ 36,644	2,743	39,387
Recognized in profit or loss	12,483	1,822	14,305
Balance at December 31, 2023	<u>\$ 49,127</u>	<u>4,565</u>	<u>53,692</u>

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

	Deferred advertisement expense	Impairment loss	Total
Deferred Tax Assets:			
Balance at January 1, 2022	\$ 26,760	-	26,760
Recognized in profit or loss	<u>9,884</u>	<u>2,743</u>	<u>12,627</u>
Balance at December 31, 2022	<u><u>\$ 36,644</u></u>	<u><u>2,743</u></u>	<u><u>39,387</u></u>
		Temporary difference of service costs	
Deferred tax liabilities:			
Balance at January 1, 2023		\$ 4,756	
Recognized in profit or loss		<u>21,658</u>	
Balance at December 31, 2023		<u><u>\$ 26,414</u></u>	
Balance at January 1, 2022		\$ 7,281	
Recognized in profit or loss		<u>(2,525)</u>	
Balance at December 31, 2022		<u><u>\$ 4,756</u></u>	

(iii) The Company's income tax returns for the years through 2021 have been examined and approved by the R.O.C. income tax authorities.

(t) Capital and other equity

As of December 31, 2023 and 2022, the Company's authorized shares of common stock consisted of 800,000 thousand shares and 500,000 thousand shares, respectively, amounting to \$8,000,000 thousand and \$5,000,000 thousand, respectively. Out of these shares, 391,607 thousand shares and 266,079 thousand shares, respectively, were issued and outstanding. The par value of the Company's common stock is \$10 (dollars) per share.

(i) Issuance of ordinary share

On December 9, 2022, the Company engaged in cash capital increase and issue 24,000 thousand ordinary shares with a par value of \$10 per share, amounting to \$240,000 thousand pursuant to a resolution of the Board of Directors. The shares are issued at \$72 per share on February 9, 2023 through resolution of the board of the directors and all the share payments have been collected. The base date for issuance of shares was March 30, 2023, and the payments of all issued shares have been collected. The relevant registration procedures had been completed.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

Reconciliation of shares outstanding for 2023 and 2022 were as follows:

(In thousands of shares)

	Ordinary share	
	2023	2022
Balance on January 1	266,079	161,260
Capital increase from capital surplus	72,520	96,756
Capital increase from retained earnings	29,008	8,063
Issue of shares	24,000	-
Balance on December 31	391,607	266,079

Pursuant to a shareholders' resolution on June 30, 2023 and June 30, 2022, respectively, the Company distributed stock dividends by capital surplus amounting to \$290,079 thousand and \$80,630 thousand, respectively, by retained earnings amounting to \$725,198 thousand and \$967,560 thousand. The effective date of the capital increase were September 9, 2023 and September 25, 2022, which has already been registered with the government authorities.

(ii) Capital surplus

The components of capital surplus were as follows:

	December 31, 2023	December 31, 2022
Additional paid in capital	\$ 2,208,631	1,293,675
Treasury shares	5,556	5,556
Lapsed share options	4,406	-
	\$ 2,218,593	1,299,231

According to the R.O.C. Company Act amended in January 2012, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

As of April 12, 2023, a resolution was approved during the board of directors for the distribution of cash dividends by capital surplus amounting to \$290,790 thousand. Pursuant to a shareholders' resolution on June 30, 2023, the Company distributed stock dividends by capital surplus amounting to \$290,790 thousand.

As of March 18, 2022, a resolution was approved during the board of directors for the distribution of cash dividends by capital surplus amounting to \$403,150 thousand. Pursuant to a shareholders' resolution on June 30, 2022, the Company distributed stock dividends by capital surplus amounting to \$80,630 thousand.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(iii) Retained earnings

In accordance with the Company's articles, if there are earnings at year end, 10 percent should be set aside as legal reserve (unless the amount in the legal reserve is already equal to or greater than the total paid-in capital) or reverse the special reserve according to the Securities and Exchange Act and the Company's operations after the payment of income tax and offsetting accumulated losses from prior years. The remaining portion will be combined with earnings from prior years, and the Board of directors can propose distribution plan such as issuance of new shares shall be approved by the shareholders' meeting.

The earnings distribution may be distributed by way of cash dividend and/or stock dividend. The distribution ratio for cash dividend should not be less than 10% of the total dividend distribution. If all or part of the aforementioned employees' compensation is distributed in cash, the resolution will be approved by a majority vote at a meeting of Board of Directors attended by two thirds of the total number of directors, and the distribution shall be submitted to the shareholders' meeting.

1) Legal reserve

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

2) Special reserve

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

3) Earnings distribution

The Company resolved on April 12, 2023 after passing the Board of directors on the cash dividend of earnings distribution for the year ended December 31, 2022. Then the Company resolved on June 30, 2023 after passing the general shareholders' meeting on the stock dividend of the earnings distribution for the year ended December 31, 2022. The Company also resolved on March 18, 2022 after passing the Board of directors on the cash dividend of earnings distribution for the year ended December 31, 2021. Then the Company resolved on June 30, 2022 after passing the general shareholders' meeting on the stock dividend of the earnings distribution for the year ended December 31, 2021. Information on dividends distributed to owners are as follows:

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

For the years ended December 31					
		2022		2021	
		Amount per share	Total amount	Amount per share	Total amount
Dividends distributed to ordinary shareholders:					
Cash	\$	0.50	145,039	1.00	161,260
Shares		2.50	<u>725,198</u>	6.00	<u>967,560</u>
Total		\$	<u>870,237</u>		<u>1,128,820</u>

(u) Share-based payment

On February 9, 2023, by resolution of the Board of Directors, 2,880 thousand new shares were issued by cash capital increase and retained for subscription by employees of the Company and its affiliated company. The Company had the following share-based payment transactions as of December 31, 2023:

	<u>Equity settlement</u>
	<u>Cash injection reserved for employees subscription</u>
Grant date	2023.2.23
Number of options granted	2,880 thousand shares
Contract term	-
Recipients	The employees of the Company and the affiliated companies
Vesting conditions	Immediate vesting condition

The cash injection mentioned above was reserved for employee subscription, and the remuneration cost recognized by the Company for the year ended December 31, 2023 amounting to \$5,112 thousand.

(v) Earnings per share

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

For the years ended December 31		
	2023	2022
Basic earnings per share		
Profit attributable to ordinary shareholders of the Company	<u>\$ 1,507,668</u>	<u>444,615</u>
Outstanding at January 1 (note)	<u>385,820</u>	<u>367,607</u>
Weighted-average number of outstanding ordinary shares at December 31 (note)	<u>385,820</u>	<u>367,607</u>
	<u>\$ 3.91</u>	<u>1.21</u>

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

	For the years ended December 31	
	2023	2022
Diluted earnings per share		
Profit attributable to ordinary shareholders of the Company	\$ 1,507,668	444,615
Weighted-average number of ordinary shares outstanding (basic)	385,820	367,607
Effect of potentially dilutive ordinary shares		
Effect of employee share bonus	496	227
Weighted average number of ordinary shares outstanding (after adjusting the effect of potentially dilutive ordinary shares)	386,316	367,834
	\$ 3.90	1.21

Note: For the year ended December 31, 2023, the Company increase capital from capital surplus amounting to \$29,008 thousand, and increase capital from retained earnings amounting to \$72,520 thousand. Thus, for the twelve months ended December 31, 2022, the number of shares outstanding were both 367,607 thousand after retrospective adjustment.

(w) Revenue from contracts with customers

(i) Details of revenue

	For the year ended December 31, 2023			
	Development segment	Sales segment	Other Divisions	Total
Primary geographical markets:				
Asia	\$ 613,899	4,843,309	30,031	5,487,239
Major products/service lines:				
Revenue from property sales	\$ 613,899	-	-	613,899
Service revenue	-	4,843,309	-	4,843,309
Rent income	-	-	30,031	30,031
	\$ 613,899	4,843,309	30,031	5,487,239
Timing of revenue recognition:				
Products or services transferred at a point in time	\$ 613,899	4,843,309	30,031	5,487,239
	For the year ended December 31, 2022			
	Development segment	Sales segment	Other Divisions	Total
Primary geographical markets:				
Asia	\$ 391,795	2,388,259	3,167	2,783,221
Major products/service lines:				
Revenue from property sales	\$ 391,795	-	-	391,795
Service revenue	-	2,388,259	-	2,388,259
Rent income	-	-	3,167	3,167
	\$ 391,795	2,388,259	3,167	2,783,221

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

	For the year ended December 31, 2022			
	Development segment	Sales segment	Other Divisions	Total
Timing of revenue recognition:				
Products or services transferred at a point in time	\$ <u>391,795</u>	<u>2,388,259</u>	<u>3,167</u>	<u>2,783,221</u>

(ii) Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Notes receivable	\$ 38,198	20,583	93,290
Notes receivable due from related parties	-	640	-
Accounts receivable	1,992,068	1,216,410	1,170,188
Accounts receivable due from related parties	112,544	21,977	118,672
Less: Loss allowance	(44,253)	(24,628)	(9,469)
Total	<u>\$ 2,098,557</u>	<u>1,234,982</u>	<u>1,372,681</u>
	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities - Rendering of Services	\$ 163,434	146,725	67,124
Contract liabilities— sales of real estates	3,283,221	2,141,361	1,174,460
Total	<u>\$ 3,446,655</u>	<u>2,288,086</u>	<u>1,241,584</u>

For the details of accounts receivable and loss allowance, please refer to Note 6(d).

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

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

The Company's article of incorporation requires that earnings shall first to be offset against any deficit, then, a minimum of 1% will be distributed as remuneration to its employees and no more than 3% to its directors. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, and multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during the reporting period. The Company borrowed \$40,224 thousand and \$11,904 thousand of additional loans for the years ended December 31, 2023 and 2022, respectively. In addition, the Company estimated remuneration to directors and supervisors amounting to \$10,056 thousand and \$2,976 thousand for the years ended December 31, 2023 and 2022, respectively. If there is a change in the proposed amounts after the annual financial statements are authorized for issue, the differences are accounted for as a change in accounting estimate and adjusted prospectively to next year's profit or loss.

For the years ended December 31, 2022 and 2021, the remunerations to employees amounted to \$11,904 and \$29,701, respectively. The remuneration to directors and supervisors amounted to \$2,976 thousand and \$7,425 thousand. There were identical to the amounts of actual distributions for the year ended December 31, 2022. There were under provision amounting to \$650 thousand from the actual distribution for the year ended December 31, 2021, which were arising from the difference between estimated amounts and appropriation amount that passed the resolution of board of directors. Such differences were deemed as changes in estimates and recognized as profit or loss for the year ended December 31, 2022. The information is available on the Market Observation Post System website.

(y) Non-operating income and expenses

(i) Interest income

The details of interest income for 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	2022
Interest income from bank deposits	\$ 10,923	2,459
Deposit interest	87	20
Discounted accounts receivables	5,001	-
	\$ 16,011	2,479

(ii) Other income

The details of other income for 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	2022
Rent income	\$ 4,638	19,001

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(iii) Other gains and losses

The details of other gains and losses were as follows:

	For the years ended December 31	
	2023	2022
Other income	\$ 85,029	115,156
Other expenses	(1)	-
Dividend income	16	-
Net gain on financial assets or liabilities at fair value through profit or loss	11,476	-
Loss on disposal of investments accounted for using equity method	-	(742)
Loss on disposal of property, plant and equipment	(106)	-
Gain on disposal of investment property	-	18,745
Foreign exchange gains	1	-
	\$ 96,415	133,159

(iv) Finance costs

The details of finance costs for 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	2022
Interest expense		
Bank loan	\$ 385,176	231,283
Interest on lease liabilities	10,839	8,539
Interests on Convertible bonds	32,432	22,304
Discounted accounts receivables	-	13,332
Other finance costs	87,960	45,336
Loan interest	20,139	3,233
Gurantee deposits	105	37
Less: Capitalization of interest	(105,307)	(71,234)
	\$ 431,344	252,830

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(z) Financial instruments

(i) Credit risk exposure

1) Credit risk

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

The majority of the Company's customers are mostly those in the construction industry. In order to reduce accounts receivable credit risk, the Company continuously assesses the financial condition of its customers. If it is necessary, the Company will ask for guarantees or warranties. The Company still regularly assesses the likelihood of collectability of accounts receivable and sets aside allowance for losses (bad debts), based on the result of management's evaluation of the overall amounts of bad debts. As of December 31, 2023 and 2022, the Company's major customers consisted of four and five customers which accounted for 61% and 58%, respectively, of accounts receivable so that management believes the concentration of credit risk.

3) Credit risk of receivables

For the information regarding credit risk exposure of notes and accounts receivables, please refer to Note 6(d). Other financial assets carried at amortized costs included other receivables and overdue receivables.

All of these financial assets are considered to be low risk, and thus the impairment provision recognized during the period was limited to 12 months expected losses. (Please refer to Note 4(e) for the Company determines whether credit risk is to be low risk).

(ii) Liquidity risk

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

	Carrying amount	Cash flow	Within a year	1-3 years	Over 3 years
December 31, 2023					
Non derivative financial liabilities					
Floating rate instruments	\$ 12,774,412	14,425,266	4,912,745	4,076,611	5,435,910
Fixed rate instrument	4,645,095	4,967,526	2,724,424	1,745,608	497,494
Non-interest bearing liabilities	<u>2,980,945</u>	<u>2,980,945</u>	<u>2,980,945</u>	<u>-</u>	<u>-</u>
	<u>\$ 20,400,452</u>	<u>22,373,737</u>	<u>10,618,114</u>	<u>5,822,219</u>	<u>5,933,404</u>

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

	<u>Carrying amount</u>	<u>Cash flow</u>	<u>Within a year</u>	<u>1-3 years</u>	<u>Over 3 years</u>
December 31, 2022					
Non derivative financial liabilities					
Floating rate instruments	\$ 10,675,919	11,360,667	5,034,989	2,948,478	3,377,200
Fixed rate instrument	4,317,476	4,399,862	1,987,561	1,174,226	1,238,075
Non-interest bearing liabilities	<u>1,998,453</u>	<u>1,998,453</u>	<u>1,998,453</u>	<u>-</u>	<u>-</u>
	<u>\$ 16,991,848</u>	<u>17,758,982</u>	<u>9,021,003</u>	<u>4,122,704</u>	<u>4,615,275</u>

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

(iii) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Company's financial assets and liabilities.

The following sensitivity analysis is based on the risk exposure to the interest rates risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.50% when reporting to management internally, which also represents the Company management's assessment of the reasonably possible interest rate change.

If the interest rate increases or decreases by 0.50%, the Company's net income will decrease /increase by \$63,872 thousand and \$53,380 thousand for the years ended December 31, 2023 and 2022, respectively, assuming all other variable factors remain constant. This is mainly due to the Company's variable rate bank borrowings.

(iv) Fair value of financial instruments

1) Types and fair value of financial instruments

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

	December 31, 2023				
	<u>Fair Value</u>				
	<u>Carrying amounts</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value through profit or loss					
Financial assets at fair value through profit or loss, mandatorily measured at fair value	\$ <u>399,758</u>	<u>-</u>	<u>-</u>	<u>399,758</u>	<u>399,758</u>

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

December 31, 2023					
	Carrying amounts	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Non-public offer equity instrument measured at fair value	\$ 5,396	-	-	5,396	5,396
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 714,331	-	-	-	-
Notes and accounts receivable (including related parties)	2,098,557	-	-	-	-
Other receivables (including related parties)	29,107	-	-	-	-
Other current financial assets	2,522,195	-	-	-	-
Other non-current financial assets	384,711	-	-	-	-
Subtotal	5,748,901	-	-	-	-
Total	\$ 6,154,055	-	-	405,154	405,154
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 11,268,431	-	-	-	-
Short-term notes payables	1,987,702	-	-	-	-
Notes and accounts receivable (including related parties)	1,612,044	-	-	-	-
Other payables (including related parties)	1,287,532	-	-	-	-
Corporate bonds payable (including current portion)	2,270,000	-	-	-	-
Long-term borrowings (including current portion)	1,505,981	-	-	-	-
Lease liabilities (including current portion)	387,393	-	-	-	-
Guarantee deposits	31,369	-	-	-	-
Other non-current liabilities	50,000	-	-	-	-
Total	\$ 20,400,452	-	-	-	-
December 31, 2022					
	Carrying amounts	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Financial assets at fair value through profit or loss, mandatorily measured at fair value	\$ 188,560	-	-	188,560	188,560
Financial assets at fair value through other comprehensive income					
Non-public offer equity instrument measured at fair value	5,396	-	-	5,396	5,396

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

	December 31, 2022				
	Carrying amounts	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 435,794	-	-	-	-
Notes and accounts receivable (including related parties)	1,234,982	-	-	-	-
Other receivables (including related parties)	23,913	-	-	-	-
Other current financial assets	2,077,676	-	-	-	-
Other non-current financial assets	539,495	-	-	-	-
Subtotal	4,311,860	-	-	-	-
Total	<u>\$ 4,505,816</u>	<u>-</u>	<u>-</u>	<u>193,956</u>	<u>193,956</u>
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 9,217,320	-	-	-	-
Short-term notes payables	1,551,324	-	-	-	-
Notes and accounts receivable (including related parties)	1,009,089	-	-	-	-
Other payables (including related parties)	910,304	-	-	-	-
Corporate bonds payable (including current portion)	2,400,000	-	-	-	-
Long-term borrowings (including current portion)	1,458,599	-	-	-	-
Lease liabilities (including current portion)	366,152	-	-	-	-
Other current financial assets	8,225	-	-	-	-
Guarantee deposits	20,835	-	-	-	-
Other non-current liabilities	50,000	-	-	-	-
Total	<u>\$ 16,991,848</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

2) Valuation techniques for financial instruments measured at fair value

a) Non-derivative instruments

If a financial instrument has a quoted price in an active market, the quoted price is used as fair value. The quoted price of a financial instrument obtained from main exchanges and on the run bonds from Taipei Exchange was the basis of determining the fair value of the listed companies' equity instrument, and debt instrument that has the quoted price in an active market.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

If a quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have a quoted price in an active market. Otherwise, the market is deemed to be inactive. In general, market with low trading volume or high bid ask spreads is an indication of a non active market.

If the financial instruments held by the Company have no active market, the measurements of fair value are categorized as follows:

Equity instruments without quoted price: The fair value is measured at discounted cash flow model. The assumption is discounted investees' expected future cash flows by using the discounting rate which reflects the time value of money and the return of the investment.

Equity instruments without quoted price: The main assumption behind this is that the estimated pretax, pre-depreciation, and pre amortization earnings of the investee company is added to the earnings multiplier derived from the comparable quoted price of the listed company. The estimate of the fair value of equity instruments has been adjusted due to the effect of the discount arising from the lack of market liquidity of the equity security.

3) Reconciliation of Level 3 fair values

	Measured at fair value through profit or loss	Financial assets at fair value through other comprehensive income	
	Non derivative financial assets mandatorily measured at fair value through profit or loss (held for trading)	Unquoted equity instruments	Total
Balance at January 1, 2023	\$ 188,560	5,396	193,956
Total gains and losses			
Recognized in profit or loss	11,198	-	11,198
Purchased	200,000	-	200,000
Balance at December 31, 2023	<u>\$ 399,758</u>	<u>5,396</u>	<u>405,154</u>
Balance at January 1, 2022	<u>\$ 188,560</u>	<u>5,396</u>	<u>193,956</u>
Ending balance, December 31, 2022	<u>\$ 188,560</u>	<u>5,396</u>	<u>193,956</u>

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

The aforementioned total gains or losses were classified as “unrealized losses from financial assets at fair value through other comprehensive income”. The information regarding assets held as of December 31, 2023 and 2022 is as follows:

	For the years ended December 31	
	2023	2022
Total gains and losses		
Recognized in profit or loss (classified as “Other profit or loss”)	\$ 11,198	-
Recognized in other comprehensive income (classified as “unrealized losses from financial assets at fair value through other comprehensive income”)	\$ -	-

- 4) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Company’s financial instruments that use Level 3 inputs to measure fair value include fair value through other comprehensive income.

Most of the fair value measurements categorized within Level 3 use the single and significant unobservable input. Equity investments without an active market contains multiple significant unobservable inputs. The significant unobservable inputs of equity investments without an active market are individually independent, and there is no correlation between them.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through profit or loss - Preference share	Discounted cash flow method	Weighted average cost of capital (4.8302% and 12.5392% as of December 31, 2023 and 2022, respectively)	The higher the market liquidity discount rate, the lower the fair value

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

Item	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income equity investments without an active market	Comparable listed companies approach	<ul style="list-style-type: none"> · P/B ratio (1.70~1.76 and 1.64~1.79 as of December 31, 2023 and 2022, respectively) · Market liquidity discount rate (as of (December 31, 2023 and 2022, were both at 30%) 	<ul style="list-style-type: none"> · The higher the multiplier and control premium, the higher the fair value. · The higher the market liquidity discount rate, the lower the fair value · The higher the market liquidity discount rate, the lower the fair value

5) Transfer from one level to another

Stock and fund held by the Company without quoted price in an active market is sorted to Level 3. There is no significant changes for the years ended December 31, 2023 and 2022. Consequently, there is no transfer between levels measured at fair value in 2023 and 2022.

(aa) Financial risk management

(i) Overview

The Company have exposures to the following risks from its financial instruments:

- 1) credit risk
- 2) liquidity risk
- 3) market risk

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

(ii) Risk management framework

The Company's finance management department provides business services for the overall internal department. It sets the objectives, policies and processes for managing the risk and the methods used to measure the risk arising from both the domestic and international financial market operations.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

The internal auditors of the Company continue with the review of the amount of the risk exposure in accordance with the Company's policies and the risk management policies and procedures. The Company has no transactions in financial instruments (including derivative financial instruments) for the purpose of speculation.

(iii) Credit risk

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

1) Accounts receivable and other receivables

The policy adopted by the Company to deal only with reputable parties and, where necessary, obtain collateral to mitigate the risk of financial losses arising from default. The Company will rate the major customers using other publicly available financial information and mutual transaction records.

The Company did not have any collateral or other credit enhancements to avoid credit risk of financial assets.

2) Investments

The credit risk exposure in the bank deposits, investments with fixed income and other financial instruments are measured and monitored by the Company's finance department. There is no significant credit risk because the Company used to transact with or deal with counterparty with good credit ratings financial institutions, corporate organizations and government agencies.

3) Guarantees

Pursuant to the Company's policies, the Company only provides financial guarantees to entities that have satisfied conditions. As of December 31, 2023 and 2022, there is no guarantee outstanding for non-subsidiary.

(iv) Liquidity risk

Liquidity risk is the risk that The Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to manage liquidity is to ensure, as far as possible, that it always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to The Company's reputation.

(v) Market risk

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

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

1) Foreign currency risk

The principal functional currency of the Company's receivables and payables is NTD and is therefore not materially affected by exchange rate fluctuations.

The interest is denominated in the same currency as borrowings. Borrowings were generally denominated in currencies that match with the cash flows generated by the underlying operations of the Company, primarily TWD. Therefore, hedge accounting is not adopted.

2) Interest rate risk

Interest rate risk is the risk that fluctuations in market interest rates will adversely affect the future cash flow and fair value of financial instruments. The Company's exposures to risk from changes in interest rates arise primarily from the Company's bank loans with floating interest rates.

The Company manages the interest rates risk by maintaining an adequate combination of fixed and variable interest rates. The Company has no cash flow risk of material interest rate movements.

3) Credit risk

Credit risk means the potential loss of the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's operation activities (mainly accounts and notes receivable) and financial activities (mainly bank deposits and various financial instruments).

(ab) Capital management

The Company sets its objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return to stockholders, to safeguard the interest of related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment and reduce the capital for redistribution to its shareholders. The Company also issues new shares or sell assets to settle any liabilities.

The Company and other entities in the same industry use the debt-to-equity ratio to manage its capital. This ratio is using the total net debt divided by the total capital. The net debt from the balance sheet is the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

The capital management strategy for the years ended December 31, 2023 and 2022 are the same for the Company. The Company's debt-to-equity ratios at the end of the reporting periods were as follows:

	December 31, 2023	December 31, 2022
Total liabilities	\$ 24,242,503	19,419,268
Less: cash and cash equivalents	(714,331)	(435,794)
Net debt	\$ 23,528,172	18,983,474
Total equity	8,948,219	6,136,149
Less: hedging reserve	-	-
Adjusted equity	\$ 8,948,219	6,136,149
Debt-to-equity ratio	262.94%	309.37%

(7) Related-party transactions

(a) Names and relationship with related parties

The following are subsidiaries and the entities that have had transactions with the Company during the periods covered in the financial statements.

<u>Name of related party</u>	<u>Relationship with the Company</u>
JSL CONSTRUCTION Co., Ltd.	The chairman of the entity is the Company chairman's spouse
JAYSANLYN REAL ESTATE & ADVERTISING Co., Ltd.	The chairman of the entity is the Company chairman's spouse
JAYSHELYN CONSTRUCTION Co., Ltd.	The director of this entity is the director of the Company
Mogen interior design Co., Ltd.	The chairman of the entity is the Company chairman's spouse
Zangfu Industrial Co., Ltd.	The entity's chairman is the blood relatives within the second degree of kinship of the chairman of the Company
Shangjing Industrial Co., Ltd.	The chairman of this entity is the director of the Company
Hongdadi Construction Co., Ltd.	The entity's chairman is the blood relatives within the second degree of kinship of the chairman of the Company
Zhuanzhu Advertising Co., Ltd.	The entity's director is the blood relatives within the second degree of kinship of the chairman of the Company
Wangma Advertising Co., Ltd.	The chairman of the entity is the Company chairman's spouse

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

Name of related party	Relationship with the Company
Guangtaiji Construction Co., Ltd.	The chairman of this entity is the director of the Company
JAYSANLYN REAL ESTATE Co., Ltd.	The entity's chairman is the blood relatives within the second degree of kinship of the chairman of the Company
CHU YUAN INDUSTRIAL Co., Ltd.	Same Chairman with the Company
Dalin development Co., Ltd.	Same Chairman with the Company
Fengyun Advertising Co., Ltd.	The entity's chairman is the blood relatives within the second degree of kinship of the chairman of the Company
Uyi Investment Co., Ltd.	The entity's chairman is the blood relatives within the second degree of kinship of the chairman of the Company
JSL Entertainment Co., Ltd	Subsidiary of the Company
Water Cube International Development Co., Ltd.	Subsidiary of the Company
Shigang Construction and Development Co., Ltd.	Subsidiary of the Company
JSL Food Art Creation Co., Ltd.	Subsidiary of the Company
JSL International Development Co., Ltd.	Subsidiary of the Company
CHUWANG DEVELOPMENT Co., Ltd.	Subsidiary of the Company
Huajiang International Development Co., Ltd.	An associate of the Company
Chinese Taipei Archery Association	Same Chairman with the Company(Retired in November 2022)
Shengming construction Co., Ltd.	Investee under equity method (Sold on November,2022)
Chairman: Wen Yu Chu	The Company chairman
Zhang Ying zhu	The Company chairman's spouse
Zhu yi	The entity's chairman is the blood relatives within the second degree of kinship of the chairman of the Company
Wu You	The entity's chairman is the blood relatives within the second degree of kinship of the chairman of the Company
YuyanJinxiang Space Design Co., Ltd.	Substantial related party
Chuangyu Space Design Co., Ltd.	Substantial related party
Li Junping Space Design Co., Ltd.	Substantial related party
Yuchang interior design	Substantial related party

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(b) Significant transactions with related parties

(i) Sale revenue

The amounts of significant sales transactions between the Company and related parties were as follows:

Item	Relationship	For the years ended December 31	
		2023	2022
Revenue from service rendered per contract	Other related parties:		
	JSL CONSTRUCTION Co., Ltd.	\$ 360,376	34,057
	JAYSHELYN CONSTRUCTION Co., Ltd.	82,429	1,531
	JSL Entertainment Co., Ltd.	-	11,890
	Hongdadi Construction Property Management Co., Ltd.	8,794	25,747
	Huajiang International Development Co., Ltd.	70,159	(460)
	Other related parties	18,919	-
		<u>\$ 540,677</u>	<u>72,765</u>

- 1) There were no significant differences in the purchasing prices and trading terms between related parties and other vendors on the service contract provided by the Company. The collection terms are also comparable to those of other companies.
- 2) The details of the individual marketing planning contracts signed by the Company and other related parties are as follows:

Name of project	The signing date of selling agreement	Sales period
Selling project-273	2018.10.01	From October 1, 2018 to three months after obtaining a license
Selling project-307	2020.06	From the contract date to December 31, 2024
Selling project-356	2019.01.01	From January 1, 2019 to three months after the date of obtaining the license (extended to sold out)
Selling project-392	2023.01.07	From January 7, 2023 to six months after the date of obtaining the license (subject to extension)
Selling project-432	2023.03.01	From March 1, 2023 to six months after the date of obtaining the license (subject to extension)

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

<u>Name of project</u>	<u>The signing date of selling agreement</u>	<u>Sales period</u>
Selling project-438	2023.09.20	From September 20, 2023 to six months after the date of obtaining the license (subject to extension)

(ii) Purchases

Selling:

The amounts of significant purchases by the Company from related parties were as follows:

<u>Relationship</u>	<u>For the years ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Other related parties	\$ 5,788	27,576
Subsidiaries	148,577	170,107
	<u>\$ 154,365</u>	<u>197,683</u>

The terms and pricing of purchases with related parties were not significantly different from those offered by other vendors. The payment terms ranged from one to two months, which were no different from the payment terms given by other vendors.

