Stock Code：6171

穩健優質　深耕大城

大城地產股份有限公司
TA CHENG REAL ESTATE CO.,LTD.

(Formerly known as Taiwan Aries Co., Ltd.)

2023Annual Report

The Annual Report is available at:**http://mops.twse.com.tw**

http://www.aries-net.com.tw

Published on：May 27,2024

I. Spokesperson and Deputy Spokesperson of the Company:

Spokesperson	Deputy Spokesperson
Name: Chien, Shu-Chin	Name: Teng, Hsiang-Chien
Job Title: Director	Job Title: Manager of Finance Dept.
Tel: (04) 2358-0031	Tel: (04) 2358-0031
Email: chien@bigtown.com.tw	Email: joyce_deng@aries-net.com.tw

II. Address and telephone number of the Company's head office and branches:

Unit	Address	Tel. No.
Head Office	6F., No.839, Sec. 4, Taiwan Blvd., Xitun Dist., Taichung City 407, Taiwan (R.O.C)	(04)2358-0031

III. Name, address, Tel. No. and website of the shareholders' service Agency:

Name: Grand Fortune Securities Co., Ltd.

Address: 6F., No. 6, Sec. 1, Zhongxiao W. Rd., Zhongzheng Dist. (100), Taipei City

Tel: (02) 2371-1658

Tel: (02) 2371-5618

Website: http://www.gfortune.com.tw

IV. External auditor certifying the latest financial statements:

External Auditor: Huang, Hsiang-Ying, CPA & Tsao, Yong-Jen, CPA

Firm Name: EnWise CPAs & Co.

Address: 8F.-1, No. 130,Taiyuan N. Rd.,North Dist., Taichung City, Taiwan (R.O.C.)

Tel: (04) 2296-6234

Website: http://www.enwise.com.tw

V. Name of any exchanges where the Company's securities are traded offshore, and the method by which to access information on said offshore securities: None

VI. The Company's website: http://www.aries-net.com.tw

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One. Letter to Shareholders

The Company's 2023 Business Report and 2022 Business Plan are outlined as follows:

I. 2023 Business Report.

(1) Performance results of the Business Plan

The operating revenue, net recognized by the Company in 2023 was NT$1,382,349 thousand, decreased by 28.87% from NT$1,943,504 thousand in the previous year. The operating income was NT$284,718 thousand, decreased by 33.18% from NT$426,112 thousand in the previous year. The net income was NT$247,835 thousand, decreased by 28.38% from NT$346,037 thousand in the previous year.

(2)Budget implementation status: N/A

(3)Revenues & expenses and profitability analysis

1.Revenues and expenses

Unit: NT$ Thousand

Item	2023	2022	Increase/decrease in amount	Increase/decrease in percentage
Operating revenue, net	1,382,349	1,943,504	(561,155)	-28.87%
Gross profit	359,625	521,421	(161,796)	-31.03%
Operating income	284,718	426,112	(141,394)	-33.18%
Non-operating revenues and expenses	5,433	3,065	2,368	77.26%
Net income	247,835	346,037	(98,202)	-28.38%

2.Profitability analysis

Item		2023	2022
Return on assets (ROA) (%)		7.63	10.42
Return on equity (ROE) (%)		12.99	20.05
As a percentage of paid-in capital	Operating income (%)	28.47	42.61
	Income before tax (%)	29.01	42.91
Net profit margin (%)		17.92	17.80
Earnings per share (NT$)		2.48	3.46

(4) Overview of business development

The Company will develop its business in the following manners:

1. Evaluate suitable land via the market survey for development and construction, in order to increase the operating revenue.
2. Seek a joint construction partner and launch projects in the form of joint construction, in order to increase the operating revenue.
3. Implement the policy of elimination of remaining houses in the completed individual projects proactively, in order to increase the operating revenue and improve the inventory turnover rate.
4. Seek lessees for the land already acquired but remaining undeveloped, in order to increase the rental revenue.

5. The Company's projects under construction and scheduled dates of completion hereof are shown in the following chart:

Type of Project	Location	Product Planning	Total Houses	Remark
大城 11 月	Beitun District, Taichung City near Xiangshun E. Rd. and Junfu 9th Rd. intersection	B2-12F congregate housing	134 houses	Self-construction on self-possessed land
大城迎好事	Beitun District, Taichung City near Dunfu Road and Dunfu 12th Street	B4-15F congregate housing and shop	243 houses	Jointly constructed with Ta Cheng Construction Co., Ltd.
大城二月埕	Intersection of Junfu 13th Rd. and Taixiang Rd., Beitun District, Taichung City	B3-15F congregate housing and shop	80 houses	Self-construction on self-possessed land
悅讀大城-雲詠	Intersection of Rongde Rd. and Shanxi Rd., Beitun District, Taichung City	B2-13F congregate housing and shop	48 houses	Self-construction on self-possessed land
大城知丘	Intersection of Xiangshun 2nd St. Sec. 2 and Taihe 2nd St., Beitun District, Taichung City	B4-17F congregate housing and shop	198 houses	Jointly constructed with Ta Cheng Construction Co., Ltd.
大城光年	Beitun District, Taichung City near Dunfu Road and Dunfu 3th Street	B3-18F congregate housing and shop	194 houses	Self-construction on self-possessed land

II. Summary of 2024 Business Plan

(1) Business policy:

1. Robust corporate system: Establish a sound corporate governance system through compliance with laws and ethical codes.
2. Stakeholder communication service: Set up the stakeholder section on the official website to enhance the coordination in communication among shareholders, employees and suppliers, and disclosure of financial information.
3. Risk management system: Implement the system by establishing a sound internal control system and internal audit.
4. Budget management system: Set the budget target and review the achievement of the budget regularly via the budget system.
5. Fine-quality customer service: Uphold the honest and pragmatic service attitude, and design construction projects in line with customers' needs.
6. Responsibility for caring employees: Improve the employees' value and expertise through training and incentive for innovative ideas.

(2)Sales volume forecast and the basis thereof

Type of Project	Estimated houses to be sold	Estimated time of completion
大城迎好事	243 houses	August 2024
大城二月埕	80 houses	April 2025
悅讀大城-雲詠	48 houses	March 2026
大城知丘	198 houses	June 2026
大城光年	194 houses	October 2027

(3) Production & marketing policy

1. Observe the characteristics and conditions of the land, and implement the land development effects.
2. Break through the architectural framework, integrate into the aesthetics of life, and implement occupants' life quality.
3. Achieve unique artwork and improve the added value of buildings.
4. Insist on legal construction and education and training to improve the construction quality.
5. Uphold the sustainable management philosophy to improve consumers' willingness to purchase.

III. Future development strategy

(1) Production strategy

1. Land development: Vacant land development as the short-term goal, and implementation of the urban renewal plan as the long-term goal.
2. Product planning: With rigorous construction planning and execution work, the Company keeps researching new construction methods and tries to strike a balance among costs, construction period and quality, in order to improve consumers' reliance on the construction quality.
3. Building technology: Aim to improve the seismic strength of buildings, and emphasize the eco-friendly and energy-conservation space design and planning, and value the revisions to building laws and regulations and effects posed therefore, in order to strengthen the ability to manage construction projects.

(2) Marketing strategy

1. Planning stage: after prudently assessing the location and area of the land, the development department conducts return on investment analysis and evaluates the basis for acquiring land or building jointly with the land owners.
2. Design stage: the research and design department conducts product planning and design based on market demands.
3. Construction stage: the Engineering Dept. supervises the construction by adopt the strict construction planning, to control the quality of projects.
4. Sales stage: the Sales Department prepares product descriptions meeting customers' needs based on product positioning according to local conditions.
5. Delivery stage: the Customer Service Department, with a professional and careful service attitude, conducts after-sales service from pre-sale to delivery.