Construction industry:

1) The amounts of significant purchase by The Company from associates were as follows:

<u>Relationship</u>	<u>For the years ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Other related parties	\$ 31,481	28,524
Subsidiaries	15,592	-
	<u>\$ 47,073</u>	<u>28,524</u>

- The Company obtained partial lot of joint ownership land No. 331, Wuguwang section, Sanchong District, New Taipei City from other related parties with a contract price amounting to \$31,481 thousand in August 2023, which were fully paid as of December 31, 2023 and the relevant procedures for the transfer of ownership has been completed.
- The Company obtained partial lot of joint ownership land No. 331, Wuguwang section, Sanchong District, New Taipei City from Subsidiaries with a contract price amounting to \$15,592 thousand in August 2023, which were fully paid as of December 31, 2023 and the relevant procedures for the transfer of ownership has been completed.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

3) Construction contracts

The Company will commission the new construction projects at Longjiang Road, River Palace No.2, River Palace No.3, River Palace No.5, River Palace No.6, The Grand Palace, Garden Palace, Baoxiang section at Hsinchu county, Shizhengguandi No.1, Shizhengguandi No.3 and ShizhengAiyue to the related parties— CHUWANG DEVELOPMENT Co., Ltd, The contract amount (before tax) is as follows:

<u>Account</u>	<u>or the year ended December 31, 2023</u>	<u>Name of project</u>	<u>Total contract price (untaxed)</u>	<u>The amount of the current period (untaxed)</u>	<u>Accumulated amount (untaxed)</u>
Investment property	Other related parties:				
	CHUWANG DEVELOPMENT Co., Ltd.	Longjiang Road	\$ 458,802	125,581	458,802
Inventories	Other related parties:				
	CHUWANG DEVELOPMENT Co., Ltd.	River Palace No. 2	912,702	214,485	497,423
	"	River Palace No. 3	343,952	88,568	297,519
	"	River Palace No. 5	886,751	186,219	727,136
	"	River Palace No. 6	631,716	-	-
	"	The Grand Palace	1,328,276	159,393	425,048
	"	Garden Palace	2,046,876	1,031,966	1,751,785
	"	Baoxiang Section at Hsinchu county	4,798,826	837,777	1,059,493
	"	Shizhengguandi No.1	503,497	110,769	211,468
	"	Shizhengguandi No.3	1,447,489	-	-
	"	ShizhengAiyue	303,004	115,141	115,141
			<u>\$ 13,661,891</u>	<u>2,869,899</u>	<u>5,543,815</u>
<u>Account</u>	<u>or the year ended December 31, 2022</u>	<u>Name of project</u>	<u>Total contract price (untaxed)</u>	<u>The amount of the current period (untaxed)</u>	<u>Accumulated amount (untaxed)</u>
Investment property	Other related parties:				
	CHUWANG DEVELOPMENT Co., Ltd.	Longjiang Road	\$ 458,802	140,864	333,221
Inventories	Other related parties:				
	CHUWANG DEVELOPMENT Co., Ltd.	River Palace No. 2	912,702	132,342	282,938
	"	River Palace No. 3	343,952	98,886	208,951
	"	River Palace No. 5	886,751	261,591	540,917
	"	The Grand Palace	1,328,276	132,828	265,655
	"	Garden Palace	2,046,876	597,006	719,819
	"	Baoxiang Section at Hsinchu county	285,845	144,727	221,716
	"	Shizhengguandi No.1	503,497	100,699	100,699
	"	ShizhengAiyue	303,004	-	-
			<u>\$ 7,069,705</u>	<u>1,608,943</u>	<u>2,673,916</u>

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(iii) Receivables from related parties

The payables to related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Notes receivable	Other related parties: Fengyun Advertising Co., Ltd.	\$ -	640
Accounts receivable	Subsidiary: JSL Entertainment Co., Ltd.	12,484	11,890
	Other related parties: JSL CONSTRUCTION Co., Ltd.	57,883	10,087
	JAYSHELYN CONSTRUCTION Co., Ltd.	15,487	-
	CHU YUAN INDUSTRIAL Co., Ltd.	18,919	-
	Associates	7,771	-
		<u>\$ 112,544</u>	<u>22,617</u>
Other receivables	Other related parties: JAYSANLYN REAL ESTATE & ADVERTISING Co., Ltd.	\$ 2,323	6,836
	Fengyun Advertising Co., Ltd.	21,345	8,152
	Other related parties	1,080	4,062
Other receivables	Subsidiary: Water Cube International Development Co., Ltd	3,843	141
	JSL Entertainment Co., Ltd.	285	1,351
		<u>\$ 28,876</u>	<u>20,542</u>

(iv) Payables to related parties

The payables to related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts payable	Subsidiary: CHUWANG DEVELOPMENT Co., Ltd.	\$ 297,329	90,961
	JSL Food Art Creation Co., Ltd.	3,915	5,538
	JSL International Development Co., Ltd.	586	1,520
	Water Cube International Development Co., Ltd	208,462	46,959
	Other related parties	686	6,151
		<u>\$ 510,978</u>	<u>151,129</u>

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

Account	Relationship	December 31, 2023	December 31, 2022
Other payables	Subsidiary:		
	Water Cube International Development Co., Ltd	\$ 34,538	91,685
	CHUWANG DEVELOPMENT Co., Ltd.	3,578	5,447
	Others	89	1,380
	Other related parties	-	-
	Fengyun Advertising Co., Ltd.	23,178	33,174
	Other related parties	2,949	20,091
	Key management personnel (Note)	-	211,440
		<u>\$ 64,332</u>	<u>363,217</u>

Note: Payment on behalf of others for land purchases.

(v) Loans to Related Parties

The loans to related parties by the Company in 2023 and 2022 are recognized under other receivables- related parties, the details were as follows:

Account	Relationship	Highest balance of financing to other parties		Ending balance		Interests receivable (Other receivables due from related parties)	
		For the years ended December 31					
		2023	2022	2023	2022	December 31, 2023	December 31, 2022
Other receivables due from related parties	Subsidiary:						
	CHUWANG DEVELOPMENT Co., Ltd.	\$ -	200,000	-	-	-	-

For the loans to related parties from the Company, the interest rate is determined based on the average rate of the borrowings entered into with financial institutions during the year. All the loans issued are unsecured. The interest expenses for the years ended December 31, 2023 and 2022 amounted to \$0.

(vi) Loans to related parties

The Company financing from its related parties in 2023 and 2022, and accounted for under the other accounts payable related parties as follows:

For the year ended December 31, 2023					
Name of related party	Highest balance of financing to other parties	Ending balance	Interest rate	Interest expense	Interest payables
CHUWANG DEVELOPMENT Co., Ltd.	\$ 990,000	890,000	0.21%~3.00%	20,139	-

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

For the year ended December 31, 2022					
<u>Name of related party</u>	<u>Highest balance of financing to other parties</u>	<u>Ending balance</u>	<u>Interest rate</u>	<u>Interest expense</u>	<u>Interest payables</u>
CHUWANG DEVELOPMENT Co., Ltd.	\$ <u>700,000</u>	<u>350,000</u>	0.21%~2.188%	<u>3,233</u>	<u>-</u>

(vii) Services

The related party and the Company have entered into contract of appointment for sales planning, and accounted for under the incremental costs to obtaining a contract - current, the details are as follows:

Name of related party	Name of project	Sales period	Accumulated price	
			December 31, 2023	December 31, 2022
Subsidiary:				
Water Cube International Development Co., Ltd	Hsinchu Palace No.8-2	From March 1 2023 to six months after the date of obtaining the license.	\$ 150,678	-
Other related parties:				
JAYSANLYN REAL ESTATE The Gallery & ADVERTISING Co., Ltd.	Mansion	From December 2019 to three months after the date of obtaining the license.	-	27,777
"	Garden Palace	From August 10, 2021 to July 31, 2024.	155,320	151,540
Fengyun Advertising Co., Ltd.	Shizhengguandi No.1	From April 1, 2022 to one month after the date of obtaining the license.	58,410	23,754
"	Shizhengguandi No.2	From September 20, 2023 to one month after the date of obtaining the license.	17,253	-
"	ShizhengAiyue	From June 1, 2022 to one month after the date of obtaining the license.	19,429	9,419
			\$ 401,090	212,490

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(viii) Lease

The related information of the Company leased buildings and offices from other related parties was as follows:

Name of related party	Contract term	Right-of-use assets	Interest expense	Lease liabilities
		December 31, 2023	For the year ended December 31, 2023	December 31, 2023
Other related parties:				
Other related parties	2016.06.01 ~2028.12.31	\$ <u>4,584</u>	<u>125</u>	<u>4,855</u>
"	2023.04.01 ~2027.03.31	\$ <u>58,861</u>	<u>1,383</u>	<u>59,489</u>

Name of related party	Contract term	Right-of-use assets	Interest expense	Lease liabilities
		December 31, 2022	For the year ended December 31, 2022	December 31, 2022
Other related parties:				
Other related parties	2016.06.01 ~2028.12.31	\$ <u>5,501</u>	<u>146</u>	<u>5,759</u>

(ix) Guarantee

- 1) The Company applied for the issuance of the secured corporate bonds with the subsidiary acting as the joint guarantor and providing the construction land as collateral. The amount of the endorsement guarantee as of December 31, 2023 and 2022 was \$278,910 thousand and \$302,565 thousand, respectively. The handling fees paid to subsidiary's amounting to both \$286 thousand, which is accounted for under the finance cost.
- 2) The management of the Company will provide land as collateral for the application to issue secured corporate bond.
- 3) The Company apply for the short-term secured bank loan in December 2022 to be pledged by the time deposit slip from related party, Dalin development Co., Ltd. as collateral. The Company settled the loan in April 2023, and the bank also terminated the loan facility and released the collateral pledged for guarantee.
- 4) The Jinhua Section, Nuannuan District construction project of the Company was provided with joint and several securities for a performance guarantee of a sales contract for preconstruction homes pursuant to the Consumer Protection Act by its subsidiary, CHUWANG DEVELOPMENT CO., LTD. in June 2023. The guarantee amount was \$712,141 thousand and the actual usage amounting to \$0.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(x) Others

- 1) The Company acquired 2 pieces of land including the Baoxiang section, Hsinchu county in 2023, acquired 6 pieces of land including the Baoxiang section, Hsinchu county and 9 pieces of land including the Ganlin section, Xinbei country in 2022 and acquired 43 pieces of land including the Baoxiang section, Hsinchu county in 2015 and the Milan (Sankong Spring Section) in Tamsui District in 2001, respectively. However, they are classified as farm land and are temporarily registered under the name of the key management of the Company. Also, a real estate entrust contract are entered and are pledged to the Company with an equivalent amount.
- 2) The Company commissioned manpower support from its subsidiaries for the years ended December 31, 2023 and 2022 and paid a service fee of 20,446 thousand and 17,590 thousand, which is accounted for under "administrative expenses"
- 3) The Company entered into a contract with its subsidiaries to entrust the subsidiaries with the responsibility for the planning and advertising design of all the sales projects and the sales support for some of the sales projects. Payments to subsidiaries amounted to \$352,435 thousand and \$198,303 thousand for the years ended December 31, 2023 and 2022 respectively. They are accounted for as operating costs of \$311,503 thousand and \$157,438 thousand, respectively and operating expenses of \$40,932 thousand and \$40,865 thousand, respectively.
- 4) For the years ended December 31, 2023 and 2022, the sales administration services rendered to other related parties amounted to \$0 and \$634 thousand, respectively, and recognized under selling expenses.
- 5) With the vision of nurturing outstanding national sports talents, the Company contributed and sponsored to other related parties in the year ended December 31, 2022 are \$4,000 thousand.
- 6) The Company provided support services to its subsidiaries and other related parties received service income was as follow (recognized under other gains and losses) for the years ended December 31, 2023 and 2022.

	For the years ended December 31	
	2023	2022
Subsidiary	\$ 1,255	14,043
Other related parties	74,895	100,399
	\$ 76,150	114,442

- 7) The Company entered into a joint investment and construction agreement with the related party, Guangtaiji Construction Co., Ltd. in the "Land No. 48 and 544 of Sanchong Section" development project with an investment ratio of 30%.
- 8) The Company entered into a joint investment and construction agreement with the related party, Shangjing Industrial Co., Ltd. in the Wuguwang section, Sanchong District, New Taipei City the related party accounted for an investment ratio of 11.57%.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

- 9) The Company increased the capital of its subsidiary, CHUWANG DEVELOPMENT CO., LTD by \$250,000 thousand in May 2023.

- (c) Key management personnel transactions

Key management personnel compensation:

	For the years ended December 31	
	2023	2022
Short-term employee benefits	\$ 148,984	101,483
Post-employment benefits	1,076	1,099
	\$ 150,060	102,582

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Pledged to secure	December 31, 2023	December 31, 2022
Other financial assets (current and non current)	Bonds payable, pre-order price trust deposits and performance bond	\$ 1,610,957	1,217,737
Inventory-construction	Bank borrowings, short-term notes payables, and bonds payable	19,893,891	13,988,183
Property, plant and equipment	Bonds Payable and long-term borrowings	28,209	840,998
Investment property, net	Shortterm notes payables and long-term borrowings	809,420	-
Right-of-use assets	Long-term borrowings	979,170	1,034,992
		\$ 23,321,647	17,081,910

(9) Significant contingent liabilities and unrecognized commitments:

- (a) Significant unrecognized commitments

- (i) The Company's unrecognized contractual commitments for Property, Plant and Equipment purchase and inventory purchase were as follows:

	December 31, 2023	December 31, 2022
Inventory purchased - (construction)	\$ 1,353,636	1,505,152

- (ii) The Company's selling price outlined in pre-sale housing contract is as follows:

	December 31, 2023	December 31, 2022
Price outlined in signed sales contracts (tax included)	\$ 25,121,731	16,297,993
Amount collected as per the contract (untaxed)	\$ 3,283,221	2,141,361

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

- (iii) As of December 31, 2023 and 2022, the refundable deposits paid, through cooperation with the landowners, amounted to \$1,247,474 thousand and \$1,345,190 thousand, respectively., which recognized under other current financial assets.
- (iv) The Company have entered into contract of appointment for marketing planning as of December 31, 2023, the details are as follows:

<u>Name of project</u>	<u>The signing date of selling agreement</u>	<u>Sales period</u>
Selling project-273	2018.10.01	From October 1, 2018 to three months after obtaining a license
Selling project-307	2020.06.01	From the contract date to December 31, 2024
Selling project-356	2019.01.01	From January 1, 2019 to three months after the date of obtaining the license (extended to sold out)
Selling project-362	2020	On sale for a year after the date of obtaining the license (extended to June 30, 2024)
Selling project-367	2020.03.01	Up to one month after the date of obtaining the license
Selling project-369	2019.09.14	Up to eighteen months after the date of obtaining the license
Selling project-370	2019.11.01	From the date of obtaining a license to use (subject to extension)(extended to December 31, 2024)
Selling project-3720	2019.10.01	From October 1, 2019 to one months after the date of obtaining the license (subject to extension)
Selling project-3723	2019.10.01	From October 1, 2019 to one months after the date of obtaining the license (subject to extension)
Selling project-3724	2019.10.01	From October 1, 2019 to one months after the date of obtaining the license (subject to extension)
Selling project-3820	2020.06	From June 01, 2020 and ended one month after the date of obtaining the license (subject to extension)
Selling project-3823	2020.06	From June 01, 2020 and ended one month after the date of obtaining the license (subject to extension)
Selling project-392	2023.01.07	From January 7, 2023 to six months after the date of obtaining the license (subject to extension)
Selling project-401	2021.03.16	2021.03.16 to 2024.03.31 (subject to further extension)
Selling project-403	2021.05.16	From May 16, 2022 and ended six months after the date of obtaining the license (subject to extension)
Selling project-404	2021.05.01	2021.05.01 to 2024.12.31 (subject to further extension)
Selling project-406	2021.11	Sales start after the building license has been obtained and the sales period is one year (extended to February 10, 2024)
Selling project-410	2021.10.15	2021.10.15 to 2025.07.31 (subject to further extension)
Selling project-414	2021.09.15	Sales start after the building license has been obtained until June 30, 2024 (subject to extension)
Selling project-415	2022.04.01	2022.04.01 ~ 2024.03.31 (subject to extension)
Selling project-418	2021.12	Sales start after the building license has been obtained and the sales period is two years (subject to extension)

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

<u>Name of project</u>	<u>The signing date of selling agreement</u>	<u>Sales period</u>
Selling project-418	2023	Sales start after the building license has been obtained and the sales period is two years (subject to extension)
Selling project-421	2022.02	2022.02.16~2024.02.16(subject to extension)
Selling project-423	2022.05.01	2022.05.01~2024.05.01(subject to extension)
Selling project-424	2022.12.16	From December 16, 2022 and ended one months after the date of obtaining the license (subject to extension)
Selling project-425	2022.06.15	From June 15, 2022 and ended twelve months after the date of obtaining the license (subject to extension)
Selling project-426	2022.07.01	From July 1, 2022 and ended six months after the date of obtaining the license (subject to extension)
Selling project-427	2022.12.16	Sales start after the building license has been obtained and the sales period is two years (subject to extension)
Selling project-429	2022.09.15	2022.09.15~2026.12.31(subject to extension)
Selling project-430	2022.10.20	Sales start after the building license has been obtained and the sales period is ten mounths (subject to extension)
Selling project-431	2022.08.16	Sales start after the building license has been obtained and the sales period is one year (subject to extension)
Selling project-432	2023.03.01	From March 1, 2023 to six months after the date of obtaining the license (subject to extension)
Selling project-433	2023.04.01	2023.04.01~2024.03.31(subject to extension)
Selling project-434	2023.07.01	2023.07.01~2027.12.31(subject to extension)
Selling project-436	2023.08.08	2023.08.10~2024.07.31(subject to extension)
Selling project-438	2023.09.20	From September 20, 2023 to six months after the date of obtaining the license (subject to extension)
Selling project-440	2023.01.09	Sales start after the building license has been obtained and the sales period is two year (subject to extension)

(10) Losses Due to Major Disasters:None

(11) Subsequent Events:

The Company has issued new shares for cash capital increase with a total of 25,000 thousand shares with a par value of \$10 per share on December 18, 2023 pursuant to a resolution of the Board of Directors. The said cash capital increase has been approved by FSC and is in effect on January 17, 2024. The new shares are issued at \$80 per share pursuant to a resolution of the Board of Directors. The Company adopted February 21, 2024 as base day for cash capital increase.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(12) Other:

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

By item	By function	For the years ended December 31					
		2023			2022		
		Cost of good sold	Operating expense	Total	Cost of good sold	Operating expense	Total
Employee benefits							
Salary		118,334	373,479	491,813	74,335	205,186	279,521
Labor and health insurance		3,875	11,180	15,055	3,045	10,730	13,775
Pension		2,819	4,022	6,841	2,056	4,112	6,168
Remuneration of directors		-	10,056	10,056	-	2,976	2,976
Others		1,140	9,696	10,836	1,144	5,802	6,946
Depreciation		23,214	16,537	39,751	7,590	22,843	30,433
Depletion		-	-	-	-	-	-
Amortization		-	322	322	-	316	316

For the years ended December 31, 2023 and 2022, the average numbers of Company employees were as follows:

	2023	2022
Number of employees	<u>92</u>	<u>101</u>
Number of directors who are not concurrently employed	<u>3</u>	<u>3</u>
Average employee benefit expense	\$ <u>5,894</u>	\$ <u>3,127</u>
Average employee salary expense	\$ <u>5,526</u>	\$ <u>2,852</u>
Salary	<u>93.76 %</u>	<u>0.74 %</u>
Remuneration for supervisors	\$ <u>-</u>	\$ <u>-</u>

The Company's salary and remuneration policy (including directors, supervisors, managers and employees) is as follows:

(i) Remuneration to Directors:

The remuneration to Board of directors of the Company are based on the Company's overall operation performance, industry trend as well as the personal contribution toward the Company and individual performance achievements and the salary level of the same industry. The remuneration of the independent Directors shall be agreed on with fixed payment by the Board of directors in accordance with the foregoing principles and shall not involve the distribution of directors' remuneration and all other bonuses. The Company's article of incorporation requires a minimum of 3% will be distributed as remuneration to its employees. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

The performance of the Directors is determined on the basis of the performance evaluation method of the Board of Directors of the Company, which covers the board as a whole, the functional committees and individual members of the Directors. The evaluation methods include self evaluation, peer-to-peer assessment, entrusting external agency experts, or other appropriate means. The remuneration performance policy, performance evaluation, and the content and amount of remuneration of the directors of the Company have been established, reviewed and resolved by the Remuneration Committee and the Board of director and reported to the Shareholders' Meeting.

(ii) Managers and employees:

The remuneration to manager and employee includes salary, bonus and employee compensation: Monthly salaries are determined by reference to the salary trends on the market, company operations and organizational structure, and by function and responsibility to balance the optimization between external competition and internal justice. The bonus and remuneration are approved in accordance with the relevant performance management measures. The relationship between individual performance and the Company's operating performance are assessed and then providing reasonable remuneration. The Company's article of incorporation requires a minimum of 1% will be distributed as remuneration to its employees. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The remuneration to the employees of the Company is reported to the shareholders' meetings after being reviewed and passing the resolutions of the Remuneration Committee and the Board of directors. The remuneration system is reviewed timely in the light of the actual operating conditions and changes in the relevant regulation.

- (b) The Company was searched by the prosecution unit on September 20, 2012 for suspected breach of Securities and Exchange Act. The case was investigated and closed on January 21, 2013 by the Taiwan Taipei District Prosecutors Office. Chen Qicang, the former general manager of the Company, Dong CuiHua, former head of the Finance segment of the Company (both had resigned in February 2013) and Lin Hongming were charged with alleged breaches of the Securities and Exchange Act.

The Company is not a defendant in the litigation referred to in the preceding paragraph and thus it has not been provided with bill of indictment. It was to the understanding of the Company that the loan amounting to \$1,855,000 thousand were borrowed from CHINA UNITED TRUST & INVESTMENT CORPORATION by pledging land in Milan section and Shuixian section, Tamsui district as collateral. Subsequently, the Company met financial difficulties and was unable to repay the interests and principal on the loan, CHINA UNITED TRUST & INVESTMENT CORPORATION then sell the said mortgage as bad debt. The aforesaid bad debt was acquired by Qiyang Asset Management Co., Ltd. in 2005. The Company then entered into a debt settlement agreement with the creditor, Qiyang Asset Management Co., Ltd. in May 2006. By transferring the Company's collateral pledged for the loan, the land lot at Shuixian section and building license to the creditors, the Company is exempted from repaying the principal of the said loan, its deferred interest and breach penalty. Also, an additional amount of \$355,000 thousand may be obtained by the Company; As for the loan borrowed by pledging the land at Milan section, the Company has entered into a sales contract in May 2002 to the land at Milan section. Consequently in 2005, the Company entered into a tripartite agreement with the land purchaser and creditor, Qiyang Asset Management Co., Ltd. to eliminate the Company's debts and the land purchaser of Milan section should bear the debts. The above transactions were investigated by the prosecution unit and found to be in violation of the Securities and Exchange Act and The Banking Act of The Republic of China.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

However, it has been verified that the transactions relating to the above-mentioned land in the Milan and Shuixian sections were engaged between 2002 and 2006, and such transactions have been completed as of the reporting deadline. The transfer and payment of debt to the land title and related transactions have been completed. The terms of the transaction, the process and the related transaction amount, the amount of profit and loss effect have been outlined and accounted for in the notes to each financial statements for the years accordingly.

On August 22, 2013, the Company filed a criminal suit with civil action against Lin Hongming and others at the Criminal court of Taiwan Taipei District Court for damages compensation of \$1,471,534 thousand. On July 25, 2014, the Criminal Court of Taiwan Taipei District Court ruled that the case should be referred to the Civil Court of Taiwan Taipei District Court for proceeding with a civil action.

This case was ruled by the Taiwan Taipei District Court on June 23, 2017, rejecting the Company's claim for damages. the Company appealed the civil judgment to Taiwan High Court on July 21, 2017 and the Taiwan High Court ruled on December 4, 2019 that Lin Hongming and others were liable to pay damages of \$754,462 thousand to the Company. However, the appellee, Lin Hongming and others refused the judgment and appealed to the Supreme Court. The Supreme Court then ruled on March 31, 2021 to send the case back to Taiwan High Court for hearing.

This case was ruled by Supreme Court on February 23, 2022 that criminal proceedings gained by Lin Hongming and others amounting to \$446,330 thousand shall be confiscated, excluding the amount returned to victims or being requested for damages claims. Then, Lin Hongming appealed against the criminal ruling by Taiwan High Court, which was disclosed previously. The Supreme Court dismissed such appeal on July 21, 2022, so the above-mentioned criminal ruling by Taiwan High Court has been confirmed. The Company filed an application with the Taiwan Taipei District Prosecutors Office on September 22, 2022 for the return of criminal proceeds. The prosecutor has also actually detained the criminal proceeds collected by Lin Hongming, but has not yet approved the return of the criminal proceeds to the Company. The Civil court of the Taiwan High Court issued a ruling on January 30, 2024 rejecting the Company's claim for damages, and the Company filed an appeal with the Supreme Court on March 6, 2024 after receiving such ruling.

The management of the Company has assessed that the said litigation will not have any effect of increase on loss or contingent loss on the consolidated financial statements of the Company for the twelve month period ended December 31, 2023. Accordingly, the litigation case should have no other effect on the disclosure in notes to the consolidated financial statements as of December 31, 2023.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Company for the year ended December 31, 2023:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	CHUWANG DEVELOPMENT CO., LTD.	JSL CONSTRUCTION & DEVELOPMENT CO., LTD.	Other receivables due from related parties	Yes	200,000	-	-	0.21	1	6,184,871	-	-	-	-	13,203,089	13,203,089
1	CHUWANG DEVELOPMENT CO., LTD.	JSL CONSTRUCTION & DEVELOPMENT CO., LTD.	Other receivables due from related parties	Yes	500,000	-	-	2.188	1	6,184,871	-	-	-	-	13,203,089	13,203,089
1	CHUWANG DEVELOPMENT CO., LTD.	JSL CONSTRUCTION & DEVELOPMENT CO., LTD.	Other receivables due from related parties	Yes	900,000	900,000	890,000	3.000	1	7,069,706	-	-	-	-	13,203,089	13,203,089

Note 1: Pursuant to “Procedure of Loans to Other Parties” of CHUWANG DEVELOPMENT CO., LTD., capital shall only be loaned to trading counterparties, the maximum amount of loan to a trading counterparties shall be the actual amount of inventory purchased or sold by the parties, and the amount of valid purchase contracts or sales contract. The limit on loans to a single party shall be the actual amount of inventory purchased or sold by the parties, and the amount of valid purchase contracts or sales contract.

Note 2: Financing purposes:

- (1) Those with business contact, please fill in 1.
- (2) Those necessary for short term financing, please fill in 2.

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
1	CHUWANG DEVELOPMENT CO., LTD.	JSL CONSTRUCTION & DEVELOPMENT CO., LTD.	7	5,425,534	712,141	712,141	-	-	131.26 %	10,851,068	N	Y	N
2	Shigang Construction and Development Co., Ltd.	JSL CONSTRUCTION & DEVELOPMENT CO., LTD.	3	563,389	302,565	278,910	278,910	278,910	990.13 %	563,389	N	Y	N

Note 1: There are seven conditions in which the Company may have guarantees or endorsements for other parties:

- (1) Trading counterparty
- (2) the Company holds more than 50% of the voting shares in the entity, directly and indirectly.
- (3) The entity holds more than 50% of voting shares in the Company, directly and indirectly.
- (4) the Company holds more than 90% of voting shares in the entity, directly and indirectly.
- (5) An entity in the construction industry mutually guaranteed pursuant to a project contract.
- (6) The stockholders of the Company provide guarantees or endorsements for the entity in proportion to percentage of ownership for joint investment.
- (7) The companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for preconstruction homes pursuant to the Consumer Protection Act for each other.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

Note 2: Shigang Construction and Development Co., Ltd. endorsed the operation method for the total amount of guarantee s and the limit for endorsement of a single enterprise; Details are as follows:

- (1) The total amount of external endorsements and/or guarantees by Shigang Construction and Development Co., Ltd.shall be limited to the amount of paid in capital of the Company.
- (2) The guarantee amount for a single enterprise endorsement shall not exceed 200% of the current net value of the Company.
- (3) An entity holding 100% of the voting rights directly and indirectly of the Company, its total guarantee amount cannot exceed 20 times of the net value of such entity. The guarantee for a single enterprise is limited to 20 times of the net value of such entity.
- (4) Provided to other companies, the total guarantee amount of joint and several securities for a performance guarantee of a sales contract for pre-construction homes or guarantee on each parties according to contract terms between co-constructors pursuant to the Consumer Protection Act or for undertaking construction, shall not exceed tenfold of the company's net value and not more than five times of the Company's net value of the guarantee for a single enterprise.
- (5) The stockholders of the Company provide the guarantees or endorsements for the entity in proportion to percentage. The total endorsement and the provisions of point No.3 shall apply to the guarantee limit of a single investee company.
- (6) The amount of the cumulative endorsement and guarantee for an enterprise as a result of <108>a business relationship shall not exceed the amount of the business transaction between such entity and the company. The business transaction amount is the higher of the purchase or sales contract between both parties or payment in recent years (business cycle).

Note 3: The Company endorsed the operation method for the total amount of guarantees and the limit for endorsement of a single enterprise:

- (1) The total amount of guarantee for external endorsement shall not exceed 200% of the net value of the Company.
- (2) he guarantee amount for a single enterprise endorsement shall not exceed 100% of the current net value of the Company.

Note 4: "Procedure of Loans to Other Parties" of CHUWANG DEVELOPMENT CO., LTD., outlines the total amount of guarantees and the limit for endorsement of a single enterprise details are as follows: Details are as follows:

- (1) The total amount of external endorsements and/or guarantees by CHUWANG DEVELOPMENT CO., LTD.shall not be more than ten times of the Company's net value.
- (2) The guarantee amount for a single enterprise endorsement shall not be more than five times of the Company's net value.
- (3) An entity holding 100% of the voting rights directly and indirectly of the Company, its total guarantee amount cannot exceed 20 times of the net value of such entity. The guarantee for a single enterprise is limited to 20 times of the net value of such entity.
- (4) Provided to other companies, the total guarantee amount of joint and several securities for a performance guarantee of a sales contract for pre-construction homes or guarantee on each parties according to contract terms between co-constructors pursuant to the Consumer Protection Act or for undertaking construction, shall not exceed twentyfold of the company's net value. The total guarantee amount for a single enterprise shall not exceed tenfold of the company's net value.
- (5) The stockholders of the Company provide the guarantees or endorsements for the entity in proportion to percentage. The total endorsement and the guarantee limit of a single investee company, the provisions of point No.3 shall apply.
- (6) The amount of the cumulative endorsement and guarantee for an enterprise as a result of a business relationship shall not exceed the amount of the business transaction between such entity and the Company. The business transaction amount is the higher of the purchase or sales contract between both parties or payment in recent years (business cycle).

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

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Preferred Shares A Judo Company	-	Financial assets at fair value through profit or loss-non current	18,856	197,219	-%	197,219	Note
The Company	Preferred Shares B Judo Company	-	//	20,000	202,539	-%	202,539	Note
The Company	Shares UNI AIRWAYS CORPORATION	-	Noncurrent financial assets at fair value through other comprehensive income	41	401	0.01%	1,190	
The Company	Share Hung Shun Hing Real Estate Co., Ltd.	-	//	500	4,995	3.33%	5,511	

Note: Such preference shares may not be converted into ordinary shares.

- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock:None
- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:None
- (vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:None

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	JSL CONSTRUCTION Co., Ltd.	The chairman of the entity is the Company chairman's spouse	Selling	360,376	6.57%	Periodical collection per contract	-	Same as regular transaction	57,883	2.76%	
The Company	CHUWANG DEVELOPMENT Co., Ltd.	Subsidiary	Contractor project	2,869,899	27.15%	Periodical collection per contract	-	Same as regular transaction	(297,329)	18.44%	
CHUWANG DEVELOPMENT Co., Ltd.	The Company	Parent company	Selling	(2,822,744)	(54.45)%	Periodical collection per contract	-	Same as regular transaction	297,329	26.10%	Note 1
CHUWANG DEVELOPMENT Co., Ltd.	JSL CONSTRUCTION Co., Ltd.	The chairman of the entity is the Company chairman's spouse	Selling	(724,030)	(13.97)%	Periodical collection per contract	-	Same as regular transaction	114,963	12.67%	Note 1
CHUWANG DEVELOPMENT Co., Ltd.	JAYSHELYN CONSTRUCTION Co., Ltd.	The director of the Company is the director of the ultimate parent entity.	Selling	(188,348)	(3.63)%	Periodical collection per contract	-	Same as regular transaction	-	-%	Note 1
CHUWANG DEVELOPMENT Co., Ltd.	CHU YUAN INDUSTRIAL Co., Ltd.	Same Chairman with the Group	Selling	(117,865)	(2.27)%	Periodical collection per contract	-	Same as regular transaction	-	-%	Note 1

Note1 : The Company recognized its construction contract income using the percentage of completion method.

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

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
CHUWANG DEVELOPMENT Co., Ltd	JSL CONSTRUCTION & DEVELOPMENT CO., LTD	Subsidiary	297,329	14.59	-		297,329	-
"	JSL CONSTRUCTION Co., Ltd.	The chairman of the entity is the Company chairman's spouse	114,963	10.62	-		-	-

(ix) Trading in derivative instruments:None

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(b) Information on investees:

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

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	JSL Entertainment Co., Ltd.	Taiwan	Residential and commercial building development and leasing, real estate trading, real estate leasing, real estate commissioning, real estate selling, IT software services and third-party payment services.	34,350	34,350	3,600	100.00 %	50,817	(1,795)	(2,000)	
The Company	Water Cube International Development Co., Ltd.	Taiwan	Real estate agency and seller, international trade, rental and leasing and agency services	50,000	50,000	5,000	100.00 %	77,931	169,990	23,079	
The Company	Shigang Construction and Development Co., Ltd.	Taiwan	To commission construction company to build public residential housings for rentals and sales, land developments, interior decoration design and contractor services, construction equipment, building materials, construction machinery trading and real estate operation and investments.	245,000	245,000	30	100.00 %	243,610	5	5	
The Company	JSL Food Art Creation Co., Ltd.	Taiwan	Baked food manufacturer, wholesaler of food and beverage and food and beverage retailer.	3,000	3,000	300	100.00 %	9,183	3,780	3,780	
The Company	JSL International Development Co., Ltd.	Taiwan	commercial building rentals and leasing, investment in public construction, real estate trading and real estate rental	3,000	3,000	300	100.00 %	6,477	2,767	2,767	
The Company	CHUWANG DEVELOPMENT Co., Ltd.	Taiwan	Integrated constructions, residential and commercial building rentals and leasing, investment in public construction, real estate trading and real estate rentals	457,350	207,350	660	100.00 %	285,312	88,851	(101,224)	

(c) Information on investment in mainland China:None

(d) Major shareholders:None

Shareholder's Name	Shareholding	Shares	Percentage
CHU YUAN INDUSTRIAL Co., Ltd.		74,898,228	19.13 %
Fengyun Advertising Co., Ltd.		74,234,446	18.96 %
JAYSANLYN REAL ESTATE & ADVERTISING Co., Ltd.		67,014,308	17.11 %
Chairman: Wen Yu Chu		47,822,750	12.21 %
Advertising Co., Ltd		33,121,625	8.46 %

(14) Segment information:

Please refer to the consolidated financial statement for the year ended December 31, 2023.

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Statement of accounts receivables

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Customer	Description	Amount	Note
Supplier A	The receivables of selling agreements	\$ 631,769	Selling project-418
Supplier B	"	189,975	Selling project-405 、 426 、 436
Supplier C	"	115,908	Selling project-434
Supplier D	"	112,843	Selling project-425 、 433
Supplier E	"	106,858	Selling project-398
Others	"	<u>790,462</u>	Customers under 5%
		<u><u>\$ 1,947,815</u></u>	

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Statement of inventories

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Prepayment for land purchases	Daitianfu section of Jilong City	\$ 183,430
	Urban renewal at Chengde Road	1,000
	Xiangyang section of Pingtung City	50,000
	Others	1,299
Subtotal		235,729
Land held for construction site	Haitian Section, Tamsui District, New Taipei City	227,794
	Shanjie section of Taoyuan City	1,007,136
	Ganlin section of New Taipei City	328,911
	Baoxiang Section at Hsinchu country	2,300,854
	Wen zi zhen	511,572
	Bancui section of New Taipei City	390,127
	Wuguwang section of New Taipei City	2,386,185
	Shen'ao section of Keelung City	267,706
	Others	25,695
Subtotal		7,445,980
Construction in progress	Urban renewal at Chengde Road	2,261,473
	Baoxiang Section at Hsinchu country	2,126,033
	Jiangcui section of New Taipei City	1,289,419
	Bancui section of New Taipei City	666,921
	Xindu Section, New Taipei City	857,531
	Wuguwang section, New Taipei City	2,721,595
	Xiangyang section of Pingtung City	2,442,298
	Jinhua section of Jilong City	1,225,157
	Others	340,999
Subtotal		13,931,426
Buildings and land held for sale	Ocean Palace	1,129,388
Total		<u><u>\$ 22,742,523</u></u>

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Statement of other current financial assets

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount	Note
Restricted time deposits	\$ 1,249,367	pre-order price trust deposits and deposit of corporate bond
Co-construction guarantee deposit	1,247,474	
Others	<u>25,354</u>	
	<u><u>\$ 2,522,195</u></u>	

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Statement of short-term borrowings

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Type of loan	Note	Balance at December 31	Contract Period	Range of interest rates	Collateral or pledge	Note
Mortgage loans	Financial institutions	\$ 1,742,938	2014.06.21~2025.12.31	2.600%~3.500%	Construction in progress	
"	Financial institutions	55,100	2020.11.10~2025.07.07	2.650%	Construction in progress	
"	Financial institutions	475,746	2023.07.27~2024.12.28	3.260%	Land held for construction site	
"	Financial institutions	563,840	2023.05.29~2028.05.29	3.300%~3.376%	Construction in progress	
"	Financial institutions	391,900	2022.04.20~2024.08.09	2.752%	Land held for construction site	
"	Financial institutions	312,990	2021.11.23~2026.03.09	2.700%	Construction in progress	
"	Financial institutions	176,130	2021.09.28~2025.08.17	2.850%	Construction in progress	
"	Financial institutions	457,990	2021.10.05~2025.12.04	2.700%	Construction in progress	
"	Financial institutions	189,650	2022.05.20~2026.04.22	2.700%	Construction in progress	
"	Financial institutions	377,000	2020.04.17~2027.03.31	2.752%	Construction in progress	
"	Financial institutions	270,751	2021.06.29~2025.06.29	2.620%~3.440%	Construction in progress	
"	Financial institutions	67,698	2023.03.10~2025.04.30	3.338%	Construction in progress	
"	Financial institutions	260,860	2021.10.22~2026.04.22	2.745%	Land held for construction site	
"	Financial institutions	169,310	2023.06.17~2026.06.17	3.000%	Land held for construction site	
"	Financial institutions	207,321	2022.03.30~2024.03.30	3.125%	Buildings and land held for sale	
"	Financial institutions	688,280	2022.01.21~2027.01.21	2.550%~2.650%	Construction in progress	
"	Financial institutions	187,553	2023.03.30~2026.03.30	2.620%	Buildings and land held for sale	
"	Financial institutions	2,882,029	2023.06.30~2028.06.30	3.180%	Land held for construction site 、 Construction in progress	
"	Financial institutions	112,000	2023.09.12~2026.09.12	3.250%	Land held for construction site	
"	Financial institutions	93,800	2023.09.12~2028.06.30	3.050%	Land held for construction site	
		<u>9,682,886</u>				
Credit loans	Financial institutions	81,124	2023.12.25~2024.12.25	3.000%	None	
"	Financial institutions	51,218	2023.07.31~2024.01.26	2.765%	"	
"	Financial institutions	64,280	2023.09.14~2024.06.25	2.812%	"	
"	Financial institutions	167,311	2023.09.28~2024.06.29	3.055%	"	
"	Financial institutions	93,762	2023.08.30~2024.02.26	2.953%~3.059%	"	
"	Financial institutions	200,000	2023.11.14~2024.05.14	3.000%	"	
"	Financial institutions	150,000	2023.12.08~2024.06.05	3.010%	"	
"	Financial institutions	138,000	2023.12.25~2024.12.25	2.700%	"	
"	Financial institutions	369,850	2023.10.13~2024.10.13	2.403%	"	
"	Financial institutions	30,000	2022.10.18~2025.04.18	3.275%	"	
"	Financial institutions	240,000	2022.10.03~2024.10.03	2.800%	"	
		<u>1,585,545</u>				
		<u>\$ 11,268,431</u>				

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Statement of short-term bills payable

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Guarantee or acceptance institution	Contract Period	Range of interest rates	Balance at December 31			Note
				Amount	Unamortized discount on commercial papers payable	Amount	
Short-term notes payable	Financial institutions	2023.12.06~2024.03.05	3.038%	\$ 585,000	(3,116)	581,884	-
"	"	2023.10.30~2024.03.05	3.188%	1,262,800	(6,801)	1,255,999	-
"	"	2023.11.24~2024.01.23	3.626%	150,000	(181)	149,819	-
				\$ 1,997,800	(10,098)	1,987,702	

Statement of contract liabilities - current

Please refer to Note 6(w), for details.

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Statement of bonds payable

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Name of bond	Trustee	Issuance date	Interest payment date	Total amount	Amount paid	Balance at December 31	Less: current portion	Carrying amounts	Repayment	Collateral
Secured ordinary corporate bond	Financial institutions	2021.07	Annual payment	500,000	-	500,000	(500,000)	-	One time payment at maturity	bank guarantee and construction site (provided by management and personnel)
"	Financial institutions	2021.11	"	600,000	-	600,000	-	600,000	One time payment at maturity	bank guarantee
"	Financial institutions	2022.01	"	500,000	(100,000)	400,000	(100,000)	300,000	One fifth of the total amount is repaid after one year, one fifth of the total amount is repaid after two years, and three fifths of the total amount is repaid after three years for the payoff on maturity date.	bank guarantee
"	Financial institutions	2023.09	"	270,000	-	270,000	(40,500)	229,500	15% of the total amount is repaid after one year, 15% of the total amount is repaid after two years, and three fifths of the total amount is repaid after three years for the payoff on maturity date.	bank guarantee and land held for construction site (provided by subsidiary)
Unsecured ordinary corporate bond	Financial institutions	2022.07	"	500,000	-	500,000	-	500,000	One time payment at maturity	None
				\$ 2,370,000	(100,000)	2,270,000	(640,500)	1,629,500		

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Statement of long-term borrowings

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Type of loan	Note	Balance at December 31	Contract Period	Range of interest rates	Collateral or pledge	Note
Mortgage loans	Financial institutions	\$ 660,830	2015.12.16~2035.12.15	2.453%	Investment property	
"	Financial institutions	828,460	2014.05.16~2024.12.31	3.02%~3.12%	Right of use assets (superficies and property, plant and equipment)	
"	Financial institutions	<u>16,691</u>	2017.01.26~2037.01.25	2.36%	Property, plant and equipment	
	Subtotal	1,505,981				
	Less: current portion	<u>(841,562)</u>				
	Total	<u><u>\$ 664,419</u></u>				

Statement of operating revenue

For the year ended December 31, 2023

Please refer to Note 6(w), for details.

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Statement of operating costs

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Cost of services contracts	Selling projects	\$ 2,051,458	
Construction cost	Construction projects	425,993	
Cost of rental sales	Depreciation of investment property	<u>2,860</u>	
		<u><u>\$ 2,480,311</u></u>	

Statement of selling expenses

Item	Description	Amount	Note
Wage and salaries		\$ 228,765	
Advertisement expense		66,895	
Other expenses		<u>54,836</u>	
		<u><u>\$ 350,496</u></u>	

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Statement of administrative expenses

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Wages and salaries		\$ 154,770	
Insurance expense		8,405	
Entertainment expense		10,177	
Donation		12,129	
Taxes		36,499	
Depreciation		16,464	
Employee benefits		8,230	
Professional service fees		20,802	
Miscellaneous expenses		17,930	
Other expenses		<u>36,563</u>	
		<u><u>\$ 321,969</u></u>	

Statement of other revenues

Please refer to Note 6(y), for details.

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Statement of other gains and losses, net

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Please refer to Note 6(y), for details.

Statement of finance costs

Please refer to Note 6(y), for details.

V. Consolidated financial statements for the most recent year

Representation Letter

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

Company name: JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Chairman: Wen Yu Chu

Date: March 15, 2024



安侯建業聯合會計師事務所
KPMG

台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel	+ 886 2 8101 6666
傳真 Fax	+ 886 2 8101 6667
網址 Web	kpmg.com/tw

Independent Auditors' Report

To the Board of Directors of JSL CONSTRUCTION & DEVELOPMENT CO., LTD.:

Opinion

We have audited the consolidated financial statements of JSL CONSTRUCTION & DEVELOPMENT CO., LTD. and its subsidiaries (“the Group”), which comprise the consolidated balance sheet as of December 31, 2023 and 2022, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

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

Basis for Opinion

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

Key Audit Matters

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

1. Selling real estate properties revenue recognition

Refer to Note 4(o) for the accounting policies on revenue recognition; Note 5 for details on the significant accounting assumptions and judgments, and major sources of the estimation uncertainty on revenue recognition; Note 6(w)“Revenues from contracts with customers” for revenue recognition.

Description of key audit matter:

The principle income of the Group is generated from selling real estate properties, of which has a higher tendency of revenue fluctuation due to impacts of various factors such as overall economic environment, supply and demand and reform of house and land transactions income tax system; to respond to aforementioned changes, the management has set up relevant internal control procedures over income and payment collection. The consolidated service contract income for the year ended December 31, 2023 was amounted to \$5,047,865 thousand. The accounting treatment of service contracts involve estimates and judgments; thus, it was continuously considered as significant audit risk for the Group. Therefore, the test of revenue recognition was one of the key audit matters in the audit of consolidated financial reports for the year ended December 31, 2023 and 2022 of the Group.

How the matter was addressed in our audit:

Our principal audit procedures included the following: Testing the effectiveness of the design and implementing the internal control system of sales revenue; Understanding the effectiveness of the control mechanism for the Group's real estate sales revenue and collection operations. Also, to spot check the pre-orders forms of on site real estate sales, confirmation on completion of sales contract and site daily report for sales on site, the invoice of marketing planning services, bank transactions records; testing if the accounting treatment adopted for service contract income was in accordance with accounting policies; to sample check on sales transactions for the period before and after the financial reporting date and confirm the related vouchers to assess whether the revenue recognition period is appropriate.

2. Revenue recognition of property sales

Refer to Note 4(o) for the accounting policies on revenue recognition; Note 5 for details on the significant accounting assumptions and judgments, and major sources of the estimation uncertainty on revenue recognition; for revenue recognition, please refer to note 6(w) Revenue from Contracts with Customers.

Description of key audit matter:

The real estate industry, in which the Group is into, has a higher tendency of revenue fluctuation due to macroeconomics, economic conditions, tax policy reform and real estate demands, therefore the management has set up relevant income and collection procedures to countermeasure the aforementioned environmental changes. The revenue from property sales is \$613,899 thousand, thus, the appropriateness of recognition of revenue from property sales cast significant impacts on financial report. Consequently, revenue recognition is one of our key audit matters.

How the matter was addressed in our audit:

Our principal audit procedures included understanding the sales revenue of property and lands of the Group and control mechanism of collection procedure as well as testing the effectiveness of the design and implementing the internal control system of sales revenue. Inspection of property and land sales contracts, bank account transaction record, collection record and real estate ownership transfer document and delivery list, etc. In addition, testing the samples of sales transaction before and after the end of the year to ensure the correctness of sales revenue.

3. Construction contracts

Refer to Note 4(o) Revenue recognition for the accounting policies on construction contract; Note 5 for details on the significant accounting assumptions and judgments, and major sources of the estimation uncertainty on construction contract; Note 6(w) "Revenues from contracts with customers" for more details revenue recognition of construction contract.

Description of key audit matter:

As the total contract price and estimated total cost of construction contracts are highly related to the subjectively judgments of the managements, inaccuracy estimations for total construction income may lead to significant changes in profit or loss of the financial reports. Therefore, there is a significant risk involved. In addition, the Group recognized construction contract revenue and cost under the percentage completion method, and degree of completion is based on the how much incurred cost accounted for the estimated total contract cost as of financial reporting date. However, such errors in the aforementioned treatment may result in material differences between the recognition timing of profit or loss and the current financial statements.

How the matter was addressed in our audit:

The principal audit procedures for the above key audit matter by the accountant include: Testing the internal control and operational effectiveness of the contract acquisition and payment collection; obtaining an additional breakdown of the total contract price of the various projects for the current period, and sample checking the external documents such as contract, agreement, incoming letters from owners, in addition of the valuation details of each period and the acceptance and payment of the owners; to conduct sample assessment on the procedures for drawing up the construction budget by the management and sample testing on the effectiveness of its internal control system operation; to sample check and verify the documents such as project invoice, contracts and daily construction reports, receipts and construction budget and compared against the construction budget to confirm the validity on accumulation of the construction accounts; to sample check the valuation information of each period and to confirm the calculation of percentage of completion; and to test on cut-off for contribution to construction in progress for the period before and after the balance sheet date through sampling check.

4. Valuation of inventories

Please refer to Note 4(h), Note 5, and 6(e) of the consolidated financial statements for the accounting policies on measuring inventory, assumption used and uncertainties considered in determining the net realizable value and the details of inventory.

Description of key audit matter:

As of December 31, 2023, inventory of the Group (construction industry) was amounted to \$22,624,022 thousand, which accounted for 64% of the consolidated total assets, and the inventory amount was presented with lower of cost or net realizable value. The judgment of net realizable value relies on management since the Group focuses on real estate industry, the industry is not only deeply affected by politics, economics, and reform of house and land transactions income tax system, but also an industry that is capital intensive and has long recover period. Thus, the valuation of inventory is one of the most important evaluation in performing our audit procedures.

How the matter was addressed in our audit:

Our principal audit procedures included the following: understanding the Group's operating and accounting procedures for inventory valuation.; obtaining the Group management's data on net realizable value of inventory or individual investment evaluation forms, then sampling these data to review their market prices and comparing with contract prices of recent sales by the Group or the most updated selling prices of nearby properties. Consequently, to confirm if the net realizable value of inventory is appropriate.



Other Matter

JSL CONSTRUCTION & DEVELOPMENT CO., LTD. has prepared its parent group only financial statements as of and for the year ended December 31, 2023 and 2022, on which we have issued an unmodified opinion with other matter paragraph.

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

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determined that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Shih-Chin Chih and Hsin-Ting Huang.

KPMG

Taipei, Taiwan (Republic of China)
March 15, 2024

Handwritten signatures and red square seals of the auditors. The top signature is in cursive and the bottom signature is in block characters. Each signature is accompanied by a red square seal.

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022			December 31, 2023		December 31, 2022		
	Amount	%	Amount	%		Amount	%	Amount	%	
Assets										
Cash and cash equivalents (Note 6(a))	\$ 1,689,153	5	1,142,883	4						
Current contract assets (Notes 6(w)and 7)	781,292	2	527,475	2	2100	Total short-term borrowings (Note 6(l))	\$ 11,375,431	32	9,217,320	35
Notes receivable, net (Notes 6(d)and (w))	38,541	-	22,714	-	2110	Total short-term notes and bills payable (Note 6(l))	2,695,923	9	2,114,557	8
Notes receivable due from related parties, net (Notes 6(d), (w)and 7)	2,028	-	2,042	-	2130	Current contract liabilities (Notes (w), 7and 9)	4,169,388	12	2,603,720	10
Accounts receivable, net (Notes 6(d)and (w))	2,454,811	7	1,265,074	5	2150	Total notes payable (Note 6(o))	15,396	-	10,437	-
Accounts receivable due from related parties, net (Notes 6(d), (w)and 7)	250,678	1	80,869	-	2170	Total accounts payable (Note 6(o))	2,963,099	8	1,878,669	7
Other receivables, net	4,574	-	15,258	-	2180	Total accounts payable to related parties (Notes 6(o)and 7)	18,837	-	23,718	-
Other receivables due from related parties, net (Note 7)	24,750	-	19,051	-	2200	Total other payables	520,633	1	311,974	1
Total current tax assets	7,197	-	7,334	-	2220	Other payables to related parties (Note 7)	26,893	-	265,073	1
Inventories (for construction business), net (Notes 6(e), 7, 8and 9)	22,624,022	64	17,277,232	65	2230	Current tax liabilities	377,941	1	111,239	-
Total prepayments (Note 6(g))	586,840	1	405,868	1	2251	Current provisions for employee benefits (Note 6(r))	11,281	-	11,066	-
Other current financial assets (Notes 6(k), 8and 9)	2,620,551	7	2,176,614	8	2280	Current lease liabilities (Notes 6(p)and 7)	40,437	-	29,241	-
Other current assets, others	249,219	1	89,014	-	2305	Other current financial liabilities	-	-	8,225	-
Current assets recognised as incremental costs to obtain contract with customers (Notes 6(k)and 7)	250,412	1	212,490	1	2321	Bonds payable, current portion (Note 6(n))	640,500	2	400,000	1
Current assets recognised from costs to fulfil contracts with customers (Note 6(e))	307,511	1	354,309	1	2322	Long-term borrowings, current portion (Note 6(m))	847,334	2	781,095	3
					2399	Other current liabilities, others	67,222	-	32,825	-
							23,770,315	67	17,799,159	66
Non-Current liabilities:										
Total non-current financial assets at fair value through profit or loss (Notes 6(b)and (y))	31,891,579	90	23,598,227	87	2530	Total bonds payable (Note 6(n))	1,629,500	5	2,000,000	7
Total non-current financial assets at fair value through other comprehensive income (Note 6(c))	5,396	-	5,396	-	2540	Total long-term borrowings (Note 6(m))	687,697	2	677,504	2
Total property, plant and equipment (Notes 6(h)and 8)	819,857	2	852,038	3	2570	Total deferred tax liabilities (Note 6(s))	32,760	-	13,645	-
Right-of -use assets (Notes 6(i), 7and 8)	1,119,336	3	1,132,283	4	2580	Non-current lease liabilities (Notes 6(p)and 7)	409,851	1	412,745	2
Investment property, net (Notes 6(j)and 8)	859,420	3	744,251	3	2645	Guarantee deposits received	31,369	-	21,735	-
Total intangible assets	1,766	-	1,298	-	2670	Other non-current liabilities, others (Note 6(j))	50,000	-	50,000	-
Deferred tax assets (Note 6(s))	64,495	-	39,396	-			2,841,177	8	3,175,629	11
Total other non-current financial assets (Notes 6(k)and 8)	397,849	1	549,233	2		Total liabilities	26,611,492	75	20,974,788	77
Other non-current assets, others	255	-	255	-		Equity attributable to owners of parent: (Notes 6(t)and (u))				
					3110	Ordinary share	3,916,067	11	2,660,790	10
					3210	Total capital surplus, additional paid-in capital	2,208,631	6	1,293,675	5
					3220	Capital surplus, treasury share transactions	5,556	-	5,556	-
					3280	Capital surplus, others	4,406	-	-	-
					3300	Total retained earnings	2,813,559	8	2,176,128	8
						Total equity	8,948,219	25	6,136,149	23
Total assets	\$ 35,559,711	100	27,110,937	100		Total liabilities and equity	\$ 35,559,711	100	27,110,937	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

		2023		2022	
		Amount	%	Amount	%
4000	Total operating revenue (Notes 6(w) and 7)	\$ 8,102,882	100	4,734,010	100
5000	Total operating costs (Notes 6(e) and 7)	<u>4,779,984</u>	<u>59</u>	<u>3,323,852</u>	<u>70</u>
	Gross profit from operations	<u>3,322,898</u>	<u>41</u>	<u>1,410,158</u>	<u>30</u>
	Operating expenses:				
6100	Total selling expenses (Note 7)	432,866	5	273,620	7
6200	Total administrative expenses (Notes (u), (x) and 7)	503,315	6	364,795	8
6300	Total research and development expenses	44,468	1	40,037	1
6450	Expected credit loss (gain) (Note 6(d))	<u>69,941</u>	<u>1</u>	<u>15,151</u>	<u>-</u>
	Total operating expenses	<u>1,050,590</u>	<u>13</u>	<u>693,603</u>	<u>16</u>
	Net operating income	<u>2,272,308</u>	<u>28</u>	<u>716,555</u>	<u>14</u>
	Non-operating income and expenses:				
7100	Total interest income (Note 6(y))	21,829	-	2,937	-
7010	Total other income (Notes 6(y) and 7)	4,068	-	19,321	-
7020	Other gains and losses, net (Notes 6(y) and 7)	113,288	1	121,343	3
7050	Finance costs, net (Notes 6(y) and 7)	(429,992)	(5)	(255,260)	(5)
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method, net (Note 6(f))	<u>-</u>	<u>-</u>	<u>(1,946)</u>	<u>-</u>
	Total non-operating income and expenses	<u>(290,807)</u>	<u>(4)</u>	<u>(113,605)</u>	<u>(2)</u>
	Profit (loss) from continuing operations before tax	1,981,501	24	602,950	12
7950	Less: Income tax expenses (Note 6(s))	<u>473,833</u>	<u>5</u>	<u>158,335</u>	<u>3</u>
	Profit	<u>1,507,668</u>	<u>19</u>	<u>444,615</u>	<u>9</u>
8300	Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total comprehensive income	<u>\$ 1,507,668</u>	<u>19</u>	<u>444,615</u>	<u>9</u>
	Profit (loss), attributable to:				
8610	Profit (loss), attributable to owners of parent	\$ 1,507,668	19	444,615	9
8620	Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>\$ 1,507,668</u>	<u>19</u>	<u>444,615</u>	<u>9</u>
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	\$ 1,507,668	19	444,615	9
8620	Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>\$ 1,507,668</u>	<u>19</u>	<u>444,615</u>	<u>9</u>
	Basic earnings per share (Note 6(v))				
9750	Basic earnings per share	<u>\$ 3.91</u>		<u>1.21</u>	
9850	Diluted earnings per share	<u>\$ 3.90</u>		<u>1.21</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Consolidated Statement of Changes in Equity
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent					Total equity attributable to owners of parent	Total equity
	Share capital	Retained earnings					
Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings				
\$	1,612,600	1,783,011	180,975	2,679,358	6,255,944	6,255,944	
	-	-	-	444,615	444,615	444,615	
	-	-	-	-	-	-	
	-	-	-	444,615	444,615	444,615	
-	-	113,206	(113,206)	-	-	-	
-	-	-	(161,260)	(161,260)	(161,260)	(161,260)	
967,560	-	-	(967,560)	-	-	-	
-	(403,150)	-	-	(403,150)	(403,150)	(403,150)	
80,630	(80,630)	-	-	-	-	-	
2,660,790	1,299,231	294,181	1,881,947	6,136,149	6,136,149	6,136,149	
-	-	-	1,507,668	1,507,668	1,507,668	1,507,668	
-	-	-	-	-	-	-	
-	-	-	1,507,668	1,507,668	1,507,668	1,507,668	
-	-	44,462	(44,462)	-	-	-	
-	-	-	(145,039)	(145,039)	(145,039)	(145,039)	
725,198	-	-	(725,198)	-	-	-	
-	(290,079)	-	-	(290,079)	(290,079)	(290,079)	
290,079	(290,079)	-	-	-	-	-	
-	4,406	-	-	4,406	4,406	4,406	
240,000	1,495,114	-	-	1,735,114	1,735,114	1,735,114	
\$	3,916,067	2,218,593	338,643	2,474,916	8,948,219	8,948,219	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Consolidated Statement of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2023	2022
Cash flows from operating activities:		
Profit before tax	\$ 1,981,501	602,950
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	55,171	46,049
Amortization expense	1,727	402
Provision (reversal of provision) for bad debt expense	69,941	15,151
Net gain on financial assets or liabilities at fair value through profit or loss	(11,476)	-
Interest expense	429,992	255,260
Interest income	(21,829)	(2,937)
Dividend income	(16)	-
Share of loss (profit) of associates and joint ventures accounted for using equity method	-	1,946
Gains on disposal of property, plant and equipment	(127)	-
Loss on disposal of investment properties	-	(18,745)
Loss on disposal of investments accounted for using equity method	-	742
Share-based payment transactions	11,520	-
Total adjustments to reconcile profit	534,903	297,868
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in contract assets	(253,817)	(183,987)
(Increase) decrease notes receivable	(15,827)	70,876
Decrease (increase) in notes receivable due from related parties	14	(2,042)
Increase in accounts receivable	(1,255,656)	(3,357)
(Increase) decrease in accounts receivable due from related parties,	(169,809)	256,238
(Decrease) increase in other receivables	10,684	(3,914)
Increase in other receivables from related parties	(5,699)	(13,561)
Increase in inventories	(5,245,296)	(5,366,538)
Increase in other prepayments	(180,972)	(110,028)
Increase in other current financial assets	(443,937)	(687,286)
Increase in other current assets	(160,205)	(43,475)
Increase in assets recognised as incremental costs to obtain contract with customers	(37,922)	(134,415)
Decrease (increase) in assets recognised from costs to fulfil contracts with customers	46,798	(185,914)
Total changes in operating assets	(7,711,644)	(6,407,403)
Changes in operating liabilities:		
Increase in contract liabilities	1,565,668	1,101,068
Increase (decrease) in notes payable	4,959	(58,579)
Increase in accounts payable	1,084,430	724,395
(Decrease) increases in accounts payable to related parties	(4,881)	12,397
Increase (decrease) in other payable	209,951	(74,770)
(Decrease) increase in accounts payable to related parties	(238,180)	209,089
Increases in provisions for employee benefits	215	1,808
Increases in other financial liabilities	-	4,063
Increases (decrease) in other current liabilities	34,397	(25,683)
Total changes in operating liabilities	2,656,559	1,893,788
Total changes in operating assets and liabilities	(5,055,085)	(4,513,615)
Total adjustments	(4,520,182)	(4,215,747)
Cash outflow generated from operations	(2,538,681)	(3,612,797)
Interest received	21,829	2,937
Dividends received	16	-
Interest paid	(597,518)	(285,074)
Income taxes paid	(212,978)	(268,892)
Net cash flows generated from operating activities	(3,327,332)	(4,163,826)