In nutshell, the Company has won the recognition of consumers through its prudent corporate culture, and gained social recognition and enhanced corporate competitiveness through its prudent and pragmatic style to achieve the goal of sustainable operation.

IV. Effects of external competition, legal environment, and overall business environment

(1) External competition

In Q4 2023, the Cathay Real Estate Index showed a steady price with increased volume season-on-season and year-on-year. In this quarter, the bidding price, price negotiation rate, number of projects promoted are both maintained steady; and amount of projects promoted remained increases slightly, while the sales rate and transaction volume both increased significantly. The Central Bank revised down the economic growth rate for 2023 to 1.40%, and kept the policy interest rate unchanged. A closer look at the performance of each region, comparing to the same quarter last year, the transaction prices in other regions are stable or rising, except that Hsinchu and Tainan go south; other than Hsinchu and Tainan, where the transaction volume decreases, in other regions, the transaction volumes are stable or increasing.

This quarter, under the impact of the equalization of Land Rights Act and the presidential election, the number of projects promoted nationwide fell by more than 10% year-on-year; the transaction volume rebounded due to the recovery of the economics and the stabilization of exports, as well as the surge in Taiwan's stock market. Overall, the housing market this quarter is rather bullish, showing a steady price with increased volume season-on-season and year-on-year. With the continuous facilitation of "Program for Healthy Real Estate Market," the Equalization of Land Rights Act and Non-self-use House Tax 2.0 are expected to exert the influence constantly. Furthermore, the Central Bank has not loosened its control policies, and that inflation has slowed year-on-year, the housing market shall to be monitored constantly after the election.

By reviewing the whole year, the demand for owner-occupiers is still the main force to supporting the housing market in 2024; continuing the trend of 2024, in 2024, the housing market is expected to move towards the trend of consolidation in price and volume. The domestic housing market is facing inflation, finance tightening for civil engineering and construction funds, financial market volatility, and the passage of the amendments to the Equalization of Land Rights Act after the third read, among other unfavorable factors. The price awareness gap between buyers and sellers has widened. In addition, from the full-year review, due to the continuous downward revision of the economic outlook, the effect of interest rate hikes, the implementation of amended Equalization of Land Rights Act, and the interference from the campaign of presidential election,

it is expected that the supply of the housing market will gradually shrink in the future. The Company's response is to prepare adequate product planning and design in response to the location and characteristics of the land, create the added value of the building per se (including the combination of eco-friendly construction materials and horizontal alliance), and through good after-sale service, seek to raise consumers' reliance and demand for the Company's products and also improve their loyalty toward the Company' brand, for the goal of sustainable operation.

(2) Legal environment

The legal environment involves building laws and regulations, taxation and government policies, e.g. two-in-one tax policy for real estate, Equalization ordinance, restrictions on capacity transfer, announced land price and flexible adjustment on the announced present value, and government's efforts in promoting the social housing guarantees and housing justice, charter and escrow policies to activate private vacant houses, housing subsidy resources to assist disadvantaged families, urban renewal to protect adequate housing rights, improvement of the real estate transaction system and construction of the professional leasing mechanism, actual price registration 2.0, and the policy of equalization of land rights. Changes in such laws and regulations will pose certain effects on the building industry's management. The Company will keep paying attention to any study on the laws and regulations to ensure shareholders' equity.

(3) Overall business environment

According to the macroeconomic forecast and observation of the Taiwan Institute of Economic Research, the recent international economic situation has improved slightly, although the manufacturing industry in the U.S. and Europe has continued to shrink. The manufacturing industry in Japan has declined due to reduced global demand, and the service industry has grown slightly with the expansion of new businesses. China is still dragged down by the real estate downturn, but the industrial and commercial activities have recovered.

In terms of the domestic manufacturing industry, benefited from the active business opportunities of emerging technologies, and the demand of goods driven by the gradual closeout of inventory in the supply chain, with the low base, the annual growth rate of export in December continued to rise. Moreover, the export orders and production of some traditional industries performed better than the previous month. Therefore, the manufacturing industry's economic outlook for the month and the next six months are significantly better than the previous survey. The model simulation shows that the business climate test points for the manufacturing, service, and construction sector in December 2023 increased simultaneously. The testing points of service and construction in December showed an upward trend for the second consecutive month, and the testing point of manufacturing industry turned to rise. In terms of the real estate industry, the number of transactions of building transactions in six major cities in December 2023 grew by 1.4% month-on-month. This is mainly due to the peak season for home buying before the end of the year, plus the injection of the policy "Housing Subsidies for the Youth 2.0." As a result, the rigid demand continued to emerge, boosting the buying momentum of low-total-price construction projects in suburban areas. Looking to the future, the domestic housing market will continue to develop in a positive trend. After all, the general housing market, which accounts for the majority of the real estate industry, will show a moderate increase in volume with stable price; while the momentum in land transactions and transactions in commercial real estate investment and trading markets will be pushed up by returning owner-occupied buyers, and real estate

developers waiting for opportunities. Moreover, the store rental market continues to show a recovery trend due to the booming tourism market.

For the macroeconomics in 2024, the economic growth in Taiwan is expected to be mainly supported by consumption and investment, and external demand will recover. Taiwan Institute of Economic Research forecasts that the domestic economic growth rate in 2024 will be 3.15%. The Company will launch products suitable for consumers by coping with the needs of different locations. It is expected that in the mid- and long term, the development of the housing market will become more robust due to the transparency of housing price information. Therefore, products with good geographical conditions and stable investment returns will be recognized and favored by the market. The Company, with a sustainable operation as the operating philosophy, believes that the planning of product types and the control of construction quality are the factors creating excellent operating performance with future growth momentum.

V. Business goals

Looking to 2024, the real estate industry is still conservative; the domestic economy continues to slow down, the mortgage interest rate is approaching 2%, the amendment to the Equalization of Land Rights Act has been passed after the third reading, and the new supply in the housing market increases incrementally; all these are unfavorable factors. It is estimated that the housing market in this year will show the pattern of "shrunken volume and flat prices."

The Company will continue to accurately collect and grasp market information, including regional development, changes in laws and regulations, changes in demographic structure, industrial distribution and movement, among other things, and improve the professional ability to judge the current situation, continue to deepen the Taichung market, to seek to be able to increase the company's turnover and profit through professional construction background and the operating approach with the goal of "sincere, simple and sustainable operation."

The management team and all of the Company's colleagues would like to extend appreciation to all of you for your support and encouragement. Meanwhile, the Company looks forward to continuing receiving your guidance and suggestions in the coming year. The Company will still adhere to the consistent management philosophy and service to present and share with your remarkable business results.

Wish all of you health and all the best!