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Consolidated Statement of Cash Flows (CONT'D)

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	For the year ended December 31	
	2023	2022
Cash flows from investing activities:		
Acquisition of financial assets at fair value through profit or loss	(207,340)	-
Proceeds from disposal of financial assets at fair value through profit or loss	7,618	-
Proceeds from disposal of investments accounted for using equity method	-	38
Acquisition of property, plant and equipment	(7,348)	(3,621)
Proceeds from disposal of property, plant and equipment	314	-
Acquisition of intangible assets	(2,195)	(1,519)
Acquisition of investment properties	(65,876)	(151,663)
Proceeds from disposal of investment properties	-	78,874
Decrease (increase) in other non-current financial assets	151,384	(90,575)
Net cash flows used in investing activities	(123,443)	(168,466)
Cash flows from financing activities:		
Increase in short-term borrowings	9,882,388	6,798,761
Decrease in short-term borrowings	(7,673,306)	(4,195,260)
Increase in short-term notes and bills payable	13,024,200	7,456,600
Decrease in short-term notes and bills payable	(12,436,900)	(5,661,100)
Proceeds from issuing bonds	270,000	1,000,000
Repayments of bonds	(400,000)	(500,000)
Proceeds from long-term borrowings	88,460	73,010
Repayments of long-term borrowings	(12,028)	(3,091)
Increase in guarantee deposits received	9,634	13,328
Payment of lease liabilities	(40,060)	(26,706)
Decrease in other financial liabilities	(8,225)	-
Cash dividends paid	(435,118)	(564,410)
Proceeds from issuing shares	1,728,000	-
Net cash flows generated from (used in) financing activities	3,997,045	4,391,132
Net increase in cash and cash equivalents	546,270	58,840
Cash and cash equivalents at the beginning of the year	1,142,883	1,084,043
Cash and cash equivalents at the end of the year	\$ 1,689,153	1,142,883

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

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

(1) Company history

JSL CONSTRUCTION & DEVELOPMENT CO., LTD. (the “Group”) was incorporated on June 1986 as a company limited by shares under the laws of the Republic of China (“R.O.C.”) and registered under the Ministry of Economic Affairs, R.O.C. The address of the Group’s registered office is 11F-2, NO.166, Section 4, Zhongxiao East Road, Da-an District, Taipei City 106, Taiwan. On June 24, 2013, the resolution of the ordinary shareholders’ meeting was passed and approved by the Ministry of Economic Affairs on July 5, 2013 to change the name of the Group, formerly known as “Kim Shangchang Development Co., Ltd” to “JSL CONSTRUCTION & DEVELOPMENT CO., LTD.” The principal activities of the Group and its subsidiaries (hereinafter referred to as the “Group”) are real estate agents and sellers, to commission construction companies for the construction of national housing, commercial building for rental leases and sales, trading of building materials, operation of interior decoration, IT software, third-party payment services, integrated construction, property management and wholesale of food and goods.

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

These consolidated financial statements were authorized for issue by the Board of Directors on March 15, 2024

(3) New standards, amendments and interpretations adopted:

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

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

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

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

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

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

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

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”

(4) Summary of material accounting policies:

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

- (a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C..

- (b) Basis of preparation

- (i) Basis of measurement

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

- 1) Financial instruments at fair value through profit or loss are measured at fair value;
- 2) Financial assets at fair value through other comprehensive income are measured at fair value;

- (ii) Functional and presentation currency

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

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

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

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

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

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

(ii) List of subsidiaries in the consolidated financial statements

List of the subsidiaries included in the consolidated financial statements:

Name investor	Name of investee	Scope of business	Percentage of ownership		Description
			December 31, 2023	December 31, 2022	
The Group	JSL Entertainment Co., Ltd.	Residential and commercial building development and leasing, real estate trading, real estate leasing, real estate commissioning, real estate selling, IT software services and third-party payment services.	100.00 %	100.00 %	The Group hold more than 50% interest of the subsidiary directly
The Group	Water Cube International Development Co., Ltd	Real estate agency and seller, international trade, rental and leasing and agency services	100.00 %	100.00 %	The Group hold more than 50% interest of the subsidiary directly
The Group	Shigang Construction and Development Co., Ltd.	To commission construction company to build national residential housings for rentals and sales, land developments, interior decoration design and contractor services, construction equipment, building materials, construction machinery trading and real estate operation and investments.	100.00 %	100.00 %	The Group hold more than 50% interest of the subsidiary directly
The Group	JSL Food Art Creation Co., Ltd.	Baked food manufacturer, wholesaler of food and beverage and food and beverage retailer.	100.00 %	100.00 %	The Group hold more than 50% interest of the subsidiary directly

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name investor	Name of investee	Scope of business	Percentage of ownership		Description
			December 31, 2023	December 31, 2022	
The Group	JSL International Development Co., Ltd.	Hotels, residential and commercial building rentals and leasing, investment in public construction, real estate trading and real estate rental	100.00 %	100.00 %	The Group hold more than 50% interest of the subsidiary directly
The Group	CHUWANG DEVELOPMENT CO., LTD.	Integrated constructions, residential and commercial building rentals and leasing, investment in public construction, real estate trading and real estate rentals	100.00 %	100.00 %	The Group hold more than 50% interest of the subsidiary directly

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

(iv) Changes in the number of subsidiaries: None.

(d) Foreign currencies

(i) Foreign currency transactions

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

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

- 1) an investment in equity securities designated as at fair value through other comprehensive income;
- 2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- 3) qualifying cash flow hedges to the extent that the hedges are effective.

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

An asset is classified as current under one of the following criteria, and all other assets are classified as noncurrent.

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

An entity shall classify a liability as current when:

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(f) Cash and cash equivalents

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

(g) Financial instruments

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

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

1) Financial assets measured at amortized cost

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

On initial recognition, the Group is able to make an irrevocable election to present subsequent changes in the fair value of investments in equity instruments that is not held for trading in other comprehensive income. This election is made on an instrument by instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

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

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortized cost or at FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

4) Impairment of financial assets

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

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

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

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

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

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

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 180 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

5) Derecognition of financial assets

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

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

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

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

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Financial liabilities

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

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

4) Derecognition of financial liabilities

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

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

5) Offsetting of financial assets and liabilities

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

(h) Inventories

(i) Selling

Contract costs

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Group recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria: the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify; the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and the costs are expected to be recovered.

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

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Construction

The cost of inventories shall comprise all costs of purchase and other costs incurred in bring the inventories to their present location and condition. The real estate development costs include construction costs, land costs, borrowing costs, and project costs incurred during the development period. When completion, construction in progress is carried over to buildings and land held for sale. Then, it is amortized over either by income approach or built-up area approach (units of ping). The real estate development costs proportionate to the sale are carried forward to the operating cost. Subsequently, measure the lower of cost and net realizable value. When the cost of inventories is higher than the net realizable value, it should be offset against the cost to net realizable value, and the amount of inventory should be recognized as cost of goods sold in the current period. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The measurements of net realizable value are as below:

- 1) Construction Site: Net realizable value is by referring to the estimate made by the competent authorities in accordance with the prevailing market conditions.
- 2) Construction in progress: Net realizable value is the estimated selling price (based on current market condition) in the ordinary course of business, less the estimated costs of sales, as well as cost and selling expenses for completion of work.
- 3) Buildings and land held for sale: the net realizable value is the estimated price (based on the market condition), less, the estimated selling expenses during the sales.

(i) Investment in associates

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

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

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

Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group's interests in the associate.

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

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(j) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

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

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

(k) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

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

(ii) Subsequent expenditure

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

(iii) Depreciation

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

Land is not depreciated.

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

1) Buildings	3 ~ 50 years
2) Office equipment	3 ~ 5 years
3) Leasehold improvement	3 years
4) Transportation equipment	5 years

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

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(l) Leases

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

(i) As a lessee

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

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

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

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

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

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

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

(Continued)

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

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

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

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

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

(ii) As a lessor

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

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

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The lessor recognizes a finance lease receivable at an amount equal to its net investment in the lease. Initial direct costs, such as lessors to negotiate and arrange a lease, are included in the measurement of the net investment. The lessor recognizes the interest income over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

(m) Intangible assets

(i) Recognition and measurement

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

(ii) Subsequent expenditure

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

(iii) Amortization

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

The estimated useful lives for current and comparative periods are as follows:

- | | |
|-------------|---------|
| 1) Software | 3 years |
|-------------|---------|

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

(n) Impairment of non financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets, deferred tax assets and investment properties and biological assets, measured at fair value, less costs) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
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An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

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

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(o) Revenue recognition

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer.

The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

1) Land development and sale of real estate

The Group develops and sells residential properties and usually sales properties in advance during construction or before construction begins. Revenue is recognized when control over the properties has been transferred to the customer. Therefore, revenue is recognized at a point in time when the legal title has passed to the customer and the transfer of properties to the customer is complete. If the Group only meets one of the two criteria at the reporting date, the revenue is recognized as well.

The revenue is measured at the transaction price agreed under the contract. For sale of readily available house, in most cases, the consideration is due when legal title of a property has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months. The transaction price is, therefore not adjusted for the effects of a significant financing component. For pre-selling properties, the consideration is usually received by installment during the period from contract inception until the transfer of properties to the customer. If the contract includes a significant financing component, the transaction price will be adjusted for the effects of the time value of money during the period, using the specific borrowing rate of the construction project. Receipt of a prepayment from a customer is recognized as contract liability. Interest expense and contract liability are recognized when adjusting the effects of the time value of money. Accumulated amount of contract liability is recognized as revenue when control over the property has been transferred to the customer.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
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2) Revenue from service rendered

The Group engaged in real estate sales and brokerage, catering services and property management and recognized related revenue during the financial reporting period for the provision of services. Fixed price contracts recognized revenue based on the actual service provided per the contract as of the reporting date. The consideration promised in the contract includes fixed and variable amounts. The customer pays the fixed amount based on a payment schedule. Certain variable considerations are estimated by the most probable amount (such as bonus for higher closing price). The Group recognizes revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. If the Group has recognized revenue, but not issued a bill, then the entitlement to consideration is recognized as a contract asset. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional.

The customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

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

3) Gaming income

The Group sells mobile games and online games on the gaming platform, and revenue is recognized upon completion of downloading the games. The price is paid immediately when customer's download is completed successfully.

4) Construction contracts

The Group enters contracts to build civil constructions project. Because its customer controls the asset as it is constructed, the Group recognizes revenue over time based on the construction costs incurred to date as a proportion of the total estimated costs of the contract. For the fixed amount paid by the customer in accordance to agreed schedule, the progress of a civil construction is highly susceptible to factors outside the Group's control should be considered and, therefore, the Group recognizes revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. If the Group has recognized revenue, but not issued a bill, then the entitlement to consideration is recognized as a contract asset. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

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

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

5) Sale of goods

The Group is the baked food manufacturer. Revenue is recognized when the control over a product has been transferred to the customer. The transfer of control refers to the product has been delivered to and accepted by the customer.

6) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Consequently, The Group does not adjust any of the transaction prices for the time value of money.

(ii) Incremental costs of obtaining a contract

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

(p) Employee benefits

(i) Defined contribution plans

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

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed during the period in which employees render services.

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

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(q) Share-based payment

The Group's proceeds from issuing shares shall, in accordance with the requirements, retain the shares subscribed by the Group and the Group's affiliated companies and shall measure the fair value of the equity instruments given at the grant date.

The share-based payment date of the Group's is the date on which the enterprise confirms the number of shares subscribed by its employees, and the payment of such share base is immediately vested. The Group shall recognize the salary expense on the grant date and estimate the fair value of the share option using option pricing model.

(r) Income taxes

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

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

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

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

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

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

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

- (i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or
 - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(s) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as convertible bonds and employee compensation.

(t) Operating segments

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

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

The preparation of the consolidated financial statements in conformity with the IFRSs endorsed by the FSC requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the next period.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

(a) Classification of investment property

The Group has sublet a vacated warehouse, stores and offices but has decided not to treat this property as investment property because it is not the Group's intention to hold it for the long term, for capital appreciation, or for rental. Accordingly, the property continues to be classified under property, plant and equipment.

(b) Lease term

The Group determines the lease term as the non-cancellable period of the lease, together with periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, and periods covered by an option to terminate the lease if the lessee is reasonably not to exercise that option. In assessing whether a lessee is reasonably to exercise the options, the Group considers all relevant facts and circumstances that create an economic incentive for the lessee. The Group reassesses whether it is reasonably certain to exercise an extension option or not to exercise the option upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. If there is a change in the lease term, the Group recognizes the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Please refer to Note 6(i).

(c) Identifying a lease

The Group leases superficies, land lot of the construction and housings. The contract involves an identified asset, so the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use. The Group has the right to direct the use of the identified asset throughout the period of use. Accordingly, the Group recognize the said contract as lease. The Group recognizes a right of use asset and a lease liability at the lease commencement date. For the details, please refer to Note 6(i).

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of COVID-19 pandemic:

(a) Impairment of Account receivable

The Group has estimated the loss allowance of trade receivable that is based on the risk of a default occurring and the rate of expected credit loss. The Group has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating the impairments and the selected inputs. The relevant assumptions and input values, please refer to Note 6(d).

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
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(b) Inventory valuation

As inventories are stated at the lower of cost or net realizable value, The Group estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. Due to the rapid industrial transformation, and impacts of politics, economics, and reform of house and land transactions income tax system, there may be significant changes in the net realizable value of inventories, which is estimated on the basis of current market condition. Refer to Note 6(e) for further description of the valuation of inventories.

(c) Right-of-use assets -Impairment assessment

In the process of evaluating the potential impairment of assets, the Group is required to make subjective judgments in determining the independent cash flows, useful lives, expected future income and expenses related to the specific asset groups with the consideration of the usage mode of asset and the nature of industry. Any changes in these estimates based on changed economic conditions or business strategies could result in significant impairment charges or reversal in future years. Please refer to Note 6(i) for the assessment of impairment.

(d) Recognition of deferred tax assets

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which those deferred tax assets can be utilized. The Group assesses the realization of deferred income tax assets based on assumptions such as expected future revenue growth, profit margin, tax exemption period, available income tax offsets and tax planning. Changes in the economic environment, industry trends, and relevant laws and regulations may result in adjustments to the deferred tax assets. Refer to Note 6(s) for further description of the estimation of deferred tax assets.

(e) Revenue recognition

Service contract revenue and costs are recognized by reference to the stage of completion of each contract. The stage of completion of a contract is measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The Group estimates the total contract revenue by taking into account each product positioning, pricing strategy and real estate business dynamic. In addition, the Group estimates the cost to fulfill a contract by taking into account such factors as sales method, expected contract items and amounts. If there are changes in situations, the estimates of revenue, cost and percentage of completion should be modified. Changes in aforementioned estimates might cause significant adjustment in the revenue, cost and percentage of completion and related profits from construction contracts. Refer to Note 6(w) for further description of the revenue recognition.

The Group recognized construction revenue and costs for construction income according to stage of completion of each contract. The stage of completion of a contract is measured based on performance obligation as outlined in the contract. As the estimated total cost and contract items are assessed and judged by management on the nature of the various projects, the estimated amount of contract payments, contract duration, the engineering works and the construction methods, etc. This may affect the calculation of the percentage of completion and the profit or loss of the construction. Refer to Note 6(w) for further description of the revenue recognition.

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Valuation procedure

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

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

The transfer policy between fair value levels.

If there is any movement of financial instruments measured at fair value between Level 1, Level 2, and Level 3, the Group recognizes the movement at the reporting date.

Please refer to Note 6(z) for assumptions used in measuring fair value.

(6) Explanation of significant accounts:

- (a) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and petty cash	\$ 6,285	5,956
Demand deposits	1,650,495	1,128,870
Checking account deposits	394	485
Foreign currency deposits	<u>31,979</u>	<u>7,572</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u><u>\$ 1,689,153</u></u>	<u><u>1,142,883</u></u>

Please refer to Note 6(z) for the interest rate risk and sensitivity analysis of the financial assets and liabilities of the Group.

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

	December 31, 2023	December 31, 2022
Domestic unlisted common shares - Preference share class A	\$ 197,219	188,560
Domestic unlisted common shares - Preference share class B	<u>202,539</u>	<u>-</u>
	<u><u>\$ 399,758</u></u>	<u><u>188,560</u></u>

- (i) The financial assets mentioned above were not pledged as collateral.
- (ii) Net gain on financial assets or liabilities at fair value through profit or loss please refer to Note 6(y).

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
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(c) Financial assets at fair value through other comprehensive income

	December 31, 2023	December 31, 2022
Equity investments at fair value through other comprehensive income:		
Unlisted common shares	\$ <u>5,396</u>	<u>5,396</u>

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

The purpose that the Group invests in the aforementioned equity securities is for long term strategies rather than for trading. Therefore, these equity securities have been designated as at FVOCI.

During the years ended December 31, 2023 and 2022, the dividends were \$16 thousand and \$0, related to equity investments at FVOCI held were recognized.

(ii) For credit risk (including the impairment of debt investments) and market risk, please refer to Note 6(z).

(iii) The aforementioned financial assets were not pledged as collateral.

(d) Notes and accounts receivables(including related parties)

	December 31, 2023	December 31, 2022
Notes receivables arose from operation	\$ 38,541	22,714
Notes receivable from related parties-from operating activities	2,028	2,042
Accounts receivable—measured at amortized cost	2,552,402	1,292,724
Accounts receivable due from related parties measured at amortized cost	250,678	80,869
Less: Loss allowance	<u>(97,591)</u>	<u>(27,650)</u>
	<u>\$ 2,746,058</u>	<u>1,370,699</u>

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

December 31, 2023			
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 2,581,156	0%~0.52%	15,008
Less than 30 days past due	96,405	13.63%	13,140
31~60 days past due	22,070	22.74%	5,019
61~90 days past due	68,872	40.53%	27,915
91~180 days past due	67,834	43.04%	29,197
More than 181 days past due	7,312	100%	7,312
	\$ 2,843,649		97,591

December 31, 2022			
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 1,306,884	0.00%~1.07%	14,037
Less than 30 days past due	56,934	6.76%	3,846
31~60 days past due	24,194	11.34%	2,744
61~90 days past due	2,786	27.35%	762
91~180 days past due	5,162	75.02%	3,872
More than 181 days past due	2,389	100%	2,389
	\$ 1,398,349		27,650

The movement in the allowance for notes and trade receivables were as follows:

	For the years ended December 31	
	2023	2022
Balance at January 1	\$ 27,650	12,499
Impairment losses recognized	69,941	15,151
Balance at December 31	\$ 97,591	27,650

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(e) Inventories

	December 31, 2023	December 31, 2022
Selling:		
Costs to fulfill a contract	\$ 307,511	354,309
Construction industry:		
Prepayment for land purchases	235,729	299,683
Land held for construction site	7,695,535	9,106,392
Construction in progress	13,563,370	6,689,227
Buildings and land held for sale	<u>1,129,388</u>	<u>1,181,930</u>
Subtotal	<u>22,624,022</u>	<u>17,277,232</u>
Total	<u>\$ 22,931,533</u>	<u>17,631,541</u>

- (i) For the years ended December 31, 2023 and 2022, the cost of inventory recognized as the cost of goods sold and expenses amounted to \$4,779,984 thousand and \$3,323,852, respectively.
- (ii) The Group hadn't recognized loss on inventory write down and reversal of inventory write down in 2023 and 2022.
- (iii) Please refer to Note 6(y) for the capitalization of interest of construction in progress for the years ended December 31, 2023 and 2022.
- (iv) For the information on inventories pledged as collateral, as of December 31, 2023 and 2022, please refer to Note 8 for details.
- (v) The Group has acquired 9 land in Ganlin section, Xinbei country, 51 land in Baoxiang section, Hsinchu county, but such land are classified as farmland and are registered under the name of another person. A real estate entrust contract are entered and are pledged to the Group with an equivalent amount. Please refer to Note 7 for details.
- (vi) The Group has acquired of inventory (construction industry) from other related parties, please refer to Note 7 for details.

(f) Investments accounted for using equity method

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

	December 31, 2023	December 31, 2022
Associates	<u>\$ -</u>	<u>-</u>

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Associates

- (i) Aggregate financial information of associates that were not individually material was summarized as follows. The financial information was included in the Group's consolidated financial statements.

	December 31, 2023	December 31, 2022
The carrying amount of the equity interests in all individually insignificant joint ventures	\$ -	-
	For the years ended December 31	
	2023	2022
Shares attributable to the Group are as follows:		
Profit from continuing operation	\$ -	(1,946)
Other comprehensive income(loss)	-	-
Total comprehensive income	\$ -	(1,946)

- (ii) The Group disposed of all the ordinary shares of its associate, Shengming construction co., Ltd. during 2022 at a disposal price amounting to \$38 thousand, which is recognized as loss on disposal of investments amounting to \$742 thousand, which is accounted for under "Other gains and losses".

- (iii) Collateral

As of December 31, 2023 and 2022, the investments accounted for using equity method were not pledged as collateral for long term borrowings and financing facilities.

- (g) Prepayments

	December 31, 2023	December 31, 2022
Business Tax carry forward	\$ 52,861	45,969
Prepayments (selling)	17,524	16,944
Prepayments (construction)	2,696	3,198
Prepayments (development)	479,807	313,188
Others	33,952	26,569
	\$ 586,840	405,868

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(h) Property, plant and equipment

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

	Land	Buildings and improvements	Office equipment	Leasehold improvements	Transportation equipment and others	Total
Cost or deemed cost:						
Balance on January 1, 2023	\$ 695,942	170,615	13,506	38,268	8,095	926,426
Additions	-	-	4,541	-	2,807	7,348
Disposals	-	-	(2,459)	-	-	(2,459)
Transferred from investment property	-	779,706	-	-	-	779,706
Reclassified to investment property	(678,242)	(155,507)	-	-	-	(833,749)
Balance on December 31, 2023	<u>\$ 17,700</u>	<u>794,814</u>	<u>15,588</u>	<u>38,268</u>	<u>10,902</u>	<u>877,272</u>
Balance on January 1, 2022	\$ 695,942	170,615	10,819	38,268	7,161	922,805
Additions	-	-	2,687	-	934	3,621
Balance on December 31, 2022	<u>\$ 695,942</u>	<u>170,615</u>	<u>13,506</u>	<u>38,268</u>	<u>8,095</u>	<u>926,426</u>
Depreciation and impairment losses:						
Balance on January 1, 2023	\$ -	25,559	8,372	37,832	2,625	74,388
Depreciation	-	2,146	2,441	436	1,745	6,768
Disposals	-	-	(2,272)	-	-	(2,272)
Reclassified to investment property	-	(21,469)	-	-	-	(21,469)
Balance on December 31, 2023	<u>\$ -</u>	<u>6,236</u>	<u>8,541</u>	<u>38,268</u>	<u>4,370</u>	<u>57,415</u>
Balance on January 1, 2022	\$ -	22,191	6,239	29,283	1,265	58,978
Depreciation	-	3,368	2,133	8,549	1,360	15,410
Balance on December 31, 2022	<u>\$ -</u>	<u>25,559</u>	<u>8,372</u>	<u>37,832</u>	<u>2,625</u>	<u>74,388</u>
Book value:						
Balance on December 31, 2023	<u>\$ 17,700</u>	<u>788,578</u>	<u>7,047</u>	<u>-</u>	<u>6,532</u>	<u>819,857</u>
Balance on January 1, 2022	<u>\$ 695,942</u>	<u>148,424</u>	<u>4,580</u>	<u>8,985</u>	<u>5,896</u>	<u>863,827</u>
Balance on December 31, 2022	<u>\$ 695,942</u>	<u>145,056</u>	<u>5,134</u>	<u>436</u>	<u>5,470</u>	<u>852,038</u>

Please refer to Note 8 for the property, plant and equipment pledged to secure bank loans as of December 31, 2023 and 2022.

The Group leased out the buildings and land No 32-2 at Jintai section of Zhongshan District in Taipei city for self-use to a third party for the year ended December 31, 2023. The real estate was reclassified to investment property at its cost and accumulated depreciation when the use of the property changed. Please refer to Note 6(j) for details.

The Group transferred its investment property to property, plant and equipment by resolution of the Board of Directors on December 18, 2023, as its building on land number 517-2, 520 in Changchun Section 2, Zhongshan District in Taipei city were changed to self use for operation headquarter. Please refer to Note 6(j) for details.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Right-of-use assets

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

	Superficies	Land	Building and improvement	Office equipment	Transportation equipment	Total
Cost						
Balance on January 1, 2023	\$ 1,134,163	21,894	124,464	175	7,356	1,288,052
Rental Adjustment	(31,370)	-	-	-	-	(31,370)
Maturity year	-	(7,039)	(1,122)	-	-	(8,161)
Additions	-	7,525	69,249	-	2,959	79,733
Balance on December 31, 2023	\$ 1,102,793	22,380	192,591	175	10,315	1,328,254
Balance on January 1, 2022	\$ 1,112,171	18,826	126,772	175	3,784	1,261,728
Maturity year	-	(11,787)	(5,741)	-	-	(17,528)
Additions	21,992	14,855	3,433	-	3,572	43,852
Balance on December 31, 2022	\$ 1,134,163	21,894	124,464	175	7,356	1,288,052
Depreciation and impairment losses:						
Balance on January 1, 2023	\$ 99,170	7,970	46,049	175	2,405	155,769
Maturity year	-	(7,039)	(1,122)	-	-	(8,161)
Depreciation	24,453	9,195	24,471	-	3,191	61,310
Balance on December 31, 2023	\$ 123,623	10,126	69,398	175	5,596	208,918
Balance on January 1, 2022	\$ 73,950	13,585	37,240	175	946	125,896
Maturity year	-	(11,787)	(5,741)	-	-	(17,528)
Depreciation	25,220	6,172	14,550	-	1,459	47,401
Balance on December 31, 2022	\$ 99,170	7,970	46,049	175	2,405	155,769
Book value:						
Balance on December 31, 2023	\$ 979,170	12,254	123,193	-	4,719	1,119,336
Balance on January 1, 2022	\$ 1,038,221	5,241	89,532	-	2,838	1,135,832
Balance on December 31, 2022	\$ 1,034,993	13,924	78,415	-	4,951	1,132,283

As of December 31, 2023 and 2022, the right-of-use asset were pledged as collateral for long term borrowings, please refer to Note 8.

For the aforementioned impairment assessment of superficieses, the discount rates adopted for the years ended December 31, 2022 were 6.60% to reflect the specific risks of the relevant cash-generating unit. The value of the financial forecast represents management's assessment of future operational results, while taking into account of historical information from internal and external sources.

Based on the impairment assessment for the years ended December 31, 2022, no impairment losses were recognized as the recoverable amount of the CGU was higher than its carrying value. In addition, the building on land number 517-2, 520 in Changchun Section 2, Zhongshan District in Taipei city, was changed to operation headquarters for self use in 2023 and transferred its construction property from investment property to property, plant and equipment. The superficieses of leasehold is evaluated with property, plant and equipment and there is no indication of impairment.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(j) Investment property

Investment property including assets owned by the Group's.

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

	Owned property			
	Land	Buildings	Unfinished construction	Total
Cost or deemed cost:				
Balance on January 1, 2023	\$ 178,599	-	694,251	872,850
Additions	-	-	85,455	85,455
Transferred from property, plant and equipment	678,242	155,507	-	833,749
Reclassified to property, plant and equipment	-	-	(779,706)	(779,706)
Balance on December 31, 2023	<u>\$ 856,841</u>	<u>155,507</u>	<u>-</u>	<u>1,012,348</u>
Balance on January 1, 2022	\$ 224,756	42,078	493,889	760,723
Additions	-	-	200,362	200,362
Disposals	(46,157)	(42,078)	-	(88,235)
Balance on December 31, 2022	<u>\$ 178,599</u>	<u>-</u>	<u>694,251</u>	<u>872,850</u>
Depreciation and impairment losses:				
Balance on January 1, 2023	\$ 128,599	-	-	128,599
Depreciation	-	2,860	-	2,860
Transferred from property, plant and equipment	-	21,469	-	21,469
Balance on December 31, 2023	<u>\$ 128,599</u>	<u>24,329</u>	<u>-</u>	<u>152,928</u>
Balance on January 1, 2022	\$ 139,243	17,024	-	156,267
Depreciation	-	438	-	438
Disposals	(10,644)	(17,462)	-	(28,106)
Balance on December 31, 2022	<u>\$ 128,599</u>	<u>-</u>	<u>-</u>	<u>128,599</u>
Book value:				
Balance on December 31, 2023	<u>\$ 728,242</u>	<u>131,178</u>	<u>-</u>	<u>859,420</u>
Balance on January 1, 2022	<u>\$ 50,000</u>	<u>-</u>	<u>694,251</u>	<u>744,251</u>
Balance on December 31, 2022	<u>\$ 85,513</u>	<u>25,054</u>	<u>493,889</u>	<u>604,456</u>
Fair value:				
Balance on December 31, 2023				<u>\$ 860,788</u>
Balance on December 31, 2022 (Note)				<u>\$ 50,000</u>
Balance on January 1, 2022 (Note)				<u>\$ 130,873</u>

Note: The above fair value does not include the unfinished construction of the superficieses in the Changchun Section.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- (i) The building and land No 32-2 at Jintai section of Zhongshan District in Taipei city was transferred from property, plant and equipment to investment property when the use of the property changed by resolution of the Board of Directors on February 9, 2023. Please refer to Note 6(h) for details.
- (ii) The building on land number 517-2, 520 in Changchun Section 2, Zhongshan District in Taipei city was reclassified from investment property to property, plant and equipment when the use of the building changed to operation headquarters for self use by resolution of the Board of Directors on December 18, 2023. Please refer to Note 6(h) for details.
- (iii) The Group entered into a real estate contract and acquired land with Huang Jinqiu on July 31, 2000 of approximately 3,106.07 ping in Milan, Tamsui District (Sankong Spring Section). The total contract price was \$178,599 thousand and \$50,000 thousand of it was paid from mortgage pledged by the land owner, Huang Jinqiu using the land as collateral to CHINA UNITED TRUST & INVESTMENT CORPORATION; then, the debtor's rights were transferred to the Group. In addition to the paid amount of \$128,599 thousand, the remaining \$50,000 thousand is part of the debtor's right not yet transferred (equivalent amounts are accounted for under investment property and other non-current liabilities - other). The land ownership was transferred to the Group in May 2001 but it was classified as farm land and registered in the name of another person for the moment. The trust deed was entered and an equivalent amount of land price was pledged as collateral to the Group.
- (iv) The Group sold the land and buildings in Sanchong District, New Taipei City for the year ended December 31, 2023 and completed the transfer of the property in August of the same year, the gain on disposal of property amounting to \$18,745 thousand was recognized and accounted for as other gains and losses. Please refer to Note 6(y) for details.
- (v) The fair value of investment property held by the Group is based on a valuation by an independent evaluator who has certified professional qualification and related valuation experience in locations/types of the valuated investment property. Under the valuation techniques for financial instruments measured at fair value, the inputs are categorized at level 3.
- (vi) As of December 31, 2023 and 2022, the investment properties were pledged as collateral for long-term borrowings payable, please refer to Note 8.
- (vii) For the years ended December 31, 2023 and 2022, please Note 6(y) for details of the interest capitalization of the unfinished construction of the investment properties (superficies) of the Group.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	December 31, 2023	December 31, 2022
Other current financial assets	\$ 2,620,551	2,176,614
Current incremental costs to obtain contract with customers	250,412	212,490
Other non-current financial assets	397,849	549,233
Total	<u><u>\$ 3,268,812</u></u>	<u><u>2,938,337</u></u>

(i) Other financial asset

It mainly consists of time deposit notes, restricted bank deposits, pre-order price trust deposits, co-construction guarantee deposit and lease guarantee deposit which are pledged as collateral.

(ii) Incremental costs to obtaining a contract Current

The Group expects that commission expenses paid to selling agency for acquiring real estate sales contracts are recoverable. The Group has therefore recognized them as assets and are amortized when the revenues from selling real estates are recognized. For the years ended December 31, 2023 and 2022, the Group recognized \$27,777 thousand and \$0 of amortized expense, respectively.

(l) Short-term borrowings/Short-term notes and bills payable

	December 31, 2023	December 31, 2022
Secured bank loans	\$ 9,789,886	7,158,150
Unsecured bank loans	1,585,545	2,059,170
Short-term notes payables	2,695,923	2,114,557
	<u><u>\$ 14,071,354</u></u>	<u><u>11,331,877</u></u>
Unused short-term credit lines	<u><u>\$ 12,920,283</u></u>	<u><u>4,935,937</u></u>
Range of interest rates	<u><u>2.403%~3.626%</u></u>	<u><u>1.951%~3.478%</u></u>

(i) Issuance and repayment of loans

The Group borrowed \$22,906,588 thousand and \$14,255,361 thousand of additional loans for the years ended December 31, 2023 and 2022, respectively. In addition, the Group repaid \$20,110,206 thousand and \$9,856,360 thousand for the years ended December 31, 2023 and 2022, respectively.

(ii) Pledged assets for bank loans

The Group had pledged assets as collateral for short-term borrowings and short-term notes and bills payable, please refer to Note 8.

The Group had pledged assets as collateral and collateral provided by related party for bank loans, please refer to Note 7.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(m) Long-term borrowings

The detail were as follows:

	December 31, 2023	December 31, 2022
Secured bank loans	\$ 1,535,031	1,458,599
Less: current portion	<u>(847,334)</u>	<u>(781,095)</u>
Total	<u>\$ 687,697</u>	<u>677,504</u>
Unused short-term credit lines	<u>\$ 103,540</u>	<u>162,000</u>
Range of interest rates	<u>2.095%~3.12%</u>	<u>2.11%~2.995%</u>

(i) Issuance and repayment of loans

The Group borrowed \$88,460 thousand and \$73,010 thousand of additional loans for the years ended December 31, 2023 and 2022, respectively. In addition, the Group repaid \$12,028 thousand and \$3,091 thousand for the years ended December 31, 2023 and 2022, respectively.

(ii) Pledged assets for bank loans

Please refer to Note 8 for details of the related assets pledged as collateral for bank loans.

(n) Bonds payable

	December 31, 2023	December 31, 2022
Secured ordinary corporate bond – noncurrent	\$ 1,770,000	1,900,000
Unsecured ordinary corporate bond— noncurrent	500,000	500,000
Less: current portion	<u>(640,500)</u>	<u>(400,000)</u>
	<u>\$ 1,629,500</u>	<u>2,000,000</u>

(i) Issuance and redemption of bonds payable

The Group issued secured ordinary corporate bond of \$270,000 thousand for the year ended December 31, 2023. The coupon rates were 1.62% and interests were paid annually. The period of issuance was three years. The Group issued secured ordinary corporate bond of \$500,000 thousand and unsecured ordinary corporate bond of \$500,000 thousand for the year ended December 31, 2022. The coupon rates were 0.65% and 4%, respectively and interests were paid annually. The period of issuance was both three years. For the year ended December 31, 2023 and 2022, respectively. \$100,000 was repaid to the secured corporate bond issued in January 2022. \$300,000 was repaid to the secured corporate bond issued in 2020 and \$500,000 was repaid to the secured corporate bond issued in January 2019.

(ii) Collateral pledged for corporate bonds payable

The Group had pledged assets as collateral for bonds payable, please refer to Note 7 and 8.

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Notes to the Consolidated Financial Statements

- (o) Notes and accounts payables (including related parties)

	December 31, 2023	December 31, 2022
Construction projects	\$ 678,613	674,327
Selling projects	457,321	212,363
Development projects	1,853,084	1,019,132
Others	8,314	7,002
	<u>\$ 2,997,332</u>	<u>1,912,824</u>

- (p) Lease liabilities

Lease liabilities of the Group were as follows:

	December 31, 2023	December 31, 2022
Current	\$ <u>40,437</u>	<u>29,241</u>
Non-current	\$ <u>409,851</u>	<u>412,745</u>

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

The amounts recognized in profit or loss were as follows:

	For the years ended December 31 2023	2022
Interests on lease liabilities	\$ <u>12,455</u>	<u>10,461</u>
Expenses relating to short-term leases	\$ <u>8,213</u>	<u>3,039</u>

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

	For the years ended December 31 2023	2022
Total cash outflow for leases	\$ <u>60,728</u>	<u>40,206</u>

- (i) Real estate leases

As of December 31, 2023 and 2022, the Group leases superficies, land, buildings and transportation equipment for its sales office and operation office. The leases typically run for 3 to 50 years.

- (ii) Other leases The Group leases transportation equipment, with lease terms of three years.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(q) Operating lease

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

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

	December 31, 2023	December 31, 2022
Less than one year	\$ 78,379	17,426
One to two years	78,379	17,077
Two to three years	78,379	17,077
Three to four years	76,956	17,077
Four to five years	60,793	2,846
More than five years	166,184	-
Total undiscounted lease payments	\$ 539,070	71,503

For the years ended December 31, 2023 and 2022, the rental income from real estates amounted to \$33,038 thousand and \$19,487 thousand, respectively.

(r) Employee benefits

(i) Defined benefit plans

The Group's employee benefit liabilities were as follows:

	December 31, 2023	December 31, 2022
Short-term Compensated absences liability	\$ 11,281	11,066

(ii) Defined contribution plans

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

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to \$25,411 thousand and \$23,109 thousand for the years ended December 31, 2023 and 2022, respectively. Payment was made to the Bureau of Labor Insurance.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(s) Income taxes

(i) The expense for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	2022
Current tax expense		
Current period	\$ 464,826	162,322
Adjustment for prior periods	12,875	(1,090)
Land value increment tax	2,116	2,446
	<u>479,817</u>	<u>163,678</u>
Deferred tax expense		
Origination and reversal of temporary differences	(5,984)	(5,343)
	<u>\$ 473,833</u>	<u>158,335</u>

Reconciliation of income tax and profit before tax for 2023 and 2022 is as follows:

	For the years ended December 31	
	2023	2022
Profit before income tax	\$ 1,981,501	602,950
Income tax expense at domestic statutory tax rate	396,300	120,590
The book-tax difference in taxation of deferred interest expenses	3,187	18,121
Change in (over) under provision in prior periods	12,875	(1,090)
Land value increment tax	2,116	2,446
Change in deductible temporary differences	(3,202)	664
Gain on financial assets valuation	(2,240)	-
Others	64,797	17,604
	<u>\$ 473,833</u>	<u>158,335</u>

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized with respect to the following items:

	December 31, 2023	December 31, 2022
The carryforward of unused tax losses	<u>\$ 330</u>	<u>8,571</u>

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The ROC Income Tax Act allows the carry forward of net losses, as assessed by the tax authorities, to offset against taxable income. Deferred tax assets have been recognized in respect of these items because it is probable that future taxable profit will be available against which the Group can utilize as temporary difference.

As of December 31, 2023, the Group had recognized the prior years' loss carryforwards as deferred tax assets, and the expiry years' thereof are as follows:

<u>Year of loss</u>	<u>Unused Balance</u>	<u>Expiry Year</u>
2014	\$ 230	2024
2015	332	2025
2016	262	2026
2017	261	2027
2018	283	2028
2019	282	2029
	<u>\$ 1,650</u>	

2) Recognized deferred income tax assets and liabilities

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

	<u>Selling costs temporary difference</u>	<u>Deferred advertisement expense</u>	<u>Unused tax losses</u>	<u>Impairment loss</u>	<u>Total</u>
Deferred tax assets:					
Balance on January 1, 2023	\$ 9	36,644	-	2,743	39,396
Recognized in profit or loss	1,622	12,483	475	10,519	25,099
Balance on December 31, 2023	<u>\$ 1,631</u>	<u>49,127</u>	<u>475</u>	<u>13,262</u>	<u>64,495</u>
Balance on January 1, 2022	\$ 148	26,760	7,126	-	34,034
Recognized in profit or loss	(139)	9,884	(7,126)	2,743	5,362
Balance on December 31, 2022	<u>\$ 9</u>	<u>36,644</u>	<u>-</u>	<u>2,743</u>	<u>39,396</u>
		<u>Selling costs temporary difference</u>	<u>Others</u>	<u>Total</u>	
Deferred tax liabilities:					
Balance on January 1, 2023	\$ 7,299	6,346	13,645		
Recognized in profit or loss	19,115	-	19,115		
Balance on December 31, 2023	<u>\$ 26,414</u>	<u>6,346</u>	<u>32,760</u>		
Balance on January 1, 2022	\$ 7,280	6,346	13,626		
Recognized in profit or loss	19	-	19		
Balance on December 31, 2022	<u>\$ 7,299</u>	<u>6,346</u>	<u>13,645</u>		

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The ROC Income Tax Act allows the carry forward of net losses, as assessed by the tax authorities, to offset against taxable income. Deferred tax assets have been recognized in respect of these items because it is probable that future taxable profit will be available against which the Group can utilize as temporary difference.

As of December 31, 2023, the Group had recognized the prior years' loss carryforwards as deferred tax assets, and the expiry years' thereof are as follows:

<u>Year of loss</u>	<u>Unused Balance</u>	<u>Expiry Year</u>
2023	\$ <u>2,373</u>	2033

(iii) The approved income tax returns of the Group by the Tax Authority were as follow:

	<u>Year of approval</u>
The Group	2021
JSL Entertainment Co., Ltd.	2021
Water Cube International Development Co., Ltd	2021
Shigang Construction and Development Co., Ltd.	2021
CHUWANG DEVELOPMENT CO., LTD.	2021
JSL Food Art Creation Co., Ltd.	2021
JSL International Development Co., Ltd.	2021

(t) Capital and other equity

As of December 31, 2023 and 2022, the Company's authorized shares of common stock consisted of 800,000 thousand shares and 500,000 thousand shares, respectively, amounting to 8,000,000 thousand and 5,000,000 thousand, respectively. Out of these shares, 391,607 thousand shares and 266,079 thousand shares, respectively, were issued and outstanding. The par value of the Company's common stock is \$10 (dollars) per share.

(i) Issuance of ordinary share

On December 9, 2022, the Group engaged in cash capital increase and issue 24,000 thousand ordinary shares with a par value of \$10 per share, amounting to \$240,000 thousand pursuant to a resolution of the Board of Directors. The shares are issued at \$72 per share on February 9, 2023 through resolution of the board of the directors and all the share payments have been collected. The base date for issuance of shares was March 30, 2023, and the payments of all issued shares have been collected. The relevant registration procedures had been completed.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
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Reconciliation of shares outstanding for 2023 and 2022 was as follows:

	(in thousands of shares)	
	Ordinary Shares	
	For the years ended December 31	
	2023	2022
Balance on January 1	266,079	161,260
Capital increase from retained earnings	72,520	96,756
Capital increase from capital surplus	29,008	8,063
Issue of shares	24,000	-
Balance on December 31	391,607	266,079

Pursuant to a shareholders' resolution on June 30, 2023 and June 30, 2022, respectively, the Company distributed stock dividends by capital surplus amounting to \$290,079 thousand and \$80,630 thousand, respectively, by retained earnings amounting to \$725,198 thousand and \$967,560 thousand. The effective date of the capital increase were September 9, 2023 and September 25, 2022, which has already been registered with the government authorities.

(ii) Capital surplus

The components of capital surplus were as follows:

	December 31, 2023	December 31, 2022
Additional paid in capital	\$ 2,208,631	1,293,675
Treasury shares	5,556	5,556
Lapsed share options	4,406	-
	\$ 2,218,593	1,299,231

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

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
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As of April 12, 2023, a resolution was approved during the board of directors for the distribution of cash dividends by capital surplus amounting to \$290,079 thousand. Pursuant to a shareholders' resolution on June 30, 23, the Company distributed stock dividends by capital surplus amounting to \$290,079 thousand. As of March 18, 2022, a resolution was approved during the board of directors for the distribution of cash dividends by capital surplus amounting to \$403,150 thousand. Pursuant to a shareholders' resolution on June 30, 2022, the Company distributed stock dividends by capital surplus amounting to \$80,630 thousand.

(iii) Retained earnings

In accordance with the Group's articles, if there are earnings at year end, 10 percent should be set aside as legal reserve (unless the amount in the legal reserve is already equal to or greater than the total paid-in capital) or reverse the special reserve according to the Securities and Exchange Act and the Group's operations after the payment of income tax and offsetting accumulated losses from prior years. The remaining portion will be combined with earnings from prior years, and the Board of directors can propose distribution plan such as issuance of new shares shall be approved by the shareholders' meeting.

The earnings distribution may be distributed by way of cash dividend and/or stock dividend. The distribution ratio for cash dividend should not be less than 10% of the total dividend distribution. If all or part of the aforementioned employees' compensation is distributed in cash, the resolution will be approved by a majority vote at a meeting of Board of Directors attended by two thirds of the total number of directors, and the distribution shall be submitted to the shareholders' meeting.

1) Legal reserve

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

2) Special reserve

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

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
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3) Earnings distribution

The Company resolved on April 12, 2023 after passing the Board of directors on the cash dividend of earnings distribution for the year ended December 31, 2022. Then the Company resolved on June 30, 2023 after passing the general shareholders' meeting on the stock dividend of the earnings distribution for the year ended December 31, 2022. The Company also resolved on March 18, 2022 after passing the Board of directors on the cash dividend of earnings distribution for the year ended December 31, 2021. Then the Company resolved on June 30, 2022 after passing the general shareholders' meeting on the stock dividend of the earnings distribution for the year ended December 31, 2021. Information on dividends distributed to owners are as follows:

	For the years ended December 31			
	2022		2021	
	Amount per share	Total Amount	Amount per share	Total Amount
Dividends distributed to ordinary shareholders:				
Cash	\$ 0.50	145,039	1.00	161,260
Shares	2.50	725,198	6.00	967,560
Total		<u>\$ 870,237</u>		<u>1,128,820</u>

(u) Share-based payment

On February 9, 2023, by resolution of the Board of Directors, 2,880 thousand new shares were issued by cash capital increase and retained for subscription by employees of the Group. The Group had the following share-based payment transactions as of December 31, 2023:

	<u>Equity settlement</u> <u>Cash injection reserved for</u> <u>employees subscription</u>
Grant date	2023.02.23
Number of options granted	2,880 thousand shares
Contract term	—
Recipients	The employees of the Company and the affiliated companies
Vesting conditions	Immediate vesting condition

The cash injection mentioned above was reserved for employee subscription, and the remuneration cost recognized by the Group for the year ended December 31, 2023 amounting to \$5,112 thousand.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Earnings per share

The basic earnings per share were calculated as follows:

	For the years ended December 31	
	2023	2022
Basic earnings per share		
Profit attributable to ordinary shareholders of the Company	\$ <u>1,507,668</u>	<u>444,615</u>
Outstanding at January 1 (note)	<u>385,820</u>	<u>367,607</u>
Weighted-average number of outstanding ordinary shares at December 31 (note)	<u>385,820</u>	<u>367,607</u>
	\$ <u>3.91</u>	<u>1.21</u>
Diluted earnings per share		
Profit attributable to ordinary shareholders of the Company	\$ <u>1,507,668</u>	<u>444,615</u>
Weighted average number of ordinary shares outstanding (basic)	385,820	367,607
Effect of potentially dilutive ordinary shares		
Effect of employee share bonus	<u>496</u>	<u>227</u>
Weighted average number of ordinary shares outstanding (after adjusting the effect of potentially dilutive ordinary shares)	<u>386,316</u>	<u>367,834</u>
	\$ <u>3.90</u>	<u>1.21</u>

Note: For the year ended December 31, 2023, the Company increase capital from capital surplus amounting to \$29,008 thousand, and increase capital from retained earnings amounting to \$72,520 thousand. Thus, for the twelve months ended December 31, 2022, the number of shares outstanding were both 367,607 thousand after retrospective adjustment.

(w) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the Year Ended December 31, 2023				
	Development segment	Sales segment	Construction segment	Other Divisions	Total
Major geographic markets:					
Asia	\$ 613,899	5,047,865	2,361,207	78,859	8,101,830
Others	-	-	-	1,052	1,052
Total	<u>\$ 613,899</u>	<u>5,047,865</u>	<u>2,361,207</u>	<u>79,911</u>	<u>8,102,882</u>
Major product/service lines:					
Revenue from property sales	\$ 613,899	-	-	-	613,899
Construction revenue	-	-	2,361,207	-	2,361,207
Service revenue	-	5,047,865	-	79,911	5,127,776
Total	<u>\$ 613,899</u>	<u>5,047,865</u>	<u>2,361,207</u>	<u>79,911</u>	<u>8,102,882</u>

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2023					
	Development segment	Sales segment	Construction segment	Other Divisions	Total
Timing of revenue recognition:					
Products or services transferred at a point in time	\$ 613,899	5,047,865	-	79,911	5,741,675
Labor transferred over time	-	-	2,361,207	-	2,361,207
	\$ 613,899	5,047,865	2,361,207	79,911	8,102,882
For the Year Ended December 31, 2022					
	Development segment	Sales segment	Constructio n segment	Other Divisions	Total
Major geographic markets:					
Asia	\$ 391,795	2,571,872	1,698,082	69,785	4,731,534
Others	-	-	-	2,476	2,476
Total	\$ 391,795	2,571,872	1,698,082	72,261	4,734,010
Major product/service lines:					
Revenue from property sales	\$ 391,795	-	-	-	391,795
Construction revenue	-	-	1,698,082	-	1,698,082
Service revenue	-	2,571,872	-	72,261	2,644,133
Rent revenue					
Total	\$ 391,795	2,571,872	1,698,082	72,261	4,734,010
Timing of revenue recognition:					
Products or services transferred at a point in time	\$ 391,795	2,571,872	-	72,261	3,035,928
Labor transferred over time	-	-	1,698,082	-	1,698,082
Total	\$ 391,795	2,571,872	1,698,082	72,261	4,734,010

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Notes receivable	\$ 38,541	22,714	93,590
Notes receivable due from related parties	2,028	2,042	-
Accounts receivable	2,552,402	1,292,724	1,302,691
Accounts receivable due from related parties	250,678	80,869	337,107
Less: Loss allowance	(97,591)	(27,650)	(12,499)
Total	<u><u>\$ 2,746,058</u></u>	<u><u>1,370,699</u></u>	<u><u>1,720,889</u></u>
Contract assets - construction	\$ 781,292	527,475	343,488
Less: Loss allowance	-	-	-
Total	<u><u>\$ 781,292</u></u>	<u><u>527,475</u></u>	<u><u>343,488</u></u>
Contract liabilities — Rendering of Services	\$ 188,837	164,728	75,481
Contract liabilities — sales of real estates	3,283,221	2,141,361	1,174,460
Contractual liabilities — construction	697,330	297,631	252,711
Total	<u><u>\$ 4,169,388</u></u>	<u><u>2,603,720</u></u>	<u><u>1,502,652</u></u>

For the details of accounts receivable and loss allowance, please refer to Note 6(d).

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

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

The Company's article of incorporation requires that earnings shall first to be offset against any deficit, then, a minimum of 1% will be distributed as remuneration to its employees and no more than 3% to its directors. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, and multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during the reporting period. The Company borrowed \$40,224 thousand and \$11,904 thousand of additional loans for the years ended December 31, 2023 and 2022, respectively. In addition, the Company estimated remuneration to directors and supervisors amounting to \$10,056 thousand and \$2,976 thousand for the years ended December 31, 2023 and 2022, respectively. If there is a change in the proposed amounts after the annual financial statements are authorized for issue, the differences are accounted for as a change in accounting estimate and adjusted prospectively to next year's profit or loss.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021, the remunerations to employees amounted to \$11,904 and \$29,701, respectively. The remuneration to directors and supervisors amounted to \$2,976 thousand and \$7,425 thousand. There were identical to the amounts of actual distributions for the year ended December 31, 2022. There were under provision amounting to \$650 thousand from the actual distribution, which were arising from the difference between estimated amounts and appropriation amount that passed the resolution of board of directors. Such differences were deemed as changes in estimates and recognized as profit or loss for the years ended December 31, 2022. The information is available on the Market Observation Post System website.

(y) Non-operating income and expenses

(i) Interest income

The details of interest income for 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	2022
Interest income from bank deposits	\$ 16,713	2,903
Deposit interest	115	34
Discounted accounts receivables	5,001	-
	\$ 21,829	2,937

(ii) Other income

The Group's other income was as follows:

	For the years ended December 31	
	2023	2022
Rental revenue	\$ 4,068	19,321

(iii) Other gains and losses

Other gains and losses of the Group are detailed as follows:

	For the Years Ended December 31	
	2023	2022
Gains on disposal of investment property	\$ -	18,745
Miscellaneous income	102,766	107,014
Dividend income	16	-
Net gain on financial assets or liabilities at fair value through profit or loss	11,476	-
Foreign exchange gains (losses)	(842)	5,891
Loss on disposal of property, plant and equipment	(127)	-
Loss on disposal of investments accounted for using equity method	-	(742)
Other expenses	(1)	(9,565)
	\$ 113,288	121,343

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Finance costs

The details of the financial costs were as follows:

	For the Years Ended December 31	
	2023	2022
Interest expense		
Bank borrowing	\$ 402,044	235,314
Lease liability interest expense	12,455	10,453
Bonds interest expense	32,432	22,304
Discounted accounts receivables	-	13,332
Other finance costs	88,368	45,091
Less: Capitalization of interest	(105,307)	(71,234)
	\$ 429,992	255,260

(z) Financial instruments

(i) Credit risk exposure

1) Credit risk

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

The majority of the Group's customers are mostly those in the construction industry. In order to reduce accounts receivable credit risk, the Group continuously assesses the financial condition of its customers. If it is necessary, the Group will ask for guarantees or warranties. The Group still regularly assesses the likelihood of collectability of accounts receivable and sets aside allowance for losses (bad debts), based on the result of management's evaluation of the overall amounts of bad debts. As of December 31, 2023 and 2022, the Group's major customers consisted of eight customers which are both accounted for 35% and 59%, respectively, of accounts receivable so that management believes there was no concentration of credit risk.

3) Credit risks of receivables and debt securities

For the information regarding credit risk exposure of notes and accounts receivables, please refer to Note 6(d). Other financial assets carried at amortized costs included other receivables.

Other financial assets carried at amortized costs included other receivables.

All of these financial assets are considered to be low risk, and thus the impairment provision recognized during the period was limited to 12 months expected losses. (Please refer to Note 4(g) for the Group determines whether credit risk is to be low risk).

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Liquidity risk

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

	<u>Carrying amount</u>	<u>Cash flow</u>	<u>Within 1 year</u>	<u>1-3 years</u>	<u>Over 3 years</u>
December 31, 2023					
Non derivative financial liabilities					
Floating rate instruments	\$ 12,910,462	13,943,057	4,415,008	4,080,543	5,447,506
Fixed rate instrument	5,416,211	5,738,164	3,448,147	1,763,771	526,246
Non-interest-bearing liabilities	<u>3,626,227</u>	<u>3,626,227</u>	<u>3,626,227</u>	<u>-</u>	<u>-</u>
	<u>\$ 21,952,900</u>	<u>23,307,448</u>	<u>11,489,382</u>	<u>5,844,314</u>	<u>5,973,752</u>
December 31, 2022					
Non derivative financial liabilities					
Floating rate instruments	\$ 10,675,919	11,360,667	5,034,989	2,948,478	3,377,200
Fixed rate instrument	4,956,543	5,040,696	2,565,501	1,197,763	1,277,432
Non-interest-bearing liabilities	<u>2,569,831</u>	<u>2,569,831</u>	<u>2,569,831</u>	<u>-</u>	<u>-</u>
	<u>\$ 18,202,293</u>	<u>18,971,194</u>	<u>10,170,321</u>	<u>4,146,241</u>	<u>4,654,632</u>

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

(iii) Currency risk

1) Exposure of foreign currency risk

The Group's significant exposure to foreign currency risk was as follows:

	<u>December 31, 2023</u>			<u>December 31, 2022</u>		
	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>NTD</u>	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>NTD</u>
<u>Financial assets</u>						
<u>Monetary items</u>						
CNY	\$ 1,251	4.327	5,413	1,483	4.408	6,537
USD	2,167	30.705	66,538	1,623	30.71	49,842

2) Sensitivity analysis

the Group's exposure to foreign currency risk arises mainly from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, trade receivables and other accounts receivables that are denominated in foreign currency. A strengthening (weakening) of 1% of the NTD against the USD and CNY at December 31, 2023 and 2022, assuming that all other variables remain constant, would have increased or decreased the profit after tax by \$576 thousand and \$451 thousand, respectively. The analysis assumes that all other variables remain constant and was performed on the same basis for both periods.

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3) Foreign exchange gains and losses on monetary items

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

	For the Years Ended December 31			
	2023		2022	
	Exchange gain (loss)	Exchange rate	Exchange gain (loss)	Exchange rate
USD/CNY	\$ (842)	31.155/4.395	5,891	29.804/4.422

(iv) Interest rate analysis

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

The following sensitivity analysis is based on the risk exposure to the interest rates risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.50% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate increases or decreases by 0.50%, the Group's net income will decrease /increase by \$64,552 thousand and \$53,380 thousand for the years ended December 31, 2023 and 2022, respectively, assuming all other variable factors remain constant. This is mainly due to the Group's variable rate bank borrowings.