Tacheng Real Estate Co.,Ltd.
Chairman: Lai, Yuan-Chao

Two. Company History

I. Date of Establishment: August 14, 1995

II. Company History

August 1995	Taiwan Aries Co., Ltd. was established, with the registered capital amounting to NT$32.5 million, primarily engaged in distribution of peripheral products related to computers, computer spar parts and information products.
August 1995	Granted the dealership of hard disk drivers by Seagate, a USA-based company, in Taiwan.
February 1996	Paid-in capital amounting to NT$51 million upon the cash capital increase by NT$18.5 million.
January 1997	Tainan Office established to engage in business in Jianan District.
May 1997	Paid-in capital amounting to NT$10 million upon the cash capital increase by NT$49 million.
August 1997	Hsinchu Office established to engage in business in the districts of Hsinchu and Miaoli.
September 1997	Kaohsiung Office established to engage in business in Gaoping District.
October 1997	Granted the dealership of CPU by AMD, a USA-based company, in Taiwan.
June 1998	Aries Power was officially published to provide customers with product information throughout Taiwan.
July 1998	Taichung Office established to engage in business in the Taichung City Metropolitan Area.
July 1999	Hsinchu Office relocated to Taoyuan to engage in business in the districts of Taoyuan, Hsinchu and Miaoli.
September 1999	Granted the dealership of printers by Lexmark, a USA-based company, in Taiwan.
December 1999	Head Office relocated to Sec. 5, Xinyi Rd., Taipei City, in response to the expanding business.
July 2000	Approved by the Securities and Futures Bureau, FSC for the initial public offering.
September 2000	Paid-in capital amounting to NT$180 million upon the cash capital increase by NT$60 million and recapitalization of capital surplus and earnings by NT$20 million.
July 2001	Capital amounting to NT$207 million upon the recapitalization of earnings and capital surplus by NT$27 million.
July 2001	Honored by the Ministry of Finance as an outstanding business entity for using uniform invoices honestly in 2001.
January 2002	Granted the dealership of LCD and optical products by BenQ Corporation.
January 2002	Listed on TPEx.
February 2002	Hsinchu Office established to engage in business in the districts of Hsinchu

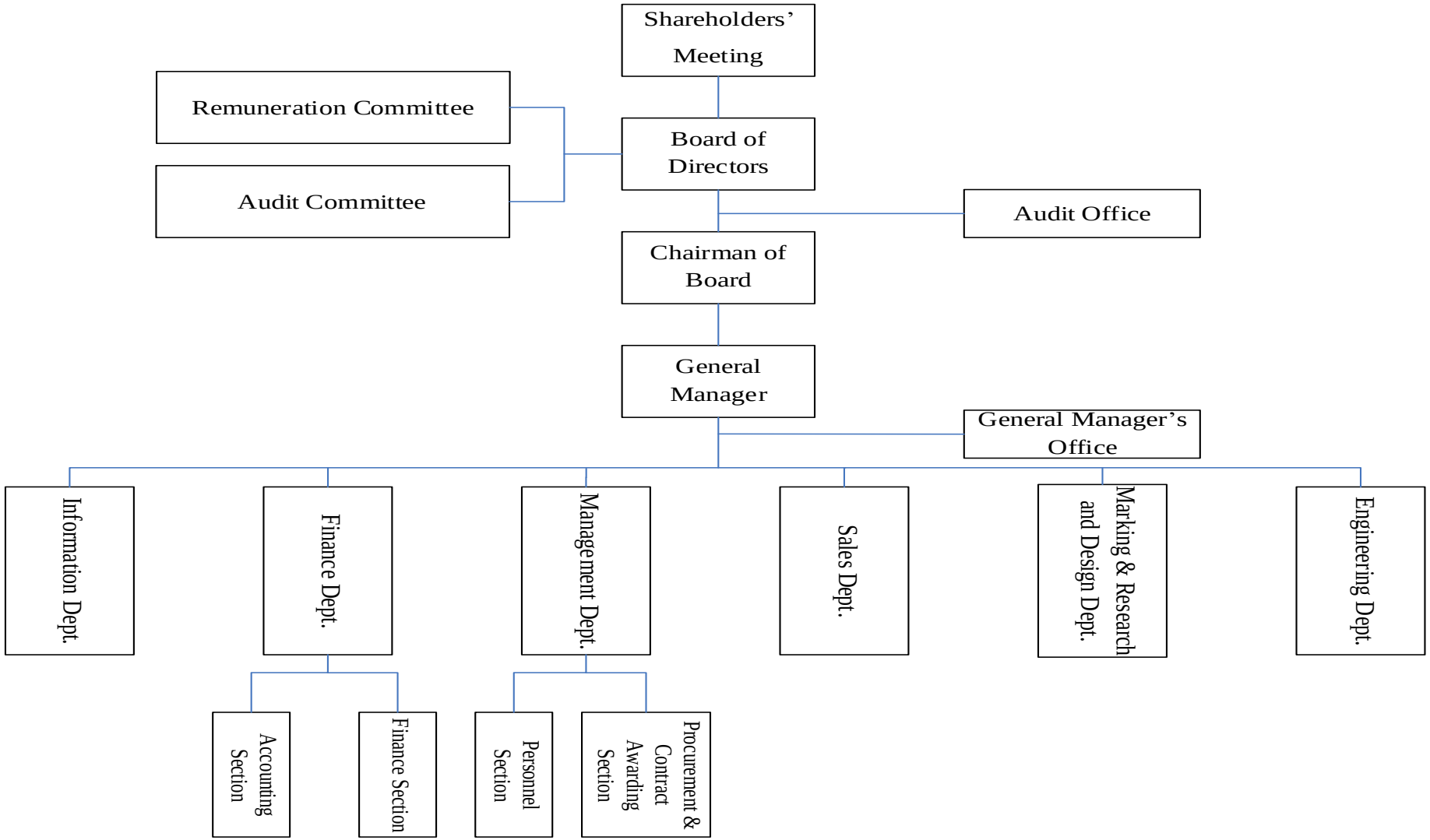
	and Miaoli.
April 2002	Listed on TWSE.
August 2002	Capital amounting to NT$241.05 million upon the recapitalization of earnings and capital surplus by NT$34.05 million.
August 2003	Capital amounting to NT$280.21 million upon the recapitalization of earnings and capital surplus by NT$39.16 million.
October 2003	Granted the dealership of flash memory module series by Power Memory International Co., Ltd.
December 2003	Granted the dealership of flash memory product family by Power Quotient International Co., Ltd.
August 2004	Capital amounting to NT$316.73 million upon the recapitalization of earnings and capital surplus by NT$36.52 million.
March 2005	Granted the dealership of 2.5-inch hard disk drivers by Samsung Electronics Co., Ltd., a Korea-based company, in Taiwan.
August 2005	Capital amounting to NT$333.52 million upon the recapitalization of earnings by NT$16.79 million.
March 2006	Capital amounting to NT$303.52 million upon cancellation of the repurchased treasury stocks.
July 2007	Granted the dealership of LCD by Hongtong Information Co., Ltd.
December 2008	Capital amounting to NT$273.52 million upon cancellation of the repurchased treasury stocks.
May 2009	Granted the dealership of printers by Brother International Taiwan Ltd. in Taiwan.
October 2009	Granted the dealership of LCD by TOP VICTORY INVESTMENTS LIMITED (AOC) in Taiwan.
October 2010	Granted the dealership of DRAM and external hard drive product family by Power Quotient International Co., Ltd.
January 2011	Granted the dealership of LCD by Philips in Taiwan.
March 2012	10 offerors including Kuo, Hui-Chen acquired about 41.83% of the Company's total ordinary shares by public tender offers.
May 2012	The shareholders' meeting re-elected five directors including Lai, Yuan-Chao, and three supervisors including Ta You Investment Co., Ltd., and amended the Articles of Incorporation to include additional business lines, introduce the housing construction, rental and sales of commercial buildings, construction materials trading and import/export, and interior decoration design business, and terminate the non-competition restriction imposed on new directors for business needs.
May 2012	The Board of Directors elected the new Chairman, Lai, Yuan-Chao, and increased the authorized capital as NT$1 billion.
June 2012	The Head Office was relocated to Taichung City, and the other regional