(v) Fair value of financial instruments

1) Fair value hierarchy

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

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	December 31, 2023				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Financial assets at fair value through profit or loss, mandatorily measured at fair value	\$ 399,758	-	-	399,758	399,758
Financial assets at fair value through other comprehensive income					
Non-public offer equity instrument measured at fair value	\$ 5,396	-	-	5,396	5,396
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 1,689,153	-	-	-	-
Notes and accounts receivable (including related parties)	2,746,058	-	-	-	-
Other receivables (including related parties)	29,324	-	-	-	-
Other current financial assets	2,620,551	-	-	-	-
Other non-current financial assets	397,849	-	-	-	-
Subtotal	7,482,935	-	-	-	-
Total	<u>\$ 7,888,089</u>	<u>-</u>	<u>-</u>	<u>405,154</u>	<u>405,154</u>
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 11,375,431	-	-	-	-
Short-term notes payables	2,695,923	-	-	-	-
Notes and accounts receivable (including related parties)	2,997,332	-	-	-	-
Other payables (including related parties)	547,526	-	-	-	-
Corporate bonds payable (including current portion)	2,270,000	-	-	-	-
Long-term borrowings (including current portion)	1,535,031	-	-	-	-
Lease liabilities (including current portion)	450,288	-	-	-	-
Guarantee deposits	31,369	-	-	-	-
Other non-current liabilities	50,000	-	-	-	-
Total	<u>\$ 21,952,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
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	December 31, 2022				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Financial assets at fair value through profit or loss, mandatorily measured at fair value	\$ 188,560	-	-	188,560	188,560
Financial assets at fair value through other comprehensive income					
Non-public offer equity instrument measured at fair value	\$ 5,396	-	-	5,396	5,396
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 1,142,883	-	-	-	-
Notes and accounts receivable (including related parties)	1,370,699	-	-	-	-
Other receivables (including related parties)	34,309	-	-	-	-
Other current financial assets	2,176,614	-	-	-	-
Other non-current financial assets	549,233	-	-	-	-
Subtotal	5,273,738	-	-	-	-
Total	<u>\$ 5,467,694</u>	<u>-</u>	<u>-</u>	<u>193,956</u>	<u>193,956</u>
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 9,217,320	-	-	-	-
Short-term notes payable	2,114,557	-	-	-	-
Notes and accounts receivable (including related parties)	1,912,824	-	-	-	-
Other payables (including related parties)	577,047	-	-	-	-
Corporate bonds payable (including current portion)	2,400,000	-	-	-	-
Long-term borrowings (including current portion)	1,458,599	-	-	-	-
Lease liabilities (including current portion)	441,986	-	-	-	-
Other current financial liabilities	8,225	-	-	-	-
Guarantee deposits	21,735	-	-	-	-
Other non-current liabilities	50,000	-	-	-	-
Total	<u>\$ 18,202,293</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
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2) Valuation techniques for financial instruments measured at fair value

a) Non-derivative instruments

If a financial instrument has a quoted price in an active market, the quoted price is used as fair value. The quoted price of a financial instrument obtained from main exchanges and on the run bonds from Taipei Exchange was the basis of determining the fair value of the listed companies' equity instrument, and debt instrument that has the quoted price in an active market.

If a quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have a quoted price in an active market. Otherwise, the market is deemed to be inactive. In general, market with low trading volume or high bid ask spreads is an indication of a non-active market.

The categories and nature of the fair value for the Group's financial instruments which without an active market are as below:

Equity instruments without quoted price: The fair value is measured at discounted cash flow model. The assumption is discounted investees expected future cash flows by using the discounting rate which reflects the time value of money and the return of the investment.

Equity instruments without quoted price: The main assumption behind this is that the estimated pretax, pre-depreciation, and pre amortization earnings of the investee company is added to the earnings multiplier derived from the comparable quoted price of the listed company. The estimate of the fair value of equity instruments has been adjusted due to the effect of the discount arising from the lack of market liquidity of the equity security.

3) Reconciliation of Level 3 fair values

	At fair value through profit or loss	Fair value through other comprehensive income	
	Non derivative financial assets mandatorily measured at fair value through profit or loss (held for trading)	Unquoted equity instruments	Total
Opening balance, January 1, 2023	\$ 188,560	5,396	193,956
Total gains and losses			
Recognized in profit or loss	11,198	-	11,198
Purchased	200,000	-	200,000
Ending balance, December 31, 2023	<u>\$ 399,758</u>	<u>5,396</u>	<u>405,154</u>
Opening balance, January 1, 2022	<u>\$ 188,560</u>	<u>5,396</u>	<u>193,956</u>
Ending balance, December 31, 2022	<u>\$ 188,560</u>	<u>5,396</u>	<u>193,956</u>

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The aforementioned total gains or losses were classified as “unrealized losses from financial assets at fair value through other comprehensive income”. The information regarding assets held as of December 31, 2023 and 2022 is as follows:

	For the years ended December 31	
	2023	2022
Total gains and losses		
Recognized in profit or loss (classified as “Other profit or loss”)	\$ 11,198	-
In other comprehensive income, and presented in “unrealized gains and losses from financial assets at fair value through other comprehensive income”	\$ -	-

- 4) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group’s financial instruments that use Level 3 inputs to measure fair value include financial assets at FVOCI – equity investments.

Most of the fair value measurements categorized within Level 3 use the single and significant unobservable input. Equity investments without an active market contains multiple significant unobservable inputs. The significant unobservable inputs of equity investments without an active market are individually independent, and there is no correlation between them.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through profit or loss - Preference share	Discounted cash flow method	Weighted average cost of capital (4.8302% and 12.5392% as of December 31, 2023 and 2022 respectively)	The higher the market liquidity discount rate, the lower the fair value

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Item	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurement
Financial assets at FVOCI equity investments without active market	Comparable listed companies approach	<ul style="list-style-type: none"> · P/B ratio (1.70~1.76 and 1.64~1.79 as of December 31, 2023 and 2022, respectively) · Market liquidity discount rate (as of December 31, 2023 and 2022, were both at 30%) 	<ul style="list-style-type: none"> · The higher the multiplier and control premium, the higher the fair value. · The higher the market liquidity discount rate, the lower the fair value · The higher the market liquidity discount rate, the lower the fair value

5) Transfer from one level to another

Stock and fund held by the Group without quoted price in an active market is sorted to Level 3. There is no significant changes for the years ended December 31, 2023 and 2022. Consequently, there is no transfer between levels measured at fair value in 2023 and 2022.

(aa) Financial risk management

(i) Overview

The Group have exposures to the following risks from its financial instruments:

- 1) credit risk
- 2) liquidity risk
- 3) market risk

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

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
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(ii) Risk management framework

The Group's finance management department provides business services for the overall internal department. It sets the objectives, policies and processes for managing the risk and the methods used to measure the risk arising from both the domestic and international financial market operations.

The internal auditors of the Group continue with the review of the amount of the risk exposure in accordance with the Group's policies and the risk management policies and procedures. The Group has no transactions in financial instruments (including derivative financial instruments) for the purpose of speculation.

(iii) Credit risk

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

1) Accounts receivable and other receivables

The policy adopted by the Group is to deal only with reputable parties and, where necessary, obtain collateral to mitigate the risk of financial losses arising from default. The Group will rate the major customers using other publicly available financial information and mutual transaction records.

The Group did not have any collateral or other credit enhancements to avoid credit risk of financial assets.

2) Investments

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

3) Guarantees

Pursuant to the Group's policies, the Group only provides financial guarantees to entities that have satisfied conditions. Please refer to Notes 7 (b).7 for details of the subsidiaries' endorsements and guarantees provided by the Group as of December 31, 2023 and 2022.

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in settling its financial liabilities by delivering cash or other financial assets. The Group's approach to manage liquidity is to ensure, as far as possible, that it always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
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(v) Market risk

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

1) Foreign currency risk

The principal functional currency of the Group's receivables and payables is NTD and is therefore not materially affected by exchange rate fluctuations.

The interest is denominated in the same currency as borrowings. Borrowings were generally denominated in currencies that match with the cash flows generated by the underlying operations of the Group, primarily TWD. Therefore, hedge accounting is not adopted.

2) Interest rate risk

Interest rate risk is the risk that fluctuations in market interest rates will adversely affect the future cash flow and fair value of financial instruments. The Group's exposures to risk from changes in interest rates arise primarily from the Group's bank loans with floating interest rates.

The Group manages the interest rates risk by maintaining an adequate combination of fixed and variable interest rates. The Group has no cash flow risk of material interest rate movements.

3) Credit risk

Credit risk means the potential loss of the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's operation activities (mainly accounts and notes receivable) and financial activities (mainly bank deposits and various financial instruments).

(ab) Capital management

The Group sets its objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return to stockholders, to safeguard the interest of related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the dividend payment and reduce the capital for redistribution to its shareholders. The Group also issues new shares or sell assets to settle any liabilities.

The Group and other entities in the same industry use the debt-to-equity ratio to manage its capital. This ratio is using the total net debt divided by the total capital. The net debt from the balance sheet is the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
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The capital management strategy for the years ended December 31, 2023 and 2022 are the same for the Group. The Group's debt-to-equity ratios at the end of the reporting periods were as follows:

	December 31, 2023	December 31, 2022
Total liabilities	\$ 26,611,492	20,974,788
Less: Cash and cash equivalents	(1,689,153)	(1,142,883)
Net debt	\$ 24,922,339	19,831,905
Total equity	8,948,219	6,136,149
Less: cash flow hedge related accumulated equity	-	-
Total capital	\$ 8,948,219	6,136,149
Debt-to-capital ratio	278.52 %	323.20 %

(7) Related-party transactions

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
JSL CONSTRUCTION Co., Ltd.	The chairman of the entity is the Group chairman's spouse
JAYSANLYN REAL ESTATE & ADVERTISING Co., Ltd	The chairman of the entity is the Group chairman's spouse
Xinlu Construction Co., Ltd	The chairman of the entity is the Group chairman's spouse
JAYSHELYN CONSTRUCTION Co., Ltd	The director of this entity is the director of the Group
Zangfu Industrial Co., Ltd	The entity's chairman is the blood relatives within the second degree of kinship of the chairman of the Group
Wangma Advertising Co., Ltd	The chairman of the entity is the Group chairman's spouse
Hongdadi Construction Co., Ltd	The entity's chairman is the blood relatives within the second degree of kinship of the chairman of the Group
Zhuanzhu Advertising Co., Ltd.	The director of this entity is the blood relatives within the second degree of kinship of the chairman of the Group
Chuanshanlin Advertising Co., Ltd.	The director of this entity is the director of the Group
Tianyi Space Design Co., Ltd.	The chairman of this entity is the director of the Group
Shangjing Industrial Co., Ltd.	The chairman of this entity is the director of the Group

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

<u>Name of related party</u>	<u>Relationship with the Group</u>
Huajiang International Development Co., Ltd.	An associate of the Group
JAYSANLYN REAL ESTATE Co., Ltd	The entity's chairman is the blood relatives within the second degree of kinship of the chairman of the Group
Uyi Investment Co., Ltd	The entity's chairman is the blood relatives within the second degree of kinship of the chairman of the Group
CHU YUAN INDUSTRIAL Co., Ltd	Same Chairman with the Group
Dalin development co., ltd.	Same Chairman with the Group
Yingtai Development and Construction Co., Ltd.	The chairman of this entity is the director of the Group
Guangtaiji Construction Co., Ltd.	The chairman of this entity is the director of the Group
Shanlin International Co., Ltd.	The chairman of the entity is the Group chairman's spouse
Morgan Interior decoration Co., Ltd.	The chairman of the entity is the Group chairman's spouse
Fengyun Advertising Co., Ltd.	The entity's chairman is the blood relatives within the second degree of kinship of the chairman of the Group
Chuyi Industrial Co., Ltd	The entity's chairman is the blood relatives within the second degree of kinship of the chairman of the Group
Shengming construction Co., Ltd.	Investee under equity method (Sold on November, 2022)
Chinese Taipei Archery Association	Same Chairman with the Group (Retired in November, 2022)
Chairman: Wen Yu Chu	The Group chairman
Zhang Yingzhu	The Group chairman's spouse
Zhu yi	The entity's chairman is the blood relatives within the second degree of kinship of the chairman of the Group
Wu You	The entity's chairman is the blood relatives within the second degree of kinship of the chairman of the Group
YuyanJinxiang Space Design Co., Ltd.	Substantial related party
Chuangyu Space Design Co., Ltd.	Substantial related party
Li Junping Space Design Co., Ltd.	Substantial related party
Yuchang interior design	Substantial related party

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Significant transactions with related parties

(i) Sales revenue

The amounts of significant sales by the Group to related parties were as follows:

Item	Relationship	For the Years Ended December 31	
		2023	2022
Revenue from service rendered per contract	Other related parties :		
	JSL CONSTRUCTION Co., Ltd.	\$ 368,305	49,842
	JAYSHELYN CONSTRUCTION Co., Ltd.	88,239	35,435
	Xinlu Construction Co., Ltd	24,463	33,804
	Hongdadi Construction Co., Ltd	15,088	62,476
	CHU YUAN INDUSTRIAL Co., Ltd	20,189	12,157
	Huajiang International Development Co., Ltd.	70,159	(460)
	Other related parties	2,013	-
		<u>\$ 588,456</u>	<u>193,254</u>
Information and administration income	Other related parties	<u>\$ 1,891</u>	<u>1,480</u>
Construction revenue	Other related parties :		
	JSL CONSTRUCTION Co., Ltd.	724,030	615,649
	JAYSHELYN CONSTRUCTION Co., Ltd	188,348	233,136
	CHU YUAN INDUSTRIAL Co., Ltd	117,865	181,169
	Other related parties	36,101	9,078
		<u>\$ 1,066,344</u>	<u>1,039,032</u>

- 1) There were no significant differences in the purchasing prices and trading terms between related parties and other vendors on the service contract provided by the Group. The collection terms are also comparable to those of other companies.
- 2) The Group offers information, management services and general sales (including property income) to the aforementioned entity, the transaction price is determined according to the general market prices, and the collection term is the monthly, advance payments or as outlined by contract.
- 3) The Group's engineering projects, which are commissioned by the related parties, included reasonable management fees calculated from the beginning of project and project profits. Then, submitted to management for approval and hence the commission price is determined. For the years ended December 31, 2023 and 2022, the Group's gross margin of interest for the related parties was both 0.49% to 5.44%.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
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- 4) The details of the individual marketing planning contracts signed by the Group and other related parties are as follows:

<u>Name of project</u>	<u>The signing date of selling agreement</u>	<u>Sales period</u>
Selling project-273	2018.10.01	From October 1, 2018 to three months after obtaining a license
Selling project-307	2020.06.01	From the contract date to December 31, 2024
Selling project-326	2018.10.01	Up to three months after the date of obtaining the license(extended to April 30, 2024)
Selling project-327	2018.03.01	Extended to February 29, 2024 (subject to further extension)
Selling project-3725	2020.08.01	Up to one month after the date of obtaining the license (subject to extension)
Selling project-356	2019.01.01	2019.01.01 up to three months after the date of obtaining the license (extended to sold out)
Selling project-384	2020.09	2020.09.01 to 2024.03.31 (subject to extension)
Selling project-392	2023.01.07	2023.01.07 up to six months after the date obtaining the license (subject to extension)
Selling project-432	2023.03.01	2023.03.01 up to six months after the date obtaining the license (subject to extension)
Selling project-438	2023.09.20	2023.09.20 up to six months after the date obtaining the license (subject to extension)

- 5) The details of the property management contract between the Group and other related parties were as follows:

<u>December 31, 2023</u>		
<u>Relationship with the Group</u>	<u>Name of project</u>	<u>Contract term</u>
Other related parties	Green Villa	2023.07.01~2024.03.31
"	Xingan Street	2023.09.01~2025.08.31
<u>December 31, 2022</u>		
<u>Relationship with the Group</u>	<u>Name of project</u>	<u>Contract term</u>
Other related parties	Green Villa	2022.07.01~2023.06.30
"	Xiang Xie Villa	2022.06.01~2023.05.31

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
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(ii) Purchases

Selling

The amounts of significant purchases by the Group from related parties were as follows:

<u>Relationship</u>	For the Years Ended December 31	
	2023	2022
Other related parties	\$ <u>22,548</u>	<u>50,695</u>

The terms and pricing of purchase transactions with related parties were not significantly different from those offered by other vendors. The payment terms ranged from one to two months, which were no different from the payment terms given by other vendors.

Construction industry

The amounts of significant purchase by The Group from associates were as follows:

<u>Relationship</u>	For the Years Ended December 31	
	2023	2022
Other related parties	\$ <u>31,481</u>	<u>28,524</u>

The Group obtained partial lot of joint ownership land No. 331, Wuguwang section, Sanchong District, New Taipei City from other related parties with a contract price amounting to \$31,481 thousand in August 2023, which were fully paid as of December 31, 2023 and the relevant procedures for the transfer of ownership has been completed.

Construction industry

The amounts of significant purchase by The Group from associates were as follows:

<u>Relationship</u>	For the Years Ended December 31	
	2023	2022
Other related parties	\$ <u>13,968</u>	<u>14,283</u>

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
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(iii) Receivables from related parties

The details of the Group's receivables from related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Contract assets	Other related parties :		
	JSL CONSTRUCTION Co., Ltd.	\$ 551,465	230,906
	Other related parties	<u>8,860</u>	<u>116,683</u>
		<u>\$ 560,325</u>	<u>347,589</u>
Notes receivable	Other related parties	<u>\$ 2,028</u>	<u>2,042</u>
Accounts receivable	Other related parties :		
	JSL CONSTRUCTION Co., Ltd.	\$ 173,593	32,882
	JAYSHELYN CONSTRUCTION Co., Ltd.	18,911	2,172
	CHU YUAN INDUSTRIAL Co., Ltd.	18,919	20,664
	Xinlu Construction Co., Ltd.	24,961	19,426
	Other related parties	<u>14,294</u>	<u>5,725</u>
		<u>\$ 250,678</u>	<u>80,869</u>
Other receivables	Other related parties:		
	JAYSANLYN REAL ESTATE & ADVERTISING Co., Ltd.	\$ 2,324	6,836
	Zangfu Industrial Co., Ltd	838	3,850
	Fengyun Advertising Co., Ltd.	21,345	8,152
	Other related parties	<u>243</u>	<u>213</u>
		<u>\$ 24,750</u>	<u>19,051</u>

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
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(iv) Payables to related parties

The payables to related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Contract liabilities	Other related parties :		
	JSL CONSTRUCTION Co., Ltd.	\$ 185,531	-
	JAYSHELYN CONSTRUCTION Co., Ltd.	180,342	144,383
	Other related parties	<u>4,168</u>	<u>-</u>
		<u>\$ 370,041</u>	<u>144,383</u>
Accounts payable	Other related parties		
	CHU YUAN INDUSTRIAL Co., Ltd.	\$ 14,667	14,997
	Mogen interior design Co., Ltd.	-	4,286
	JSL CONSTRUCTION Co., Ltd.	1,060	1,722
	Zangfu Industrial Co., ltd.	2,454	1,092
	Other related parties	<u>656</u>	<u>1,621</u>
		<u>\$ 18,837</u>	<u>23,718</u>
Other payables	JSL CONSTRUCTION Co., Ltd.	\$ 2,646	-
	JAYSANLYN REAL ESTATE & ADVERTISING	-	16,570
	Fengyun Advertising Co., Ltd	23,178	33,174
	Key management personnel (Note)	-	211,440
	Other related parties	<u>1,069</u>	<u>3,889</u>
		<u>\$ 26,893</u>	<u>265,073</u>

Note: Payment on behalf of others for land purchases.

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(v) Leases

As a lessee

- 1) The related information of the Group leased buildings and offices from other related parties was as follows:

<u>Name of related party</u>	<u>Contract term</u>	<u>Right-of-use assets</u> <u>December 31,</u> <u>2023</u>	<u>Interest expense</u> <u>2023</u>	<u>Lease liabilities</u> <u>December 31,</u> <u>2023</u>
Other related parties:				
Other related parties	2016.06.01-2028.12.31	\$ <u>4,584</u>	<u>125</u>	<u>4,855</u>
"	2020.06.01-2030.05.31	\$ <u>3,227</u>	<u>84</u>	<u>3,410</u>
"	2020.05.01-2029.12.31	\$ <u>19,370</u>	<u>500</u>	<u>20,185</u>
Dalin development co., ltd.	2023.04.01-2027.03.31	\$ <u>58,861</u>	<u>1,383</u>	<u>59,489</u>
JAYSANLYN REAL ESTATE & ADVERTISING CO., LTD.	2018.01.01-2028.12.31	\$ <u>35,652</u>	<u>970</u>	<u>37,760</u>

<u>Name of related party</u>	<u>Contract term</u>	<u>Right-of-use assets</u> <u>December 31,</u> <u>2022</u>	<u>Interest expense</u> <u>2022</u>	<u>Lease liabilities</u> <u>December 31,</u> <u>2022</u>
Other related parties:				
Other related parties	2016.06.01-2028.12.31	\$ <u>5,501</u>	<u>146</u>	<u>5,759</u>
"	2020.06.01-2030.05.30	\$ <u>3,730</u>	<u>95</u>	<u>3,898</u>
"	2020.05.01-2029.12.31	\$ <u>22,598</u>	<u>571</u>	<u>23,284</u>
JAYSANLYN REAL ESTATE & ADVERTISING CO., LTD.	2018.01.01-2028.12.31	\$ <u>42,783</u>	<u>1,134</u>	<u>44,791</u>

- 2) The group leased buildings and offices from other related parties as registered address, for the years ended December 31, 2023 and 2022, the group recognized both \$23 thousand rent expense.

As a lessor

The details of rental offices The Group leased to it related parties for the years ended December 31, 2023 and 2022 were as follows:

<u>Name of related party</u>	<u>Period</u>	<u>Monthly rent (including tax)</u>	<u>Guarantee deposits</u>	<u>Rent income (including tax)</u>
2023				
Other related parties	2017.05.16~2024.05.15	\$ <u>2</u>	<u>-</u>	<u>24</u>
2022				
Other related parties	2017.05.16~2024.05.15	\$ <u>2</u>	<u>-</u>	<u>24</u>

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
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(vi) Services

The related party and the Group have entered contract of appointment for sales planning, the details are as follows:

Name of related party	Name of project	Sales period	Accumulated price	
			December 31, 2023	December 31, 2022
JAYSANLYN REAL ESTATE & ADVERTISING Co., Ltd.	The Gallery Mansion	From December 2019 to three months after the date of obtaining the license.	\$ -	27,777
"	Garden palace	2021.08.10~2024.07.31	155,320	151,540
Fengyun Advertising Co., Ltd.	Shizhengguandi No.1	From April 1, 2022 to one month after the date of obtaining the license	58,410	23,754
"	Shizhengguandi No.2	From September 20, 2023 to one month after the date of obtaining the license	17,253	-
"	ShizhengAiyue	From June 1, 2022 to one month after the date of obtaining the license	19,429	9,419
			<u>\$ 250,412</u>	<u>212,490</u>

(vii) Guarantees

- 1) The balance of performance guarantees for pre sale contracts for the Group to other related parties pursuant to the Consumer Protection Act was \$655,294 thousand as of December 31, 2022, with the actual amount used being \$0.
- 2) The management of the Group will provide land as collateral for the application to issue secured corporate bond.
- 3) The Group apply for the short-term secured bank loan in December 2022 to be pledged by the time deposit slip from related party, Dalin development Co., Ltd. as collateral. The company settled the loan in April 2023, and the bank also terminated the loan facility and released the collateral pledged for guarantee.
- 4) The Group apply for the short-term notes to be pledged by stocks and real estate by management as collateral in July 2023.
- 5) The Group apply for the short-term secured bank loan to be pledged by management in December 2023.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
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(viii) Other

- 1) The Group acquired 2 pieces of land including the Baoxiang section, Hsinchu county in 2023, acquired 6 pieces of land including the Baoxiang section, Hsinchu county and 9 pieces of land including the Ganlin section, Xinbei country in 2022, acquired 43 pieces of land including the Baoxiang section, Hsinchu county in 2015 and the Milan (Sankong Spring Section) in Tamsui District in 2001, respectively. However, they are classified as farm land and are temporarily registered under the name of the key management of the Group. Also, a real estate entrust contract are entered and are pledged to the Group with an equivalent amount.
- 2) The Group provided support services to its subsidiaries and other related parties received service income was as follow (recognized under other gains and losses) for the years ended December 31, 2023 and 2022.

	2023	2022
Other related parties	<u>\$ 79,467</u>	<u>105,289</u>

- 3) For the years ended December 31, 2023 and 2022, the sales administration services rendered to other related parties amounted to \$0 thousand and \$634 thousand, respectively, and are recognized under selling expenses.
- 4) The Group entered into a joint investment and construction agreement with the related party, Guangtaiji Construction Co., Ltd. in the “ShizhengAiyue Section” development project with an investment ratio of 30%.
- 5) The Group entered into a joint investment and construction agreement with the related party, Shangjing Industrial Co., Ltd. in the “Shizhengguandi No.2” the related party accounted for an investment ratio of 11.57% .
- 6) The Group entered into a joint construction agreement with the related party, Uyi Investment Co., Ltd. in the “Shizheng Palace” the related party accounted for an investment ratio of 55% .
- 7) With the vision of nurturing outstanding national sports talents, the Group contributed and sponsored to other related parties in the years ended December 31, 2022 are \$4,000 thousand.

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the Years Ended December 31	
	2023	2022
Short-term employee benefits	178,419	114,815
Post-employment benefits	<u>\$ 1,395</u>	<u>1,411</u>
	<u>\$ 179,814</u>	<u>116,226</u>

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(8) Pledged assets:

The carrying values of pledged assets were as follows:

<u>Pledged Assets</u>	<u>Object</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other financial assets (current and noncurrent)	Bonds payable, pre-order price trust deposits and performance bond	\$ 1,670,958	1,217,737
Inventory-construction	Bank borrowings, short-term bills payable and bonds payable	20,115,677	14,184,303
Property, plant and equipment	Long-term borrowings and bonds payable	28,209	840,998
Investment property, net	Short-term notes payables and long-term borrowings	809,420	-
Right-of-use assets	long-term borrowings	979,170	1,034,993
		<u><u>\$ 23,603,434</u></u>	<u><u>17,278,031</u></u>

(9) Commitments and contingencies:

(a) Unrecognized contractual commitments

- (i) The Group's unrecognized contractual commitments for Property, Plant and Equipment purchase and inventory purchase were as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Inventory purchased - (construction)	<u><u>\$ 1,353,636</u></u>	<u><u>1,505,152</u></u>

- (ii) The Group's selling price outlined in pre-sale housing contract is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Price outlined in signed sales contracts (tax included)	<u><u>\$ 25,121,731</u></u>	<u><u>16,297,993</u></u>
Amount collected as per the contract (untaxed)	<u><u>\$ 3,283,221</u></u>	<u><u>2,141,361</u></u>

- (iii) As of December 31, 2023 and 2022, the Group entered into construction contract amounting to \$15,196,805 thousand and \$9,344,407 thousand, respectively, within which, \$4,155,645 thousand and \$4,373,197 thousand have been respectively accumulated in valuation.
- (iv) As of December 31, 2023 and 2022, the Group entered into sales contract in total amounting to \$5,906 thousand and \$70,799 thousand, respectively, within which, \$3,937 thousand and \$45,709 thousand have been respectively accumulated in valuation.
- (v) As of December 31, 2023 and 2022, the refundable deposits paid, through cooperation with the landowners, amounted to \$1,247,474 thousand and \$1,345,190 thousand, respectively.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (vi) The related party and the Group have entered into the contract of appointment for marketing planning, the details are as follows:

Name of project	The signing date of selling agreement	Sales period
Selling project-273	2018.10.01	From October 1, 2018 to three months after obtaining a license
Selling project-307	2020.06.01	From the contract date to December 31, 2024
Selling project-326	2018.10.01	Up to three months after the date of obtaining the license (extended to April 30, 2024)
Selling project-327	2018.03.01	Extended to February 29, 2024 (subject to further extension)
Selling project-356	2019.01.01	From January 1, 2019 to three months after the date of obtaining the license (extended to sold out)
Selling project-362	2020	On sale for a year after the date of obtaining the license (extended to June 30, 2024)
Selling project 3656-2	2021.12.10	2021.12.10 to 2024.03.31 (subject to further extension)
Selling project-367	2020.03.01	Up to one month after the date of obtaining the license
Selling project-369	2019.09.14	Up to eighteen months after the date of obtaining the license
Selling project-370	2019.11.01	From the date of obtaining a license to use (extended to December 31, 2024)
Selling project-3720	2019.10.01	Up to one month after the date of obtaining the license (subject to extension)
Selling project-3723	2019.10.01	Up to one month after the date of obtaining the license (subject to extension)
Selling project-3724	2019.10.01	Up to one month after the date of obtaining the license (subject to extension)
Selling project-3725	2020.08.01	Up to one month after the date of obtaining the license (subject to extension)
Selling project-3820	2020.06	From June 01, 2020 and ended one month after the date of obtaining the license (subject to extension)
Selling project-3823	2020.06	From June 01, 2020 and ended one month after the date of obtaining the license (subject to extension)
Selling project-384	2020.09	2020.09.01 to 2024.03.31 (subject to further extension)
Selling project-392	2023.01.07	From January 7, 2023 to six months after obtaining the license (subject to extension)
Selling project-401	2021.03.16	2021.03.16 to 2024.03.31 (subject to further extension)
Selling project-403	2022.05.16	From May 16, 2022 and ended six months after the date of obtaining the license (subject to extension)
Selling project-404	2021.05.01	2021.05.01 to 2024.12.31 (subject to further extension)
Selling project-406	2021.11	Sales start after the building license has been obtained and the sales period is one year (subject to extension)
Selling project-410	2021.10.15	2021.10.15 to 2025.07.31 (subject to further extension)
Selling project-414	2021.09.15	Sales start after the building license has been obtained until June 30, 2024 (subject to extension)
Selling project-415	2022.04.01	2022.04.01 ~ 2024.03.31 (subject to extension)

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

<u>Name of project</u>	<u>The signing date of selling agreement</u>	<u>Sales period</u>
Selling project-418	2021.12	Sales start after the building license has been obtained and the sales period is two years (subject to extension)
Selling project-418	2023	Sales start after the building license has been obtained and the sales period is two years (subject to extension)
Selling project-421	2022.02	2022.02.16~2024.02.16(subject to extension)
Selling project-423	2022.05.01	2022.05.01~2024.05.01(subject to extension)
Selling project-424	2022.12.16	From December 16, 2022 and ended one months after the date of obtaining the license (subject to extension)
Selling project-425	2022.06.15	From June 15, 2022 and ended twelve months after the date of obtaining the license (subject to extension)
Selling project-426	2022.07.01	From July 1, 2022 and ended six months after the date of obtaining the license (subject to extension)
Selling project-427	2022.12.16	Sales start after the building license has been obtained and the sales period is two years (subject to extension)
Selling project-429	2022.09.15	2022.09.15~2026.12.31(subject to extension)
Selling project-430	2022.10.20	Sales start after the building license has been obtained and the sales period is ten mounths (subject to extension)
Selling project-431	2022.08.16	Sales start after the building license has been obtained and the sales period is one year (subject to extension)
Selling project-432	2023.03.01	From March 1, 2023 to six months after the obtaining the license (subject to extension)
Selling project-433	2023.04.01	2023.04.01~2024.03.31(subject to extension)
Selling project-434	2023.07.01	2023.07.01~2027.12.31(subject to extension)
Selling project-436	2023.08.08	2023.08.10~2024.07.31(subject to extension)
Selling project-438	2023.09.20	From September 20, 2023 to six months after the obtaining the license (subject to extension)
Selling project-440	2023.01.09	Sales start after the building license has been obtained and the sales period is two year (subject to extension)

(10) Losses Due to Major Disasters:None

(11) Subsequent Events:

The Company has issued new shares for cash capital increase with a total of 25,000 thousand shares with a par value of \$10 per share on December 18, 2023 pursuant to a resolution of the Board of Directors. The said cash capital increase has been approved by FSC and is in effect on January 17, 2024. The new shares are issued at \$80 per share pursuant to a resolution of the Board of Directors. The Company adopted February 21, 2024 as base day for cash capital increase.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(12) Other:

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

By item	By funtion	For the years ended December 31					
		2023			2022		
		Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits							
Salary		474,856	676,027	1,150,883	310,361	393,297	703,658
Labor and health insurance		25,665	32,822	58,487	22,265	27,995	50,260
Pension		12,537	12,874	25,411	11,340	11,769	23,109
Others		9,235	18,489	27,724	9,665	12,468	22,133
Depreciation		23,308	31,863	55,171	8,150	37,899	46,049
Depletion		-	-	-	-	-	-
Amortization		-	1,727	1,727	-	402	402

- (b) the Group was searched by the prosecution unit on September 20, 2012 for suspected breach of

Securities and Exchange Act. The case was investigated and closed on January 21, 2013 by the Taiwan Taipei District Prosecutors Office. Chen Qicang, the former general manager of the Group, Dong CuiHua, former head of the Finance segment of the Group (both had resigned in February 2013) and Lin Hongming were charged with alleged breaches of the Securities and Exchange Act.

The Group is not a defendant in the litigation referred to in the preceding paragraph and thus it has not been provided with bill of indictment. It was to the understanding of the Group that the loan amounting to \$1,855,000 thousand were borrowed from CHINA UNITED TRUST & INVESTMENT CORPORATION by pledging land in Milan section and Shuixian section, Tamsui district as collateral. Subsequently, the Group met financial difficulties and was unable to repay the interests and principal on the loan, CHINA UNITED TRUST & INVESTMENT CORPORATION then sell the said mortgage as bad debt. The aforesaid bad debt was acquired by Qiyang Asset Management Co., Ltd. in 2005. The Group then entered into a debt settlement agreement with the creditor, Qiyang Asset Management Co., Ltd. in May 2006. By transferring the Group's collateral pledged for the loan, the land lot at Shuixian section and building license to the creditors, the Group is exempted from repaying the principal of the said loan, its deferred interest and breach penalty. Also, an additional amount of \$355,000 thousand may be obtained by the Group; As for the loan borrowed by pledging the land at Milan section, the Group has entered into a sales contract in May 2002 to the land at Milan section. Consequently in 2005, the Group entered into a tripartite agreement with the land purchaser and creditor, Qiyang Asset Management Co., Ltd. to eliminate the Group's debts and the land purchaser of Milan section should bear the debts. The above transactions were investigated by the prosecution unit and found to be in violation of the Securities and Exchange Act and The Banking Act of The Republic of China.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

However, it has been verified that the transactions relating to the above-mentioned land in the Milan and Shuixian sections were engaged between 2002 and 2006, and such transactions have been completed as of the reporting deadline. The transfer and payment of debt to the land title and related transactions have been completed. The terms of the transaction, the process and the related transaction amount, the amount of profit and loss effect have been outlined and accounted for in the notes to each financial statements for the years accordingly.

On August 22, 2013, the Group filed a criminal suit with civil action against Lin Hongming and others at the Criminal court of Taiwan Taipei District Court for damages compensation of \$1,471,534 thousand. On July 25, 2014, the Criminal Court of Taiwan Taipei District Court ruled that the case should be referred to the Civil Court of Taiwan Taipei District Court for proceeding with a civil action.

This case was ruled by the Taiwan Taipei District Court on June 23, 2017, rejecting the Group's claim for damages. the Group appealed the civil judgment to Taiwan High Court on July 21, 2017 and the Taiwan High Court ruled on December 4, 2019 that Lin Hongming and others were liable to pay damages of \$754,462 thousand to the Group. However, the appellee, Lin Hongming and others refused the judgment and appealed to the Supreme Court. The Supreme Court then ruled on March 31, 2021 to send the case back to Taiwan High Court for hearing. Currently, it is being proceeded by the Taiwan High Court.

This case was ruled by Supreme Court on February 23, 2022 that criminal proceedings gained by Lin Hongming and others amounting to \$446,330 thousand shall be confiscated, excluding the amount returned to victims or being requested for damages claims. Then, Lin Hongming appealed against the criminal ruling by Taiwan High Court, which was disclosed previously. The Supreme Court dismissed such appeal on July 21, 2022, so the above-mentioned criminal ruling by Taiwan High Court has been confirmed. The Group filed an application with the Taiwan Taipei District Prosecutors Office on September 22, 2022 for the return of criminal proceeds. The prosecutor has also actually detained the criminal proceeds collected by Lin Hongming, but has not yet approved the return of the criminal proceeds to the Group. The Civil court of the Taiwan High Court issued a ruling on January 30, 2024 rejecting the Group's claim for damages, and the Group filed an appeal with the Supreme Court on March 6, 2024 after receiving such ruling.

The management of the Group has assessed that the said litigation will not have any effect of increase on loss or contingent loss on the consolidated financial statements of the Group for the twelve month period ended December 31, 2023. Accordingly, the litigation case should have no other effect on the disclosure in notes to the consolidated financial statements as of December 31, 2023.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the year ended December 31, 2023:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
1	CHUWANG DEVELOPMENT CO., LTD.	JSL CONSTRUCTION & DEVELOPMENT CO., LTD.	Other receivables due from related parties	Yes	200,000	-	-	0.21	1	6,184,871	-	-	-	-	13,203,089	13,203,089
1	CHUWANG DEVELOPMENT CO., LTD.	JSL CONSTRUCTION & DEVELOPMENT CO., LTD.	Other receivables due from related parties	Yes	500,000	-	-	2.188	1	6,184,871	-	-	-	-	13,203,089	13,203,089
1	CHUWANG DEVELOPMENT CO., LTD.	JSL CONSTRUCTION & DEVELOPMENT CO., LTD.	Other receivables due from related parties	Yes	900,000	900,000	890,000	3.00	1	7,069,706	-	-	-	-	13,203,089	13,203,089

Note 1: Pursuant to “Procedure of Loans to Other Parties” of CHUWANG DEVELOPMENT CO., LTD., capital shall only be loaned to trading counterparties, the maximum amount of loan to a trading counterparties shall be the actual amount of inventory purchased or sold by the parties, and the amount of valid purchase contracts or sales contract. The limit on loans to a single party shall be the actual amount of inventory purchased or sold by the parties, and the amount of valid purchase contracts or sales contract.

Note 2: Financing purposes:

- (1) Those with business contact, please fill in 1.
- (2) Those necessary for short term financing, please fill in 2.

Note 3: The above intercompany transactions have been eliminated when preparing the consolidated financial statements.

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
1	Shigang Construction and Development Co., Ltd	JSL CONSTRUCTION & DEVELOPMENT CO., LTD.	3	563,389	302,565	278,910	278,910	278,910	990.13 %	563,389	N	Y	N
2	CHUWANG DEVELOPMENT CO., LTD.	JSL CONSTRUCTION & DEVELOPMENT CO., LTD.	7	5,425,534	712,141	712,141	-	-	131.26 %	10,851,068	N	Y	N

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Note 1: There are seven conditions in which the Company may have guarantees or endorsements for other parties:

- (1) Trading counterparty
- (2) the Company holds more than 50% of the voting shares in the entity, directly and indirectly.
- (3) The entity holds more than 50% of voting shares in the Company, directly and indirectly.
- (4) the Company holds more than 90% of voting shares in the entity, directly and indirectly.
- (5) An entity in the construction industry mutually guaranteed pursuant to a project contract.
- (6) The stockholders of the Company provide guarantees or endorsements for the entity in proportion to percentage of ownership for joint investment.
- (7) The companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for preconstruction homes pursuant to the Consumer Protection Act for each other.

Note 2: Shigang Construction and Development Co., Ltd. endorsed the operation method for the total amount of guarantee s and the limit for endorsement of a single enterprise; Details are as follows:

- (1) The total amount of external endorsements and/or guarantees by Shigang Construction and Development Co., Ltd. shall be limited to the amount of paid in capital of the Company.
- (2) The guarantee amount for a single enterprise endorsement shall not exceed 200% of the current net value of the Company.
- (3) An entity holding 100% of the voting rights directly and indirectly of the Company, its total guarantee amount cannot exceed 20 times of the net value of such entity. The guarantee for a single enterprise is limited to 20 times of the net value of such entity.
- (4) Provided to other companies, the total guarantee amount of joint and several securities for a performance guarantee of a sales contract for pre-construction homes or guarantee on each parties according to contract terms between co-constructors pursuant to the Consumer Protection Act or for undertaking construction, shall not exceed tenfold of the company's net value and not more than five times of the Company's net value of the guarantee for a single enterprise.
- (5) The stockholders of the Company provide the guarantees or endorsements for the entity in proportion to percentage. The total endorsement and the provisions of point No.3 shall apply to the guarantee limit of a single investee company.
- (6) The amount of the cumulative endorsement and guarantee for an enterprise as a result of <108>a business relationship shall not exceed the amount of the business transaction between such entity and the company. The business transaction amount is the higher of the purchase or sales contract between both parties or payment in recent years (business cycle).

Note 3: "Procedure of Loans to Other Parties" of CHUWANG DEVELOPMENT CO., LTD., outlines the total amount of guarantees and the limit for endorsement of a single enterprise details are as follows: Details are as follows:

- (1) The total amount of external endorsements and/or guarantees by CHUWANG DEVELOPMENT CO., LTD. shall not be more than ten times of the Company's net value.
- (2) The guarantee amount for a single enterprise endorsement shall not be more than five times of the Company's net value.
- (3) An entity holding 100% of the voting rights directly and indirectly of the Company, its total guarantee amount cannot exceed 20 times of the net value of such entity. The guarantee for a single enterprise is limited to 20 times of the net value of such entity.
- (4) Provided to other companies, the total guarantee amount of joint and several securities for a performance guarantee of a sales contract for pre-construction homes or guarantee on each parties according to contract terms between co-constructors pursuant to the Consumer Protection Act or for undertaking construction, shall not exceed twentyfold of the company's net value. The total guarantee amount for a single enterprise shall not exceed tenfold of the company's net value.
- (5) The stockholders of the Company provide the guarantees or endorsements for the entity in proportion to percentage. The total endorsement and the guarantee limit of a single investee company, the provisions of point No.3 shall apply.
- (6) The amount of the cumulative endorsement and guarantee for an enterprise as a result of a business relationship shall not exceed the amount of the business transaction between such entity and the Company. The business transaction amount is the higher of the purchase or sales contract between both parties or payment in recent years (business cycle).

Note 4: The above intercompany transactions have been eliminated when preparing the consolidated financial statements.

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

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest Percentage of ownership (%)	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value		
The Company	Preferred Shares A Judo Company	-	Financial assets at fair value through profit or loss-non current	18,856	197,219	-%	197,219	- %	Note
The Company	Preferred Shares B Judo Company	-	"	20,000	202,539	-%	202,539	- %	Note
The Company	Shares UNI AIRWAYS CORPORATION	-	Noncurrent financial assets at fair value through other comprehensive income	41	401	0.01%	1,190	- %	
The Company	Share Hung Shun Hing Real Estate Co., Ltd.	-	"	500	4,995	3.33%	5,511	- %	

Note: Such preference shares may not be converted into ordinary shares.

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock:None

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:None
(In Thousands of New Taiwan Dollars)
- (vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:None
- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	JSL CONSTRUCTION Co., Ltd.	The chairman of the entity is the Company chairman's spouse	Selling	360,376	6.57%	Periodical collection per contract	-	Same as regular transaction	57,883	2.76%	Note 2
The Company	CHUWANG DEVELOPMENT Co., Ltd.	Subsidiary	Contractor project	2,869,899	27.15%	Periodical collection per contract	-	Same as regular transaction	(297,329)	18.44%	Note 1、Note 2
CHUWANG DEVELOPMENT Co., Ltd.	The Company	Parent company	Selling	(2,822,744)	(54.45)%	Periodical collection per contract	-	Same as regular transaction	297,329	26.10%	Note 1
CHUWANG DEVELOPMENT Co., Ltd.	JSL CONSTRUCTION Co., Ltd.	The chairman of the entity is the Company chairman's spouse	Selling	(724,030)	(13.97)%	Periodical collection per contract	-	Same as regular transaction	114,963	12.67%	Note 1
CHUWANG DEVELOPMENT Co., Ltd.	JAYSHELYN CONSTRUCTION Co., Ltd.	The director of the Company is the director of the ultimate parent entity.	Selling	(188,348)	(3.63)%	Periodical collection per contract	-	Same as regular transaction	-	-%	Note 1
CHUWANG DEVELOPMENT Co., Ltd.	CHU YUAN INDUSTRIAL Co., Ltd.	Same Chairman with the Group	Selling	(117,865)	(2.27)%	Periodical collection per contract	-	Same as regular transaction	-	-%	Note 1

Note1: The Group recognized its construction contract income using the percentage of completion method.

Note2: The above intercompany transactions have been eliminated when preparing the consolidated financial statements.

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

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
CHUWANG DEVELOPMENT Co., Ltd.	JSL CONSTRUCTION & DEVELOPMENT CO., LTD.	Subsidiary	297,329	14.59	-		297,329	-
"	JSL CONSTRUCTION Co., Ltd.	The chairman of the entity is the Company chairman's spouse	114,963	10.62	-		-	-

Note: The above intercompany transactions have been eliminated when preparing the consolidated financial statements.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ix) Trading in derivative instruments:None

(x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

Number	Name of Company	Name of counter-party	Nature of relationship	Intercompany transactions, 2021			
				Account name	Total Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	JSL CONSTRUCTION & DEVELOPMENT Co., Ltd.	Water Cube International Development Co., Ltd.	1	Accounts payable to related parties	208,461	Comparable to companies in the same industry	0.59 %
			1	Other payables to related parties	34,538	Comparable to companies in the same industry	0.10 %
			1	Current assets recognized as incremental costs to obtain contract with customers	150,678	Comparable to companies in the same industry	0.42 %
			1	Selling expenses	40,933	Comparable to companies in the same industry	0.51 %
			1	Operating costs	195,289	Comparable to companies in the same industry	2.41 %
0	JSL CONSTRUCTION & DEVELOPMENT Co., Ltd.	JSL Entertainment Co., Ltd.	1	Accounts receivable-related parties	12,484	Comparable to companies in the same industry	0.04 %
0	JSL CONSTRUCTION & DEVELOPMENT Co., Ltd.	CHUWANG DEVELOPMENT Co., Ltd.	1	Other payables to related parties	893,578	Comparable to companies in the same industry	2.51 %
			1	Accounts payable to related parties	297,329	Comparable to companies in the same industry	0.84 %
			1	Administrative expenses	20,446	Comparable to companies in the same industry	0.25 %
			1	Interest expenses	20,139	Comparable to companies in the same industry	0.25 %
0	JSL CONSTRUCTION & DEVELOPMENT Co., Ltd.	JSL Food Art Creation Co., Ltd.	1	Operating costs	14,617	Comparable to companies in the same industry	0.18 %
			1	Administrative expenses	1,556	Comparable to companies in the same industry	0.02 %
1	Water Cube International Development Co., Ltd.	JSL CONSTRUCTION & DEVELOPMENT Co., Ltd.	2	Other receivables-related parties	116,171	Comparable to companies in the same industry	0.33 %
			2	Accounts receivable-related parties	126,828	Comparable to companies in the same industry	0.36 %
			2	Accounts receivable-loss allowance	3,768	Comparable to companies in the same industry	0.01 %
			2	Operating costs	21,131	Comparable to companies in the same industry	0.26 %
			2	Operating revenue	272,317	Comparable to companies in the same industry	3.36 %
			2	Other income	89,684	Comparable to companies in the same industry	1.11 %
2	JSL Entertainment Co., Ltd.	JSL CONSTRUCTION & DEVELOPMENT Co., Ltd.	2	Accounts payable to related parties	12,484	Comparable to companies in the same industry	0.04 %
3	CHUWANG DEVELOPMENT Co., Ltd.	JSL CONSTRUCTION & DEVELOPMENT Co., Ltd.	2	Accounts receivable-related parties	297,329	Comparable to companies in the same industry	0.84 %
			2	Other receivables-related parties	893,578	Comparable to companies in the same industry	2.51 %
			2	Other revenue	20,446	Comparable to companies in the same industry	0.25 %
			2	Interest revenue	20,139	Comparable to companies in the same industry	0.25 %
4	JSL Food Art Creation Co., Ltd.	JSL CONSTRUCTION & DEVELOPMENT Co., Ltd.	2	Operating revenue	16,173	Comparable to companies in the same industry	0.20 %

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Note 1: Numbers are filled in as follows:

1. “0” represents the Group
2. The subsidiaries start with number 1.

Note 2: Relationship with the listed companies:

1. Transactions from parent company to subsidiary
2. Transactions from subsidiary to parent company
3. Transactions between subsidiaries

(b) Information on investees:

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

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023			Highest Percentage of ownership	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares (thousands)	Percentage of ownership	Carrying value				
The Company	JSL Entertainment Co., Ltd.	Taiwan	Residential and commercial building development and leasing, real estate trading, real estate leasing, real estate commissioning, real estate selling, IT software services and third-party payment services.	34,350	34,350	3,600	100.00 %	50,817	100.00 %	(1,795)	(2,000)	Note
The Company	Water Cube International Development Co., Ltd.	Taiwan	Real estate agency and seller, international trade, rental and leasing and agency services	50,000	50,000	5,000	100.00 %	77,931	100.00 %	169,990	23,079	Note
The Company	Shigang Construction and Development Co., Ltd.	Taiwan	To commission construction company to build public residential housings for rentals and sales, land developments, interior decoration design and contractor services, construction equipment, building materials, construction machinery trading and real estate operation and investments.	245,000	245,000	30	100.00 %	243,610	100.00 %	5	5	Note
The Company	JSL Food Art Creation Co., Ltd.	Taiwan	Baked food manufacturer, wholesaler of food and beverage and food and beverage retailer.	3,000	3,000	300	100.00 %	9,183	100.00 %	3,780	3,780	Note
The Company	JSL International Development Co., Ltd.	Taiwan	commercial building rentals and leasing, investment in public construction, real estate trading and real estate rental	3,000	3,000	300	100.00 %	6,477	100.00 %	2,767	2,767	Note
The Company	CHUWANG DEVELOPMENT Co., Ltd.	Taiwan	Integrated constructions, residential and commercial building rentals and leasing, investment in public construction, real estate trading and real estate rentals	457,350	207,350	660	100.00 %	285,312	100.00 %	88,851	(101,224)	Note

Note: The above intercompany transactions have been eliminated when preparing the consolidated financial statements.

(c) Information on investment in mainland China: None

(d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
CHU YUAN INDUSTRIAL Co., Ltd.		74,898,228	19.13 %
Fengyun Advertising Co., Ltd.		74,234,446	18.96 %
JAYSANLYN REAL ESTATE & ADVERTISING Co., Ltd.		67,014,308	17.11 %
Chairman: Wen Yu Chu		47,822,750	12.21 %
Yangshanlin Advertising Co., Ltd.		33,121,625	8.46 %

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(14) Segment information:

Please refer to the consolidated financial statement for the year ended December 31, 2023.

(a) General information

The Group has three reporting segments: real estate selling agency, construction and development, real estate selling agency is engaged in real estate selling operation; construction segment is engaged in the construction of public housing, commercial building development, rental and sales, real estate sales and other business; the construction segment undertake civil construction engineering projects.

The Group's reported segments consist of strategic business units which provide essentially different products and services. They offer different products and services, and are managed separately because they require different technological and marketing strategies. Most of the business units were acquired, and the original management teams are still operating.

(b) Reportable segments' profit or loss, assets, liabilities and their measurement and reconciliation

The Group uses the internal management report that the chief operating decision maker reviews as the basis to determine resource allocation and make a performance evaluation. The internal management report includes profit before taxation, excluding any extraordinary activity and foreign exchange gains or losses, because taxation, extraordinary activity and foreign exchange gains or losses are managed on a group basis, and hence they are not able to be allocated to each reportable segment. In addition, not all reportable segments include depreciation and amortization of significant noncash items. The reportable amount is the same as the report used by the chief operating decision maker.

The operating segment accounting policies are similar to the ones described in Note 4 "Significant accounting policies" except for the recognition and measurement of pension cost, which is on a cash basis.

The Group treated intersegment sales and transfers as third party transactions. They are measured at market price.

The Group's operating segment information and reconciliation are as follows:

For the year ended December 31, 2022	For the Year Ended December 31, 2023					
	Real estate selling segment	Development segment	Construction segment	Other Divisions	Reconciliation and eliminations	Total
Revenue:						
Revenue from external customers	\$ 5,047,865	613,899	2,361,207	79,911	-	8,102,882
Intersegment revenues	272,317	15,592	2,822,744	37,487	(3,148,140)	-
Total revenue	<u>\$ 5,320,182</u>	<u>629,491</u>	<u>5,183,951</u>	<u>117,398</u>	<u>(3,148,140)</u>	<u>8,102,882</u>
Interest expenses	\$ 103,356	247,403	17,313	61,920	-	429,992
Depreciation and amortization	-	-	-	56,898	-	56,898
Reportable segment profit or loss	<u>\$ 2,487,584</u>	<u>(258,834)</u>	<u>103,591</u>	<u>(13,649)</u>	<u>(337,191)</u>	<u>1,981,501</u>
Reportable segment assets	<u>\$ 4,122,885</u>	<u>26,151,496</u>	<u>4,379,682</u>	<u>3,810,214</u>	<u>(2,904,566)</u>	<u>35,559,711</u>
Reportable segment liabilities	<u>\$ 3,284,757</u>	<u>17,761,158</u>	<u>3,837,129</u>	<u>3,770,768</u>	<u>(2,042,320)</u>	<u>26,611,492</u>

JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
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For the year ended December 31, 2021	For the Year Ended December 31, 2022					
	Real estate selling segment	Development segment	Construction segment	Other Divisions	Reconciliation and eliminations	Total
Revenue:						
Revenue from external customers	\$ 2,571,872	391,795	1,698,082	72,261	-	4,734,010
Intersegment revenues	140,571	-	1,656,445	61,284	(1,858,300)	-
Total revenue	<u>\$ 2,712,443</u>	<u>391,795</u>	<u>3,354,527</u>	<u>133,545</u>	<u>(1,858,300)</u>	<u>4,734,010</u>
Interest expenses	\$ 30,704	178,374	4,698	44,717	(3,233)	255,260
Depreciation and amortization	-	-	-	46,451	-	46,451
Reportable segment profit or loss	<u>\$ 824,972</u>	<u>(276,644)</u>	<u>1,673</u>	<u>95,990</u>	<u>(43,041)</u>	<u>602,950</u>
Reportable segment assets	<u>\$ 2,603,050</u>	<u>19,776,846</u>	<u>2,521,392</u>	<u>3,607,748</u>	<u>(1,398,099)</u>	<u>27,110,937</u>
Reportable segment liabilities	<u>\$ 2,364,970</u>	<u>14,028,029</u>	<u>2,321,198</u>	<u>3,256,304</u>	<u>(995,713)</u>	<u>20,974,788</u>

(c) Product and service information

Revenues from external customers are detailed below:

Products and services	For the years ended December 31	
	2023	2022
Service revenue from selling real estates	\$ 5,047,865	2,571,872
Revenue from property sales	613,899	391,795
Construction revenue	2,361,207	1,698,082
Others	79,911	72,261
Total	<u>\$ 8,102,882</u>	<u>4,734,010</u>

(d) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers, and segment assets are based on the geographical location of the assets. The Group's non-current assets are all in Taiwan and no other regions.

Geographical information	For the years ended December 31	
	2023	2022
Revenue from the external customers:		
Asia	\$ 8,101,830	4,731,534
Other countries	1,052	2,476
	<u>\$ 8,102,882</u>	<u>4,734,010</u>

JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES
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(e) Major customer information

There were no individual customers representing greater than 10% of sales revenues in the consolidated statements of comprehensive income for the years ended December 31, 2023 and 2022.

	For the years ended December 31	
	2023	2022
Customer A from real estate selling, construction and other departments	\$ 1,092,744	665,921

VI. If the Company or its affiliates have experienced financial difficulties in the most recent fiscal years or during the current fiscal year up to the date of publication of the annual report, the annual report shall explain how said difficulties will affect the Company's financial situation: Not applicable.

Seven. Review and Analysis of Financial Position and Operating Performance, and Risk Management

I. Financial position:

Unit: In NT\$1,000

Item \ Year	2022	2023	Increase (decrease)	
			Amount	%
Current assets	23,598,227	31,891,579	8,293,352	35.14
Funds and long-term investments	193,956	405,154	211,198	108.89
Fixed assets	852,038	819,857	(32,181)	(3.78)
Other assets	2,466,716	2,443,121	(23,595)	(0.96)
Total assets	27,110,937	35,559,711	8,448,774	31.16
Current liabilities	17,799,159	23,770,315	5,971,156	33.55
Long-term liabilities	3,175,629	2,841,177	(334,452)	(10.53)
Total Liabilities	20,974,788	26,611,492	5,636,704	26.87
Capital	2,660,790	3,916,067	1,255,277	47.18
Capital reserve	1,299,231	2,218,593	919,362	70.76
Retained earnings	2,176,128	2,813,559	637,431	29.29
Total shareholders' equity	6,136,149	8,948,219	2,812,070	45.83

Description of significant changes: For the amount changed by more than 20% and exceeded NT\$10 million.

1. During the current period, the balance of accounts receivable increased due to the good sales of the consignment business, and current assets and total assets significantly increased due to the construction business continuing to invest in the construction of inventory.
2. This period subscribed to preferred shares B of J.D Construction, resulting in an increase in funds and long-term investment.
3. The increases in current liabilities and total liabilities were due to the increase in bank borrowings, resulting in contract liabilities, project materials purchase and contract liabilities.
4. The share capital this year increased due to cash capital increase and distribution of 2023 profit and stock dividends from capital reserve.
5. Although capital reserve stock dividends and cash dividends were distributed in 2023, the capital reserve still increased from the previous period due to the issuance premium generated by the cash increase in 2023.
6. Although earnings stock dividends and cash dividends were distributed in 2023, the retained earnings still increased significantly from the previous period due to the significant increase in profitability in 2023.

II. Operating performance:

(I) Comparison of operating performance:

Unit: In NT\$1,000

Item \ Year	2022	2023	Increase (decrease)	
	Amount	Amount	Amount	%
Operating revenue	4,734,010	8,102,882	3,368,872	71.16
Operating cost	3,323,852	4,779,984	1,456,132	43.81
Gross profit	1,410,158	3,322,898	1,912,740	135.64
Operating expenses	693,603	1,050,590	356,987	51.47
Net operating (loss) profit	716,555	2,272,308	1,555,753	217.12
Non-operating income and profit	143,601	139,185	(4,416)	(3.08)
Non-operating expenses and loss	(257,206)	(429,992)	172,786	67.18
Net (loss) profit before tax	602,950	1,981,501	1,378,551	228.63
Income tax expense (benefit)	158,335	473,833	315,498	199.26
Net (loss) profit for the period	444,615	1,507,668	1,063,053	239.10

Description of significant changes: For the amount changed by more than 20% and exceeded NT\$10 million.

1. During the period, the increase in consignment revenue caused relative improvement in the operating gross profit and net operating profit.
2. During the period, sales expenses were recognized as a result of the completion of construction cases and higher bonuses were recognized as a result of the increase in profit, thereby increasing operating expenses.
3. Non-operating expenses and loss: In 2023, the level of interest rates increased from the previous year, and in response to the expansion of our operating scale, we increased our borrowings, which resulted in the increase in interest expenses.
5. Due to the increase in the revenue from the consignment business during the period, the operating gross profit, operating net profit, net profit before tax and net profit after tax all were up from the previous period, and the income tax expense also increased.

(II) Expected sales volume and its basis, and its possible impact on the future financial position and the relevant response plan:

We will adjust the number of real estate consignment projects undertaken according to the overall domestic real estate market condition and supply-demand status to introduce projects that meet the market demand.

III. Cash flow

(I) Liquidity analysis in the past two years

Item \ Year	2022	2023	Increase/Decrease (%)
Cash flow ratio	-	-	-
Cash flow adequacy ratio	-	-	-
Cash reinvestment ratio	-	-	-
Description: Due to the development of construction projects in recent years, our expenditure in land purchases and construction projects resulted in cash used in operating activities, so we will not calculate the various ratios of cash flow.			