	officers were abandoned.
August 2013	The Board of Directors resolved to offer 33 million ordinary shares in private placement. The capital became NT$603.52 million upon the capital increase.
June 2014	The shareholders' meeting resolved to increase the authorized capital as NT$2 billion in response to future business planning.
May 2015	The Board of Directors resolved to offer 15 million ordinary shares in private placement. The capital became NT$753.52 million upon the capital increase.
January 2017	The Company's application for retroactive handling of the 2013 public offering of 33,000 thousand ordinary shares in private placement was already approved by TPEx via its approval letter under Zhen-Gui-Jian-Zi No. 1050201495 dated December 28, 2016, and granted the effective registration from FSC via FSC's letter under Jin-Guan-Zheng-Fa-Zi No. 1050054189 dated January 10, 2017.
September 2018	The Company's application for retroactive handling of the 2015 public offering of 15,000 thousand ordinary shares in private placement was already approved by TPEx via its approval letter under Zhen-Gui-Jian-Zi No. 1070201160 dated September 3, 2018, and granted the effective registration from FSC via FSC's letter under Jin-Guan-Zheng-Fa-Zi No. 1070334897 dated September 19, 2018.
September 2021	The Company was renamed as "Tacheng Real Estate Co.,Ltd." upon receipt of the approval letter from the Ministry of Economic Affairs under Jing-Shou-Shang-Zi No. 11001163030 dated September 9, 2021.
September 2021	The Company has been granted the effective registration from FSC on September 17, 2021, and approved by the Ministry of Economic Affairs to change its paid-in capital into NT$866.55 million via the approval letter under Jing-Shou-Shang-Zi No. 11001202460 dated November 5, 2021.
September 2022	The Company has been granted the effective registration from FSC on July 18, 2022, and approved by the Ministry of Economic Affairs to change its paid-in capital into NT$1,000 million via the approval letter under Jing-Shou-Shang-Zi No. 11101177170 dated September 16, 2022.

Three. Corporate Governance Report

I. Organization System

(1) Organizational Structure Chart



(2) Business operations by major departments

Main departments	Main functions
General Manager's Office	Adopt the business policy and take charge of various departments' operations throughout the Company.
Audit Office	Conduct the audit of the Company's internal regulations and systems, and propose suggestions for improvement.
Sales Dept.	Responsible for collection of installment payments, title transfer registration, settlement and after-sale services.
Engineering Dept.	Estimate the quantity of work per the design drawing & specifications, and prepare the construction budget in response to the items and unit price of work, supervise the management of construction progress, quality, safety, environmental protection and quantity, inspection & acceptance, and submission of the final report on construction projects.
Marking & Research and Design Dept.	Overall planning about products, review and certification of drawings, and changes and estimation of customers' change operations.
Management Dept.	Execute the procurement and contract awarding, prepare the personnel's attendance record and verify salaries.
Finance Dept.	Accounting Section: Accounting, taxation, cost analysis and controls. Finance Section: Responsible for operations in response to the Company's fund allocation and cashier operations.
Information Dept.	Cyber system inventory and risk assessment, information system development and security, cyber security protection and control, outsourced processing of information systems or cyber services, notification of cyber security incidents and response.

II. Background information about Directors, Supervisors, General Managers, Vice General Managers, Assistant Vice Presidents, and Heads of Departments and Branches

(1) Directors

1. Information about directors

April 29, 2024

Job title	Nationality or place of registration	Name	Gender/ age	Date of (elected to) office:	Term of office	Date first elected	Number of shares held by them at the time of appointment		Current shares		Shares held by spouse and underage children		Shares held in the name of a third party		Major work experience (educational background)	Concurrent positions in the Company and other companies	Spouse or relatives within 2nd degree of kinship acting as a director, supervisor or other managerial officers			Remark
							Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding			Job title	Name	Relationship	
Chairman of Board	R.O.C.	Lai, Yuan-Chao	Male 61~70 years old	August 27, 2021	3 years	May 14, 2012	26,919,874	35.73%	34,625,530	34.63%	1,300,564	1.30%	-	-	Master of Science in Management, National Chung Hsing University Department of Architecture, National United University Taichung City Urban Design Review Member Managing Director of Taiwan Action Bodhisattva Education Association Chairman of the 11th Taichung Real Estate Development Association Taichung City Construction Dispute Review Member Taichung City Land Value and Standard Land Value Review Member Taichung City Real Estate Dispute Mediation Member	Chairman of Board, Ta Cheng Construction Co., Ltd.	Director's juristic person representative	Liang-Cheng,Lai	Father and son	Note 1
																	Director's juristic person representative	Lai, Wen-Ling	Father and daughter	
																	General Manager	Yuchun Liao	Father-in-law and son-in-law	
Director	R.O.C.	Jin Cheng Investment Co., Ltd.		August 27, 2021	3 years	May 14, 2012	4,900,000	6.50%	6,502,820	6.50%	-	-	-	-	None	None	None	None	None	
		Juristic-person representative: Liang-Cheng,Lai	Male 31~40 years old			June 21, 2018	-	-	1,100,000	1.10%	-	-	-	-	Master in Monetary Economics, University of Exeter	Special Assistant, Ta Cheng Construction Co., Ltd.	Director	Lai, Yuan-Chao	Father and son	
																	Director's juristic person representative	Lai, Wen-Ling	Sister and brother	

Job title	Nationality or place of registration	Name	Gender/ age	Date of (elected to) office:	Term of office	Date first elected	Number of shares held by them at the time of appointment		Current shares		Shares held by spouse and underage children		Shares held in the name of a third party		Major work experience (educational background)	Concurrent positions in the Company and other companies	Spouse or relatives within 2nd degree of kinship acting as a director, supervisor or other managerial officers			Remark
							Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding			Job title	Name	Relationship	
Director	R.O.C.	Jin Cheng Investment Co., Ltd.		August 27, 2021	3 years	May 14, 2012	4,900,000	6.50%	6,502,820	6.50%	-	-	-	-	None	None	None	None	None	
		Juristic-person representative: Chien, Shu-Chin	Female 51~60 years old	August 27, 2021	3 years	May 14, 2012	-	-	-	-	-	-	-	-	Master of Science in Management, National Chung Hsing University Assistant Officer, EnWise CPAs & Co.	Vice General Manager, Ta Cheng Construction Co., Ltd.	None	None	None	
Director	R.O.C.	Ta You Investment Co., Ltd.		August 27, 2021	3 years	August 27, 2021	2,500,000	3.32%	3,317,765	3.32%	-	-	-	-	None	None	None	None	None	
		Juristic-person representative: Lai, Wen-Ling	Female 31-40 years old			August 27, 2021	-	-	530,842	0.53%	23,080	0.02%	-	-	Master of Architecture, Feng Chia University Department of Civil Engineering, National United University	Special Assistant, Ta Cheng Construction Co., Ltd.	Director	Lai, Yuan-Chao	Father and daughter	
																	General Manager	Yuchun Liao	Spouse	
																	Director's juristic person representative	Liang-Cheng,Lai	Sister and brother	
Director	R.O.C.	Ta You Investment Co., Ltd.		June 28, 2023	3 years	August 27, 2021	2,500,000	3.32%	3,317,765	3.32%	-	-	-	-	None	None	None	None	None	
		Juristic-person representative: Yuchun Liao	Female 41-50 years old			June 28, 2023	-	-	23,080	0.02%	530,842	0.53%	-	-	Construction Economics Management, The Bartlett School of Architecture Associates Current position: President, Tacheng Real Estate Co.,Ltd.	General Manager, Ta Cheng Construction Co., Ltd	Director	Lai, Yuan-Chao	Father in law	
																	Director's juristic person representative	Lai, Wen-Ling	Spouse	
																	Director's juristic person representative	Liang-Cheng,Lai	Brother in law	
Independent director	R.O.C.	Yang, Tung-Hsiao	Male 41~50 years old	August 27, 2021	3 years	June 21, 2018	-	-	-	-	-	-	-	-	Doctor of Finance, Louisiana State University Professor of Department of Finance, National Chung Hsing University	None	None	None	None	

Job title	Nationality or place of registration	Name	Gender/ age	Date of (elected to) office:	Term of office	Date first elected	Number of shares held by them at the time of appointment		Current shares		Shares held by spouse and underage children		Shares held in the name of a third party		Major work experience (educational background)	Concurrent positions in the Company and other companies	Spouse or relatives within 2nd degree of kinship acting as a director, supervisor or other managerial officers			Remark
							Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding			Job title	Name	Relationship	
Independent director	R.O.C.	Young Weiju	Female 51~60 years old	August 27, 2021	3 years	June 21, 2018	-	-	-	-	-	-	-	-	Doctor of Science in Management, National Yunlin University of Science and Technology Vice Professor of Department of Accounting, Chaoyang University of Technology, Assistant Manager of Deloitte Taiwan, Senior Assistant General Manager of Chinatrust Investment Co., Ltd.	None	None	None	None	
Independent director	R.O.C.	Lin, Chun-Mao	Male 51~60 years old	August 27, 2021	3 years	August 27, 2021	-	-	-	-	-	-	-	-	Doctor of Finance, Feng Chia University. Chairman of Board, Nature platform Construction Co., Ltd. CEO of Dingyu Family Office Vice General Manager of UBS	None	None	None	None	
Independent director	R.O.C.	Wen Yen-Jung	Female 61~70 years old	June 28, 2023	3 years	June 28, 2023	-	-	-	-	-	-	-	-	Department of Business Administration National Open University Manager, Nantun Branch, Land Bank Manager, Zhongqing Branch, Land Bank	None	None	None	None	

Note 1: Where the Company's General Manager and Chairman are relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto.

(1) The Company's General Manager is the spouse of the daughter of the Company's Chairman. Therefore, they are relatives within the first degree of kinship.

(2) The Company is engaged in business of construction materials and construction. The General Manager's educational background and work experience may benefit the Company's business. Therefore, there is reasonableness and necessity.

(3) According to the Taipei Exchange Directions for Compliance Requirements for the Appointment and Exercise of Powers of the Boards of Directors of TPEx Listed Companies, if the board chairperson and the general manager or a person holding an equivalent position of a TPEx listed company are the same person or are spouses or relatives within the first degree of kinship, the company shall appoint not less than 4 independent directors by 31 December 2023. The Company already to add 4 independent directors in 2023.

2. Major shareholders of juristic person shareholders

April 29, 2024

Name of juristic person shareholder	Major shareholders of juristic person shareholders
Jin Cheng Investment Co., Ltd.	Lai, Yuan-Chao (57.53%), Hsu, Chin-Ming (1.00%), Lai, Yuan-Min (15.00%), Fu, Chin-Chen (12.46%), Liang-Cheng, Lai (14.01%)
Ta You Investment Co., Ltd.	Lin, Chun-Jen (11.59%), Fu, Chin-Chen (32.08%), Lai, Hsin-Yu (48.08%), Lai, Wen-Ling (8.25%)

Juristic person shareholders' major shareholders who are juristic persons: None.

3. Disclosure of directors expertise and independent directors' independence information

April 29, 2024

Name \ Conditions	Professional qualifications and experience	Independence	Number of other public companies in which the independent director concurrently serve as an independent director
Lai, Yuan-Chao	Have work experience in the field of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company.	A general director, not an independent one.	Not applicable
Representative of Jin Cheng Investment Co., Ltd.: Liang-Cheng,Lai	Have work experience in the field of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company.	A general director, not an independent one.	Not applicable
Representative of Jin Cheng Investment Co.,Ltd.: Chien, Shu-Chin	Have work experience in the field of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company.	A general director, not an independent one.	Not applicable
Representative of Ta You Investment Co., Ltd.: Lai, Wen-Ling	Have work experience in the field of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company.	A general director, not an independent one.	Not applicable
Representative of Ta You Investment Co., Ltd.: Yuchun Liao	Have work experience in the field of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company.	A general director, not an independent one.	Not applicable
Yang, Tung-Hsiao	Have work experience in the field of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company, and an instructor or higher in a public or private junior college, college, or university	The Company has received the written statement from each independent to confirm the independence of them and their lineal relatives to the Company.	None
Young Weiju	Have work experience in the field of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company, an instructor or higher in a public or private junior college, college, or university, and other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession.	The Company has received the written statement from each independent to confirm the independence of them and their lineal relatives to the Company.	None
Lin, Chun-Mao	Have work experience in the field of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company.	The Company has received the written statement from each independent to confirm the independence of them and their lineal relatives to the Company.	One
Wen Yen-Jung	Have work experience in the field of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company.	The Company has received the written statement from each independent to confirm the independence of them and their lineal relatives to the Company.	One

4. Directors' diversity policy, management goals, implementation status and independence

(1) Directors' diversity policy: The Company expressly states in the "Corporate Governance Best Practice Principles" that the composition of the Board of Directors shall be determined by taking diversity into consideration, and all members of the Board shall have the knowledge, skills, and experience necessary to perform their duties, and achieve the corporate governance target, irrelevant with gender, race and nationality. Until the end of 2023, two director was at the age of 31~40 years old, two director at the age of 41~50 years old, three director at the age of 51~60 years old, and two directors at the age of 61~70 years old. There were four female directors, i.e. 44% of the whole directors, reflecting the diversity of the Company's Board of Directors.

(2) Directors' management goals and achieve situation : The Company's Board of Directors shall possess the abilities including，Ability to make operational judgments、Ability to perform accounting and financial analysis、Ability to conduct management administration、 Ability to conduct crisis management、Industrial knowledge、 An international market perspective、Leadership、Ability to make decisions, in order to achieve the Company's business needs and corporate governance.

Management goals	Achieve situation
It is advisable that the number of directors who also serve as the Company's managerial officers shall not exceed one-third of the total seats of directors	Achieve
Seats of independent directors are more than one-third of the total seats of directors.	Achieve
Independent director not serving more than three consecutive terms	Achieve
One-third of director seats are held by either gender	Achieve

(3) Implementation status: The Company has nine directors currently, including four independent directors and four female directors, i.e. 44% and 44% of the whole directors, respectively. The Board members hold expertise in industry, accounting and marketing, and also the ability to conduct management administration, lead and make decision, make operational judgments, conduct crisis management, and perform accounting and financial analysis, and also industrial knowledge and an international market perspective in the context of the expertise, demonstrating the diversified complementary effects.

(4) Independence of directors: The Company has nine directors currently, including four independent directors who are held to satisfy the requirements about independent directors imposed by the Securities and Futures Bureau, SFC, and also comply with Paragraph 3 and Paragraph 4 of Article 26-3 of the Securities and Exchange Act which provide that no spousal relationship, or familial relationship within the second degree of kinship may exist among a majority of the Company's directors.

(2) Profiles of the General Manager, Vice General Managers, Assistant Vice Presidents, and the heads of the departments and branches

April 29, 2024

Job title	Nationality	Name	Gender	Date of (elected to) office	Shares held		Spouse and underage children Shares held by		Shares held in the name of a third party		Major work experience (educational background)	Concurrent positions in other companies	Spouse or relatives within 2nd degree of kinship acting as other managerial officer			Remark
					Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding			Job title	Name	Relationship	
General Manager	R.O.C.	Yuchun Liao	Male	May 1, 2018	23,080	0.02%	530,842	0.53%	-	-	Construction Economics Management, The Bartlett School of Architecture General Manager, Construction Economics Management, The Bartlett School of Architecture Da Rong Architects & Associates architectural designer	None	None	None	None	Note 1
Manager of Management Dept.	R.O.C.	Chou,Mei-Li	Female	January 1,2022	-	-	-	-	-	-	Department of Accounting, Taichung University of Technology Ta Cheng Construction Procurement outsourcing section manager Xinbang Construction Accounting Director	None	None	None	None	
Manager of Sales Dept..	R.O.C.	Chiu,Hsiao-Ling	Female	September 1,2017	15,752	0.02%	10,405	0.02%	-	-	Department of Information Management Ling Tung University of Technology Ta Cheng Construction Assistant manager of Sales Dept	None	None	None	None	
Manager of Marking & Research and Design Dept.	R.O.C.	Tsai,Chiu-Lan	Female	September 1,2017	-	-	-	-	-	-	Department of Architecture and Urban Design master Chaoyang University of Technology Liu,Pi-Li Construction Accounting Director Liu,Ming-Shuc onstruction Accounting Director	None	None	None	None	
Manager of Finance Dept.	R.O.C.	Teng, Hsiang-Chien	Female	June 4, 2012	-	-	-	-	-	-	Bachelor, Department of Accounting, Tunghai University Chiang Shun Post Co., Ltd.	None	None	None	None	

Job title	Nationality	Name	Gender	Date of (elected to) office	Shares held		Spouse and underage children Shares held by		Shares held in the name of a third party		Major work experience (educational background)	Concurrent positions in other companies	Spouse or relatives within 2nd degree of kinship acting as other managerial officer			Remark
					Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding			Job title	Name	Relationship	
Supervisor of Corporate Governmance	R.O.C.	Chiu, Yueh-Fei	Female	November 9, 2022	-	-	-	-	-	-	Department of International Trade, Tamsui Institute of Business Administration Tacheng Real Estate Assistant Manager of Finance Department,	None	None	None	None	
Specialist, Audit Office	R.O.C.	Lee, Yi-Hsiu	Female	August 22, 2007	-	-	-	-	-	-	Department of Accounting, Ling Tung University Bauhaus Enterprise Ltd.	None	None	None	None	

Note 1: Where the Company's General Manager and Chairman are relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto.

(1) The Company's General Manager is the spouse of the daughter of the Company's Chairman. Therefore, they are relatives within the first degree of kinship.

(2) The Company is engaged in business of construction materials and construction. The General Manager's educational background and work experience may benefit the Company's business. Therefore, there is reasonableness and necessity.

(3) According to the Taipei Exchange Directions for Compliance Requirements for the Appointment and Exercise of Powers of the Boards of Directors of TPEx Listed Companies, if the board chairperson and the general manager or a person holding an equivalent position of a TPEx listed company are the same person or are spouses or relatives within the first degree of kinship, the company shall appoint not less than 4 independent directors by 31 December 2023. The Company already to add 4 independent directors in 2023.

III. Compensation to Directors, Supervisors, General Managers, and Vice General Managers in the latest year

(1) Compensation to directors

1. Compensation to directors (including independent directors)

December 31, 2023; Unit: NT$ Thousand

Job title	Name	Compensation to directors								Sum of A, B, C, and D as a percentage of net income (%)		Employee compensation received by directors								Sum of A, B, C, D, E, F, and G as a percentage of net income (%)		Compensation from investees other than subsidiaries or from the parent company
		Return (A)		Retirement pension (B)		Remuneration to directors (C) (Note 3)		Professional practice fees (D)				Salaries, bonuses and special allowances, etc. (E)		Retirement pension (F)		Remuneration to employees (G)						
																The Company		Companies included in the financial statements		The Company	Companies included in the financial statements	
		The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	Amount in cash	Amount in stock	Amount in cash	Amount in stock			
Chairman of Board	Lai, Yuan-Chao	1,640	1,640	-	-	152	152	36	36	0.7376	0.7376	-	-	-	-	-	-	-	-	0.7376	0.7376	None
Director	Representative of Jin Cheng Investment Co., Ltd.: Chien, Shu-Chin	-	-	-	-	64	64	36	36	0.0403	0.0403	-	-	-	-	-	-	-	-	0.0403	0.0403	None
Director	Representative of Jin Cheng Investment Co., Ltd.: Liang-Cheng,Lai	-	-	-	-	64	64	30	30	0.0379	0.0379	-	-	-	-	-	-	-	-	0.0379	0.0379	None
Director	Representative of Ta You Investment Co., Ltd.: Lai, Wen-Ling	-	-	-	-	64	64	36	36	0.0403	0.0403	-	-	-	-	-	-	-	-	0.0403	0.0403	None
Director	Representative of Ta You Investment Co., Ltd.: Yuchun Liao	-	-	-	-	34	34	12	12	0.0186	0.0186	1,292-	1,292-	0.5213-	0.5213-	-	-	-	-	0.5399	0.5399	None
Independent director	Yang, Tung-Hsiao	360	360	-	-	-	-	48	48	0.1646	0.1646	-	-	-	-	-	-	-	-	0.1646	0.1646	None
Independent director	Young Weiju	360	360	-	-	-	-	48	48	0.1646	0.1646	-	-	-	-	-	-	-	-	0.1646	0.1646	None
Independent director	Lin, Chun-Mao	360	360	-	-	-	-	48	48	0.1646	0.1646	-	-	-	-	-	-	-	-	0.1646	0.1646	None
Independent director	Wen Yen-Jung	179	179	-	-	-	-	12	12	0.0771	0.0771	-	-	-	-	-	-	-	-	0.0771	0.0771	None
Total		2,899	2,899	-	-	378	378	306	306	1.4456	1.4456	1,292-	1,292-	0.5213-	0.5213-	-	-	-	-	1.9669	1.9669	-

Please state the policies, systems, standards and structure of compensation to independent directors, and relations with the compensation: Please refer to Page 23-25 of the annual report.

Compensation Scale Table

Breakdown of compensation to each of the Company's directors	Name of Director			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements
Less than NT$1,000,000	Representative of Jin Cheng Investment Co., Ltd.: Chien, Shu-Chin Representative of Jin Cheng Investment Co., Ltd.: Liang-Cheng, Lai Representative of Ta You Investment Co., Ltd.: Lai, Wen-Ling Representative of Ta You Investment Co., Ltd.: Yuchun Liao Yang, Tung-Hsiao Young Weiju Lin, Chun-Mao Wen Yen-Jung	Representative of Jin Cheng Investment Co., Ltd.: Chien, Shu-Chin Representative of Jin Cheng Investment Co., Ltd.: Liang-Cheng, Lai Representative of Ta You Investment Co., Ltd.: Lai, Wen-Ling Representative of Ta You Investment Co., Ltd.: Yuchun Liao Yang, Tung-Hsiao Young Weiju Lin, Chun-Mao Wen Yen-Jung	Representative of Jin Cheng Investment Co., Ltd.: Chien, Shu-Chin Representative of Jin Cheng Investment Co., Ltd.: Liang-Cheng, Lai Representative of Ta You Investment Co., Ltd.: Lai, Wen-Ling Yang, Tung-Hsiao Young Weiju Lin, Chun-Mao Wen Yen-Jung	Representative of Jin Cheng Investment Co., Ltd.: Chien, Shu-Chin Representative of Jin Cheng Investment Co., Ltd.: Liang-Cheng, Lai Representative of Ta You Investment Co., Ltd.: Lai, Wen-Ling Yang, Tung-Hsiao Young Weiju Lin, Chun-Mao Wen Yen-Jung
NT$1,000,000 (inclusive)～ NT$2,000,000 (exclusive)	Lai, Yuan-Chao	Lai, Yuan-Chao	Lai, Yuan-Chao Representative of Ta You Investment Co., Ltd.: Yuchun Liao	Lai, Yuan-Chao Representative of Ta You Investment Co., Ltd.: Yuchun Liao
NT$2,000,000 (inclusive)～ NT$3,500,000 (exclusive)	None	None	None	None
NT$3,500,000 (inclusive)～ NT$5,000,000 (exclusive)	None	None	None	None
NT$5,000,000 (inclusive)～ NT$10,000,000 (exclusive)	None	None	None	None
NT$10,000,000 (inclusive)～ NT$15,000,000 (exclusive)	None	None	None	None
NT$15,000,000 (inclusive)～ NT$30,000,000 (exclusive)	None	None	None	None
NT$30,000,000 (inclusive)～ NT$50,000,000 (exclusive)	None	None	None	None
NT$50,000,000 (inclusive)～ NT$100,000,000 (exclusive)	None	None	None	None
Over NT$100,000,000	None	None	None	None
Total	9 persons	9 persons	9 persons	9 persons

(2) Compensation to General Manager and Vice General Managers

December 31, 2023; Unit: NT$ Thousand

Job title	Name	Salaries (A)		Retirement pension (B)		Salaries, bonuses and special allowances, etc. (E)		Remuneration to employees (D)				Sum of A, B, C, and D as a percentage of net income (%)		Compensation from investees other than subsidiaries or from the parent company
		The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company		Companies included in the financial statements		The Company	Companies included in the financial statements	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
General Manager	Yuchun Liao	1,292	1,292	-	-	-	-	-	-	-	-	0.5213	0.5213	None
Total		1,292	1,292	-	-	-	-	-	-	-	-	0.5213	0.5213	-

Compensation Scale Table

Breakdown of compensation to each of the Company's General Managers and Vice General Managers	Name of General Manager and Vice General Manager	
	The Company	Companies included in the financial statements
Less than NT$1,000,000	None	None
NT$1,000,000 (inclusive)～ NT$2,000,000 (exclusive)	Yuchun Liao	Yuchun Liao
NT$2,000,000 (inclusive)～ NT$3,500,000 (exclusive)	None	None
NT$3,500,000 (inclusive)～ NT$5,000,000 (exclusive)	None	None
NT$5,000,000 (inclusive)～ NT$10,000,000 (exclusive)	None	None
NT$10,000,000 (inclusive)～ NT$15,000,000 (exclusive)	None	None
NT$15,000,000 (inclusive)～ NT$30,000,000 (exclusive)	None	None
NT$30,000,000 (inclusive)～ NT$50,000,000 (exclusive)	None	None
NT$50,000,000 (inclusive)～ NT$100,000,000 (exclusive)	None	None
Over NT$100,000,000	None	None
Total	1 person	1 person

(3) Names of managers who receive employee remuneration, and the final allocation

December 31, 2023; Unit: NT$ Thousand

Item	Job title	Name	Amount in stock	Amount in cash	Total	The total amount in proportion to net income (%)
Manager	General Manager	Yuchun Liao	0	0	0	0

(4) Amount of compensation paid in the latest 2 years by the Company and all companies included in the consolidated financial statements to the Company's directors, supervisors, General Manager, and Vice General Managers, and their respective proportions to the net income, as well as the policies, standards, and packages by which they were paid, the procedures through which compensations were determined, and their association with business performance and future risks:

(1) Amount of compensation paid in the latest 2 years by the Company to the Company's directors, supervisors, General Manager, and Vice General Managers, and their respective proportions to the net income referred to in the parent company only or individual financial statements:

December 31, 2023; Unit: NT$ Thousand

Year / Item	2023				2022			
	Compensation		in proportion to net income (%)		Compensation		in proportion to net income (%)	
Job title	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements
Director	3,583	3,583	1.4456	1.4456	3,352	3,352	0.9687	0.9687
General Manager	1,292	1,292	0.5213	0.5213	1,244	1,244	0.3595	0.3595

The difference in the compensation amounts for directors, supervisors and president of the Company for 2023 and 2022 were not significantly different, and the difference was only NT$279 thousand between the two years, with a difference rate of 6.07%.

(2) Policies, standards, and packages by which they were paid, the procedures through which compensations were determined, and their association with business performance and future risks:

Explanation / Item	Compensation to directors	Compensation to General Manager
Compensation policy	1. Subject to the Company's "Regulations Governing Allocation of Compensation to Directors, Functional Committee Members and General Manager." 2. According to the Articles of Incorporation, no more than 3% of the annual profits concluded by the Company, if any, shall be allocated as remuneration to directors, and reported to a shareholders' meeting.	1. Subject to the Company's "Regulations Governing Allocation of Compensation to Directors, Functional Committee Members and General Manager." 2. The salary, functional allowance, meal allowance and transportation allowance shall be reported to the Remuneration Committee for authorization, subject to the educational background, work experience and seniority, and then submitted to the Board of Directors for resolution.
Standards and packages, and procedures through which compensations were determined	1. Fixed remuneration applies to independent directors. 2. It refers to the transportation allowance received by directors for participation in corporate governance. Any directors who fail to attend the Board of Directors meeting in person shall not claim the transportation allowance. 3. The Chairman of the Board is authorized to prepare the proposal for distribution ratio and amount of the remuneration to directors as allocated per the Articles of Incorporation, subject to the directors' engagement in the Company's operations and contribution value, and then submit the proposal to Remuneration	The General Manager's salary and remuneration consist of fixed monthly pay, and variable pay (including performance bonus and year-end bonus), as decided by Remuneration Committee in reference to the pay level among the peer companies, and then subject to the approval of the Board of Directors.

Explanation / Item	Compensation to directors	Compensation to General Manager
	Committee for authorization and then to the Board of Directors for approval. None of the independent directors shall participate in the allocation of remuneration to directors under the Articles of Incorporation. 4. The Chairman's salary and remuneration consist of fixed monthly pay, and variable pay (including performance bonus and year-end bonus), as decided by Remuneration Committee in reference to the pay level among the peer companies, and then subject to the approval of the Board of Directors.	
The procedures through which compensations were determined, and their association with business performance and future risks	1. The Company regularly evaluates the remuneration of directors in accordance with the "Self-Evaluation or Peer Evaluation Measures for Board of Directors", and the performance evaluation results and rationality of compensation are all reviewed by the Remuneration Committee and the board of directors. 2. Subject to the directors' engagement in the Company's operations and contribution value, Remuneration Committee reviews the compensation system regularly.	1. Then, the salary shall be appraised pursuant to the Company's regulations governing appraisal on salary, and Remuneration Committee reviews the reasonableness of remuneration regularly. 2. Various work subsidies and bonuses are regularly determined according to the Company's management measures every year, and the relevant bonuses are granted based on the annual business performance, financial status, operational status, and personal work performance; in addition, if the Company makes a profit in the current year, 0.1% to 5% shall be allocated as employee remuneration in accordance with the provisions of the

Explanation / Item	Compensation to directors	Compensation to General Manager
		Company's Articles of Association. 3. The Company uses managers' performance evaluation and personal performance as a reference for bonus payment.

Upon approval of the Remuneration Committee and Board of Directors, the Company allocates 0.13% of the income before tax as remuneration to directors, i.e. NT$378,824. The allocation will be reported to the 2024 annual general meeting.

IV. Corporate Governance Implementation Status

(I) Operation of the board of directors

The board of directors has held 6 (A) meetings in the past year, and the attendance of directors is as follows:

January 1 , 2023-December 31,2023

Conditions	Name	Actual number of attendance(B)	Number of entrusted attendance	Actual attendance rate(%)	Actual number of attendance(B)
Chairman of Board	Lai, Yuan-Chao	6	0	100	
Director	Representative of Jin Cheng Investment Co., Ltd.: Liang-Cheng,Lai	6	0	100	
Director	Representative of Jin Cheng Investment Co., Ltd.: Chien, Shu-Chin	6	0	100	
Director	Representative of Ta You Investment Co., Ltd.: Lai, Wen-Ling	5	0	83	
Director	Representative of Ta You Investment Co., Ltd.: Yuchun Liao	2	0	100	June 28, 2023 Take office
Independent director	Yang, Tung-Hsiao	6	0	100	
Independent director	Young Weiju	6	0	100	
Independent director	Lin, Chun-Mao	6	0	100	
Independent director	Wen Yen-Jung	2	0	100	June 28, 2023 Take office

ther notes:

I. If the operation of the board of directors involves any of the following circumstances, state the date, session, content of the proposal, opinions of all independent directors, and the Company's handling of the opinions of independent directors:

(I) Matters listed in Article 14-3 of the Securities and Exchange Act. Please refer to pages 64-68 of the annual report on important resolutions of board meetings.

(II) Other than the matters above, other matters objected to or reserved by Independent Directors, with the opinions recorded or stated in writing: None.

II. Implementation of the directors' avoidance of proposals involving personal interests; state the name of the director, the content of the proposal, the reasons for avoiding interests, and the participation in voting:

Please refer to page 28-29.

III. Companies listed on the TWSE or TPEx should disclose the evaluation cycle and period, evaluation scope, method, and evaluation content of the board of directors' self (or peer) evaluation, and fill in the execution status of the board of directors' evaluation: Please refer to page 30 of this annual report.

IV. Objectives for strengthening the functions of the board of directors in the current and past year (such as establishing an audit committee, improving information transparency, etc.) and evaluation of implementation status:

The operation of the board of directors of the Company is carried out in accordance with the law, the Company's Articles of Association, and the resolutions of the shareholders' meeting to perform their responsibilities, and important proposals are announced and filed on the MOPs in accordance with the law, and material information is announced on the Company's website: http://www.aries-net.com.tw.

Implementation of the directors' avoidance of proposals involving personal interests; state the name of the director, the content of the proposal, the reasons for avoiding interests, and the participation in voting:

Date	Name of the avoiding director	Proposal content	Participation in voting
Januaryr 18, 2023	Lai, Yuan-Chao	Evaluation of the 2023 salary and compensation of the Company's directors and managers, as well as the 2022 year-end bonus for the Chairman and President.	Except for the need to avoid matters related to own interests, this case was passed without objection after the acting chairman consulted the attending directors.
		The Company entrusts the related party Da Sheng Construction Co., Ltd. to undertake the project of "Lot 191, Taiho Section, Beitun District, Taichung".	
March 22, 2023	Lai, Yuan-Chao Representative of Jin Cheng Investment Co., Ltd.: Liang-Cheng,Lai Representative of Jin Cheng Investment Co., Ltd.: Chien, Shu-Chin Lai, Yuan-Chao Representative of Ta You Investment Co., Ltd.: Lai, Wen-Ling	Remuneration distribution amount for individual directors for 2022.	Except for the need to avoid matters related to own interests, this case was passed without objection after the acting chairman consulted the attending directors.
	Lai, Yuan-Chao Representative of Jin Cheng Investment Co., Ltd.: Liang-Cheng,Lai Representative of Jin Cheng Investment Co., Ltd.: Chien, Shu-Chin Representative of Ta You Investment Co., Ltd.: Lai, Wen-Ling	The Company's application for financing for "land No. 191 Taiho Section" and endorses and guarantees for others.	Except for the need to avoid matters related to own interests, this case was passed without objection after the acting chairman consulted the attending directors.
	Lai, Yuan-Chao	Expected commissioned construction on self-own land with related parties in the next year.	Except for the need to avoid matters related to own interests, this case was passed without objection after the acting chairman consulted the attending directors.
June 14, 2023	Lai, Yuan-Chao	The Company entrusts the related party Da Sheng Construction Co., Ltd. to undertake the project of "541, Renping Section, Beitun District, Taichung".	Except for the need to avoid matters related to own interests, this case was passed without objection after the acting chairman consulted the attending directors.

Date	Name of the avoiding director	Proposal content	Participation in voting
November 9, 2023	Lai, Yuan-Chao Representative of Jin Cheng Investment Co., Ltd.: Liang-Cheng,Lai Representative of Jin Cheng Investment Co., Ltd.: Chien, Shu-Chin Representative of Ta You Investment Co., Ltd.: Lai, Wen-Ling Representative of Ta You Investment Co., Ltd.: Yuchun Liao	Chungkung Branch, Land Bank approve for "land No. 191 Taiho Section" and endorses and guarantees for others.	Except for the need to avoid matters related to own interests, this case was passed without objection after the acting chairman consulted the attending directors.
February 1, 2024	Lai, Yuan-Chao Representative of Ta You Investment Co., Ltd.: Yuchun Liao	Evaluation of the 2024 salary and compensation of the Company's directors and managers, as well as the 2023 year-end bonus for the Chairman and President.	Except for the need to avoid matters related to own interests, this case was passed without objection after the acting chairman consulted the attending directors.
	Lai, Yuan-Chao	The Company entrusts the related party Da Sheng Construction Co., Ltd. to undertake the project of "81, Biliu Section, Beitun District, Taichung".	
March 14, 2024	Lai, Yuan-Chao Representative of Jin Cheng Investment Co., Ltd.: Liang-Cheng,Lai Representative of Jin Cheng Investment Co., Ltd.: Chien, Shu-Chin Representative of Ta You Investment Co., Ltd.: Lai, Wen-Ling Representative of Ta You Investment Co., Ltd.: Yuchun Liao	Remuneration distribution amount for individual directors for 2023.	Except for the need to avoid matters related to own interests, this case was passed without objection after the acting chairman consulted the attending directors.
	Lai, Yuan-Chao Representative of Jin Cheng Investment Co., Ltd.: Liang-Cheng,Lai Representative of Jin Cheng Investment Co., Ltd.: Chien, Shu-Chin Representative of Ta You Investment Co., Ltd.: Lai, Wen-Ling	Lifting the non-competition strictions on the company's new directors and their representatives.	Except for the need to avoid matters related to own interests, this case was passed without objection after the acting chairman consulted the attending directors.

The reason for interest avoidance is in accordance with Article 16 of the Company's Rules of Procedures for Board Meetings.

Evaluation cycle and period, evaluation scope, method and evaluation content of the board of directors' self (or peer) evaluation, and fill in the execution status of the board of directors' evaluation:

Serial number	Evaluation scope	Evaluation method	Evaluation period	Evaluation content	Evaluation result
1	■ The overall board	■ Internal self-evaluation of the board □ Director self-evaluation □ Peer evaluation □ External evaluation	Star：January 1 , 2023 End：December 31,2023	Participation in company operations, improvement of the quality of board decisions, composition and structure of the board, selection and ongoing study of directors, and internal control.	Self-evaluation result: Excellent
2	■ Individual board members	□ Internal self-evaluation of the board ■ Director self-evaluation □ Peer evaluation □ External evaluation	Star：January 1 , 2023 End：December 31,2023	Mastery of company goals and tasks, understanding of directors' responsibilities, level of participation in company operations, internal relationship management and communication, expertise and continuous study of directors, and internal control.	Self-evaluation result: Excellent
3	■Salary and compensation committee	■ Internal self-evaluation of the board □ Director self-evaluation □ Peer evaluation □