(II) Cash flow analysis for the coming year

Unit: In NT\$1,000

Opening Balance	Cash flow from operating activities	Estimated cash inflow for the year	Amount of cash surplus (shortfall)	Remedy for insufficient cash	
				Investment plan	Financing plan
714,331	(6,880,110)	174,406	888,737	-	-
1. Analysis of the changes in cash flow of the current year: (1) Operating activities: Expected purchase of construction land, the investment in construction projects and the cost of undertaking consignment sales projects resulted in cash outflows. (2) Investment activities: expected long-term investments resulting in cash outflows. (3) Financing activities: Expected to issue negotiable securities in the financial market and draw construction financing to generate cash flow after the commencement of construction projects. 2. Remedy and flow analysis for the estimated cash shortfalls: None.					

IV. impact of major capital expenditures on financial operations: None.

V. Company's investment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving investment profitability, and investment plans for the coming year:

Unit: In NT\$1,000

Investee	Initial investment	Book value	Ownership	Investment profit (loss) recognized by the Company for the current period	Reinvestment policy	Main Reasons Contributing to the Profit or loss	Improve ment Plan	Other future investment plans
JSL Entertainment Co., Ltd.	34,350	50,817	100%	(2,000)	Develop consignment and information software services businesses	The loss was due to the late sales of the consignment projects	None	None
JSL International Development Co., Ltd.	50,000	77,931	100%	23,079	Develop consignment business	Profit comes from consignment projects	None	None
Shigang Construction & Development Co., Ltd.	245,000	243,610	100%	5	Real estate development	Land lots for construction are under planning	None	Investment and development will begin after the planning is completed.
JSL Food Art Creation Co., Ltd.	3,000	9,183	100%	3,780	Support consignment business	Integrated with consignment project sites	None	None
JSL Construction & Development Co., Ltd.	3,000	6,477	100%	2,767	Support consignment business	Services integrated with consignment project sites	None	None
Chuwang Development Co., Ltd.	207,350	285,312	100%	(101,224)	Upstream-downstream integration for synergy	Profits from projects undertaken by parent companies are eliminated in consolidated statements	None	None

VI. Analysis and assessment of risks in the most recent fiscal year and up to publication date of the annual report:

- (I) Impact of changes in interest rates and currency exchange and inflation on the Company's profit and loss and the response measures to be taken in the future:

The risk of interest rate changes for the Company and its subsidiaries mainly involves bank deposits. Borrowings with floating rates can bring cash flow risks to the Company and subsidiaries, and borrowings at fixed rates will cause fair value risks to the Company and subsidiaries. The Company and subsidiaries have evaluated the operating environment in which the interest rate level has been stable in recent years, which should not cause significant interest rate risks.

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(II) The Company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees and derivatives transactions is the main reason contributing to its profits and losses and the response measures to be taken in the future:

- (1) We have always focused on our core business and adopted a practical approach in operations. We have not engaged in high-risk and highly leveraged investments. We maintain a more conservative and prudent approach in fund allocation and hedging activities.
- (2) Lending funds to others and endorsement guarantees: The Company and subsidiaries have policies formulated based on relevant rules and regulations on lending funds to others and endorsement guarantees. We have formulated the "Procedures for Lending Funds to Others" and the "Operating Procedures for Loans to Others and Endorsement and Guarantee". As of the end of 2023, the lending of funds and the endorsement guarantees provided by the Company and subsidiaries are as follows:

1. Loans to others:

Unit: In NT\$1,000

Number	Company that lent funds	Borrowing party	General ledger account	Related party?	Maximum balance of the period	Ending balance	Actual amount drawn down	Range of interest rate	Nature of loan	Amount of transaction with borrower	Reason for short-term financing	Amount of recognized impairment loss	Collateral		Limit on loans granted to a single party	Ceiling on total loan granted
													Title	Value		
1	Chuwang Development Co., Ltd.	JSL Construction & Development Co., Ltd.	Other accounts receivable – Related parties	Yes	200,000	-	-	0.21%	1	6,184,871	-	-	-	-	13,203,089	13,203,089
1	Chuwang Development Co., Ltd.	JSL Construction & Development Co., Ltd.	Other accounts receivable Related parties	Yes	500,000	-	-	2.188%	1	6,184,871	-	-	-	-	13,203,089	13,203,089
1	Chuwang Development Co., Ltd.	JSL Construction & Development Co., Ltd.	Other accounts receivable – Related parties	Yes	900,000	900,000	890,000	3.00%	1	7,069,706	-	-	-	-	13,203,089	13,203,089

Note 1: According to the "Procedures for Lending Funds to Others" of Chuwang Development Co., Ltd., for funds lent to companies or firms with which Chuwang has business dealings, the total amount of loans is based on the actual purchase or sales amount and the contracted purchase or sales amount between both parties.

Note 2: Nature of loan

- (1) 1 for a company with which it has business dealings.
- (2) 2 for when there is a need for short-term financing.

Note 3: The transactions listed above have been eliminated when preparing the consolidated financial report.

2. Provision of endorsements and guarantees to others:

Unit: In NT\$1,000

Number	Endorser / Guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount for the period	Outstanding endorsement/ guarantee amount for the period	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Percentage of accumulated endorsement/ guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsement s/ guarantees by parent company to subsidiary	Provision of endorsement s/ guarantees by subsidiary to parent company	Provision of endorsement s/ guarantees to the party in China
		Company Name	Relationship										
1	Shigang Construction & Development Co., Ltd.	JSL Construction & Development Co., Ltd.	3	563,389	302,565	278,910	278,910	278,910	990.13%	563,389	N	Y	N
2	Chuwang Development Co., Ltd.	JSL Construction & Development Co., Ltd.	7	5,425,534	712,141	712,141	-	-	131.26%	10,851,068	N	Y	N

Note 1: There are following seven types of relationship between the endorser/guarantor and the party being endorsed/guaranteed:

- (1) A company with which it has business dealings.
- (2) The Company directly or indirectly holds more than 50% of the voting shares of the other company.
- (3) The other company directly or indirectly holds more than 50% of the voting shares of the

Company.

- (4) The Company directly or indirectly holds more than 90% of the voting shares of the other company.
- (5) Companies that are mutually protected due to mutual endorsement between industry partners or joint construction builders based on the needs of the project.
- (6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7) Industry partners who are engaged in the sales of pre-construction homes and conduct joint guarantee for the performance of contract based on Consumer Protection Act.

Note 2: The endorsement guarantee measures of Shigang Construction & Development Co., Ltd. on the limits for the total amount of endorsement guarantee liability and the endorsement of a single enterprise specify the following amounts:

- (1) The total liability of Shigang Construction & Development for external endorsement guarantee is capped at twice the company's net worth.
- (2) The amount of endorsement guarantee for a single enterprise is capped at twice the company's net worth.
- (3) For a company that directly or indirectly holds 100% of the voting rights in the Company, the total amount of endorsement guarantees is capped at 20 times the net worth of the company, and the amount of endorsement guarantees for a single enterprise is capped at 20 times the net worth of the company.
- (4) For industry partners who are engaged in the sales of presale homes and conduct joint guarantee for the performance of contract based on Consumer Protection Act, or joint proprietors who endorses one another the total amount of guarantees shall not exceed 10 times the company's net worth, and the amount of guarantees to a single industry partner shall not exceed 5 times the company's net worth.
- (5) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership, and the total amount of guarantees and the amount of guarantees to a single investee are applicable for the required in point (3).
- (6) The accumulated amount of endorsement guarantee due to business relationships shall not exceed the higher of the amount of purchases or sales contracted or payments between the two parties in the most recent fiscal year (business cycle).

Note 3: The endorsement guarantee measures of the Company on the limits for the total amount of endorsement guarantee liability and the endorsement of a single enterprise specify the following amounts:

- (1) The total liability of the Company for external endorsement guarantees is capped at 200% of the Company's net worth.
- (2) The amount of endorsement guarantees for a single enterprise is capped at 100% of the Company's net worth.

Note 4: The endorsement guarantee measures of Chuwang Development Co., Ltd. on the limits for the total amount of endorsement guarantee liability and the endorsement of a single enterprise specify the following amounts:

- (1) The total liability of Chuwang Development Co., Ltd. for external endorsement guarantees is capped at 10 times the company's net worth.
- (2) The amount of endorsement guarantees for a single enterprise is capped at five times the company's net worth.
- (3) For a company that directly or indirectly holds 100% of the voting rights in the Company, the total amount of endorsement guarantees is capped at 20 times the net worth of the company, and the amount of endorsement guarantees for a single enterprise is capped at 20 times the net worth of the company.
- (4) For industry partners who are engaged in the sales of presale homes and conduct a joint guarantee for the performance of contract based on Consumer Protection Act, or joint proprietors who endorses one another, the total amount of guarantees shall not exceed 20 times the net worth, and the amount of guarantees to a single industry partner shall not exceed 10 times the net worth.

- (5) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership, and the total amount of guarantees and the amount of guarantees to a single investee are applicable for the required in point (3).
- (6) The accumulated amount of endorsement guarantee due to business relationships shall not exceed the higher of the amount of purchases or sales contracted or payments between the two parties in the most recent fiscal year (business cycle).

Note 5: Have been eliminated when preparing the consolidated financial report.

- (3) Transaction of derivative financial commodities The Company does not currently engage in transaction of derivative commodities. Our trading of derivatives is subject to the “Procedures for Handling Acquisition or Disposal of Assets”, and we will handle our transactions in accordance with relevant procedures in the future.
- (III) Future R&D projects and the projected R&D expenses: Not applicable.
- (IV) Effect on the Company’s financial operations due to important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:
The Company and subsidiaries adhere to the operating principles of professionalism and ethics, have a good corporate image and continue to strive to provide quality housing and after-sales service. We are committed to maintaining a high degree of professional ethics, and there have been no risk events that affect our corporate image.
- (V) Effect on the company’s financial operations due to developments in science and technology (including cybersecurity risk) as well as industrial change, and measures to be taken in response:
We respond to technology and industry changes, keep track of the market condition and collect industry information through online or industry forums. New technology products are also used in our projects. We have not encountered technology or industry changes that greatly impact our financial position.
- (VI) Effect on the Company’s crisis management due to changes in the Company’s corporate image, and measures to be taken in response:
The Company and subsidiaries adhere to the operating principles of professionalism and ethics, have a good corporate image and continue to strive to provide quality housing and after-sales service. We are committed to maintaining a high degree of professional ethics, and there have been no risk events that affect our corporate image.
- (VII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken: We currently have no plans for mergers and acquisitions.
- (VIII) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken: We have not had plans to expand our plant.
- (IX) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken:
In 2023, 39% of our accounts receivable were from 5 customers. In order to reduce the credit risk of accounts receivable, we continuously evaluated the financial position of customers, and asked them to provide guarantees when necessary. We have evaluated the possibility of recovering the accounts receivable and recognized allowances for bad debts, and the loss of bad debts is within the expectations of the management.
- (X) The impact on the Company and risks due to a massive transfer or change of shares by directors, supervisors or principal shareholders with 10% stake or more and corresponding measures: None.
- (XI) The impact on the Company and risks of change in managerial control and corresponding measures: None.

(XII) Litigation or non-litigation events:

1. In the recent two years and as of the date of publication of the annual report, resolved or pending litigations, non-litigations or administrative disputes which may present material impacts on the Company's shareholders' equity or stock price, the facts at issue, amount of the subject matter, the start date of litigation, the main parties involved and the current status shall be disclosed:

A. The Company was searched by the investigation unit on September 20, 2012 for an alleged violation of the Securities and Exchange Act. The case was investigated and prosecuted by the Prosecutor's Office of the Taipei District Court on January 21, 2013. Former President Chi-Tsang Chen, principal finance and accounting officer Tsui-Hua Tung (both two of them have resigned in February 2013) and Hung-Ming Lin were prosecuted for alleged violations of the Securities and Exchange Act and other incidents.

In the litigation referred to in the preceding paragraph, the Company was not a defendant in the case, so the Company did not receive the indictment. However, as we understand it, the litigation arose because the Company originally borrowed NT\$1,855,000 thousand from China United Trust & Investment Corp., using the land lots on Milan Section and Shueisian Section of Danshui District as collateral. Later, as the Company encountered financial crisis and was unable to repay the principal and interest of the loan, China United Trust & Investment Corp. sold the pledge as a bad debt. In 2005, the above-mentioned bad debt was acquired by Chi-Yang Assets Management Co., Ltd. We signed a debt settlement agreement with the creditor Chi-Yang Assets Management in May 2006, and transferred the Sui-Sian Section land lots and the construction permit as collateral for the loan to the creditor. The Company was exempted from paying for the loan principal, deferred interest and penalties, and obtained another NT\$355,000 thousand. As for the borrowings secured with the land lots on Mi-Lan Section, since the Company signed a contract to sell the land in May 2002, a tri-party agreement was reached with the buyer for the land lots on Milan Section. In 2005, the creditor Chi-Yang Assets Management and the Company acted to removed the Company from the debt obligation, and have the buyer of the land lots take on the debt. The abovementioned transaction was investigated, and it was found to be an alleged violation of the Securities and Exchange Act and the Bank Act.

However, after checking, relevant transactions of the land in the Milan Section and Shueisian Section mentioned above occurred from 2002 to 2006. As of the date of publication of the report, the transactions have been completed, wherein both the transfer of ownership of the land property rights and the claims and debts of the related transactions have been completed and the procedures of fund collection and payment have been completed. The transaction terms, process and related transaction amounts and profit and loss impact amounts are all detailed and recorded in the notes to the financial statements for each year.

On August 22, 2013, the Company filed a criminal and ancillary civil lawsuit with the Criminal Division of the Taipei District Court against Hung-Ming Li and others, requesting compensation of NT\$1,471,534 thousand. On July 25, 2014, the Criminal Division of the Taipei District Court ruled the criminal and ancillary civil lawsuit case transferred to the Civil Division of Taipei District Court.

The case was judged by the Taipei District Court on June 23, 2017, and the Company's claim for damages was dismissed. The Company appealed to the civil judgment to the High Court on July 21, 2017. The High Court ruled on December 4, 2019 that Hung-Ming Lin and others should pay the Company NT\$754,462 thousand in damages. However, the appellee Hung-Ming Lin and others appealed to the Supreme Court, which sent the judgment back to Taiwan High Court on March 31, 2021 for trial.

The case was judged by the Supreme Court as a criminal case on February 23, 2022. The criminal proceeds of Hung-Ming Lin and others, totaling NT\$446,330 thousand, were confiscated after returning the portion to victims or those who claimed damages. As for the appeal to the High Court by Hung-Ming Lin, it was rejected by the Supreme Court on July 21, 2022. The aforementioned criminal judgment by the Taiwan High Court was confirmed. On September 22, 2022, the Company applied to the Taipei District Prosecutor's Office for the return of the criminal proceeds which were seized by the prosecutor from Hung-Ming Lin, but as of yet they have not been transferred to the Company; In respect of the civil action between Hung-Ming Lin and others and the Company, the Civil Division of the Taiwan High Court rendered a judgment on January 30, 2024, rejecting the Company's claim for damages. After receiving the judgment, the Company filed an appeal to the Supreme Court on March 6, 2024, which is still pending.

- B. The civil lawsuit between the Company and OO Pan and OO Chen for the payment of bonuses shall be handled in accordance with the mediation record of the Labor Court of Taiwan High Court on February 22, 2024, with no significant impact on the finance and business of the Company.

The Company's management assessed that the lawsuit would not have an impact on the incremental loss or loss on the consolidated financial report from January 1, 2023 to December 31, 2023. Therefore, the note in the consolidated financial report for the year ended December 31, 2023 disclosed that there should be no material impact.

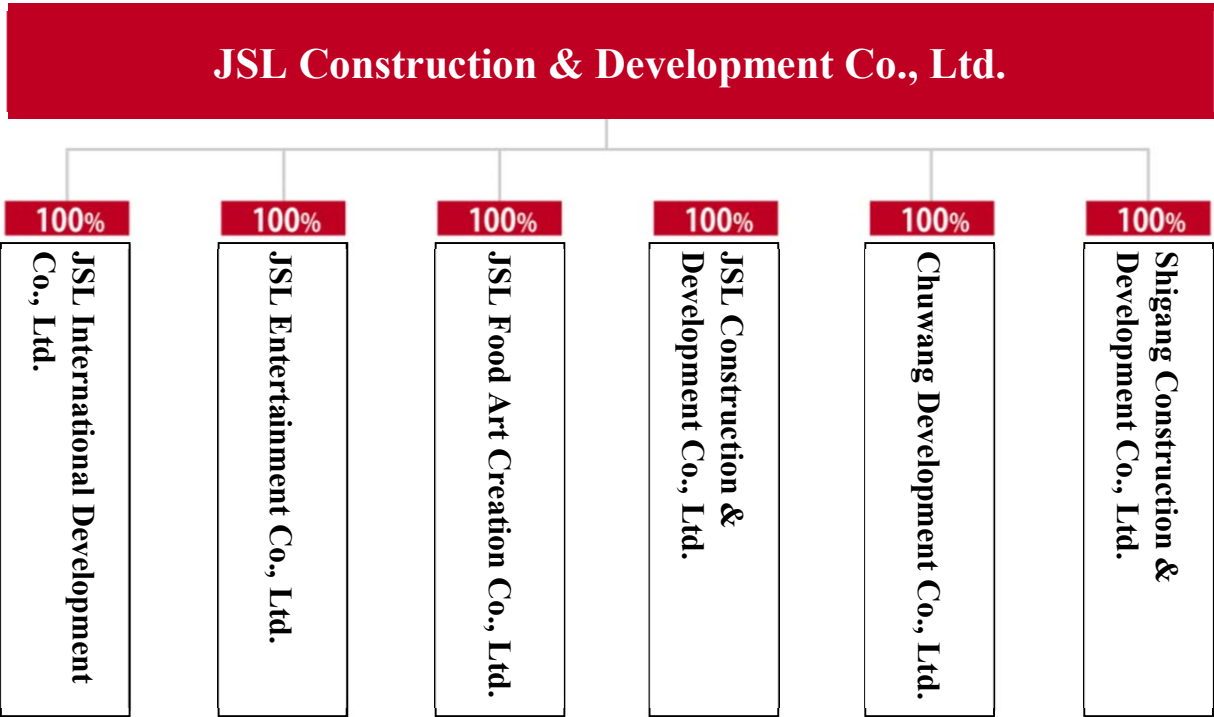
- (XIII) Other important risks, and mitigation measures being or to be taken: None.

VII. Other important matters: None.

Eight. Special Matters to be Included

I. Information related to the Company’s affiliates

- (I) Overview of affiliates in 2023
 - 1. Organizational chart of affiliated organizations



2. Basic information of each affiliate

December 31, 2023 Unit: In NT\$1,000

Company Name	Date of Establishment	Address	Paid-in capital	Main business activities
JSL Construction & Development Co., Ltd.	1986.09.06	11F-2, No. 166, Section 4, Zhongxiao East Road, Da'an District, Taipei City	3,916,067	Commissioning of public housing construction, real estate intermediary and consignment, lease or sales of commercial buildings, sales, purchase of building materials and interior decoration.
JSL International Development Co., Ltd.	2002.05.10	11F-2, No. 166, Section 4, Zhongxiao East Road, Da'an District, Taipei City	50,000	Real estate intermediary and consignment, international trade, rental and leasing, advertising services, warehousing.
JSL Entertainment Co., Ltd.	2005.05.06	11F-2, No. 166, Section 4, Zhongxiao East Road, Da'an District, Taipei City	36,000	Information software services, data processing services, electronic information supply services, third-party payment, wholesale of computer software.
JSL Food Art Creation Co., Ltd.	2020.06.18	No. 58, Xing'an Street, Zhongshan District, Taipei City	3,000	Baking and steaming food manufacturing industry Wholesale of food and grocery Retail sale of food, grocery and beverage Retail sale no storefront International trade. Restaurants
JSL Construction & Development Co., Ltd.	2020.06.24	1F, No. 60, Xing'an Street, Zhongshan District, Taipei City	3,000	General hotel industry Parking lot business industry Housing and Building Development and Rental Real estate business Real estate leasing.
Chuwang Development Co., Ltd.	1960.03.03	11F-2, No. 166, Section 4, Zhongxiao East Road, Da'an District, Taipei City	660,000	Comprehensive construction activities Housing and Building Development and Rental Investment, Development and Construction in Public Construction New towns, new community development.
Shigang Construction & Development Co., Ltd.	1974.05.08	No. 55-2, Xin 5th Rd., Gangtong Village, Zhongzheng District, Keelung City	30,000	Commissioning builders to construct public housing for lease and sale, land development, interior decoration engineering and contracting, trading of construction hardware, building materials and machinery, real estate management and investment.

3. Controlling company and affiliate companies sharing the same shareholders: None.

4. Business sectors covered by other affiliates: construction, rental and leasing, investment, information, real estate consignment brokerage, general advertisement service.

3. Information on directors, supervisors and managers of the Company:

December 31, 2023

Company Name	Job title	Name or Representative	Number of Shares Held	
			Number of Shares	Ownership
JSL International Development Co., Ltd.	Juridical person director Chairman (representative) Director (representative) Director (representative) Supervisor	JSL Construction & Development Co., Ltd. Mao-Yen Hsu Yi Chu Tsung-Yu Pang Li-Chieh Hsueh	5,000,000	100.00%
JSL Entertainment Co., Ltd.	Juridical person director Chairman (representative) Director (representative) Director (representative) Supervisor	JSL Construction & Development Co., Ltd. Yi Chu Tsung-Yu Pang You Wu Li-Chieh Hsueh	3,600,000	100.00%
JSL Food Art Creation Co., Ltd.	Juridical person director Chairman (representative)	JSL Construction & Development Co., Ltd. Po-Cheng Liu	300,000	100.00%
JSL Construction & Development Co., Ltd.	Juridical person director Chairman	JSL Construction & Development Co., Ltd. Yi Chu	300,000	100.00%
Chuwang Development Co., Ltd.	Juridical person director Chairman (representative) Director (representative) Director (representative) Supervisor	JSL Construction & Development Co., Ltd. Chih-Feng Lin Wei-Chun Wang Ching-Hisang Hu Yi Chu	660,000	100.00%
Shigang Construction and Development	Juridical person director Chairman (representative) Director (representative) Director (representative) Supervisor	JSL Construction & Development Co., Ltd. Ching-Tsai Chang Yi Chu Tsung-Yu Pang Li-Chieh Hsueh	30,000	100.00%

(II) Overview of the business operations of each affiliate

December 31, 2023/Unit: NT\$ in thousands (earnings per share in NT\$)

Company Name	Amount of Capital	Total Assets	Total Liabilities	Net Value	Operating revenue	Operating income (loss)	Profit and loss of the period (after taxes)	Earnings per share (after taxes)
JSL International Development Co., Ltd.	50,000	618,356	393,515	224,842	438,111	118,640	169,990	34.00
JSL Entertainment Co., Ltd.	36,000	131,509	80,487	51,022	79,299	(3,156)	(1,795)	(0.50)
JSL Food Art Creation Co., Ltd.	3,000	11,968	2,785	9,183	21,224	4,695	3,780	12.60
JSL Construction & Development Co., Ltd.	3,000	11,761	5,284	6,477	41,197	3,412	2,767	9.22
Shigang Construction and Development	30,000	28,342	172	28,169	-	(282)	5	0.17
Chuwang Development Co., Ltd.	660,000	4,379,682	3,837,129	542,553	5,183,951	57,390	88,851	134.62

Declaration

In 2023 (from January 1, 2023 to December 31, 2023), the companies that should be included in the consolidated financial reports of affiliated companies based on “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” and the companies that should be included in the consolidated financial reports of subsidiaries based on “Consolidated and separate financial statements” of Section 10 of International Financial Reporting Standards were the same. The related information that should be disclosed in the consolidated financial statements of affiliated companies are also already disclosed in the consolidated financial reports for subsidiaries, so that the consolidated financial statements of affiliated companies would not be published separately.

Very truly yours

Company Name: JSL Construction & Development Co., Ltd.

Chairman: Wen-Yu Chu

Date: March 15, 2024



CPA Review Opinion on Relationship Report

Recipient: JSL Construction & Development Co., Ltd.

The 2023 Relationship Report of JSL Construction & Development Co., Ltd. has been reviewed by us according to the regulations of Tai-Tsai-Zheng (VI) Document #04448 dated November 30, 1999 issued by the Securities and Futures Bureau, Ministry of Finance. The review is to check whether the 2023 Relationship Report of JSL Construction & Development Co., Ltd. was prepared in accordance with the provisions of the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises”. We hereby issue our review opinions that there are no major discrepancies found between the disclosed information and the relevant information disclosed in the footnotes of the financial statements of the same period audited by us on March 15, 2024.

According to our review results, we have not found violations of the provisions of the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” in the preparation of the abovementioned relationship report, nor did we find any major discrepancies between the disclosed information in the abovementioned relationship report and the relevant information disclosed in the footnotes of the financial statements of the same period.

KPMG Taiwan

張世欽



黃欣婷



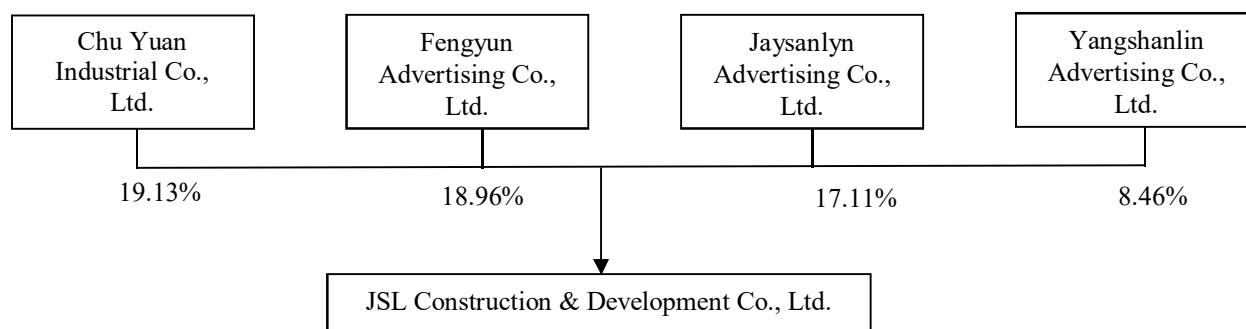
Accounting

Original approval : Jin-Guan-Zheng-Liu-Zi Document #0940100754
document number from the : Jin-Guan-Zheng-Shen-Zi Document #1100333824
Securities and Futures
Institute

March 15, 2024

JSL Construction & Development Co., Ltd.

1. Organizational chart of affiliated organizations:



2. Overview of the relationship between the subsidiary and the controlling company:

Controlling company	Reason for control	Controlling company's shareholding and pledge			Status on the controlling company appointing directors, supervisors or managers	
		No. of Shares Held	Ownership	Number of pledged shares	Job title	Name
Chu Yuan Industrial Co., Ltd.	Appointees appointed as the Company's director	76,773,228	19.13 %	29,500,000	Director	Wen-Yu Chu
Fengyun Advertising Co., Ltd.	Appointees appointed as the Company's director	75,484,446	18.96 %	16,580,000	Director	Ching-Tsai Chang
Jaysanlyn Advertising Co., Ltd.	Appointees appointed as the Company's director	68,139,308	17.11 %	12,390,000	Director	Ying-Chu Chang
Yangshanlin Advertising Co., Ltd.	Appointees appointed as the Company's director	45,495,648	8.67%	11,080,000	Director	Yi Chu

3. Status of transaction:

(1) Status of purchase and sales:

Unit: in thousands

Status of transaction with controlling companies					Terms of transaction with controlling companies		General terms of transaction		Causes of difference	Accounts and bills receivable (paid)		Overdue accounts receivable			Remarks
Transaction object	Goods purchases (sales)	Amount	Ratio to total purchases (sales)	Gross purchase profit	Unit price (NT\$)	Credit period	Unit price (NT\$)	Credit period		Balance	to accounts and bills receivable (paid) ratio	Amount	Process mode	Allowance for bad debts	
Chu Yuan Industrial Co., Ltd.	(sales)	(18,919)	(0.34%)	12,649	Not applicable	In accordance with the contract.	Not applicable	In accordance with the contract.	None	18,919	0.90%	-	-	-	
Fengyun Advertising Co., Ltd.	Purchases	1,400	0.01%	Not applicable	Not applicable	In accordance with the contract.	Not applicable	In accordance with the contract.	None	-	-	-	-	-	

(2) Property transaction: None.

(3) Financial intermediation: None.

(4) Assets leasing:

Unit: In NT\$1,000

Lessee	Type of transaction (lease out or take lease)	Property		Lease period	Nature of lease	Basis for determining lease price	Collection (payment) method	Comparison with general rent standard	Total rent for the period	Status of collection/payment for the period	Other provisions
		Title	Location								
The Company	Take lease	Building	Floor 11-2, No. 166, Section 4, Zhongxiao East Road, Da'an District, Taipei City	2016.06.01 to 2028.12.31	Capital lease	Based on the local market standard	Monthly payment	Comparable	1,031	1,031	None

(5) Other important statuses of transaction: The Company has signed a consignment and planning appointment contract with related parties, and the accumulated amount has been valued as follows:

Unit: In NT\$1,000

Transaction object	Name of proposal	Selling period	Valued amount for the period	Accumulated valued amount
Fengyun Advertising Co., Ltd.	City Hall No. 1	2022/04/01 to one month after obtaining the use permit	34,656	58,410
	City Hall No. 2	2023/09/30 to one month after obtaining the use permit	17,253	17,253
	City of Love	2022/06/01 to one month after obtaining the use permit	10,010	19,429
Jaysanlyn Advertising Co., Ltd.	Garden Palace	2021.08.10 to 2024.07.31	3,780	15,320

4. Status of endorsement and guarantee: None.

- (III) Private equity securities transactions in recent years and to the publication date of the annual report: None.
- (IV) Holding or disposal of shares in the Company by the Company's subsidiaries during the most recent fiscal year or up to the date of publication of the annual report: None.
- (V) Other matters that require additional description: None.

Nine. Matters with Significant Impact on Shareholder Equity or Share Price in the Most Recent Year and as of the Date of Publication of Annual Report: None.

JSL Construction &
Development Co., Ltd.



Chairman: Wen-Yu Chu

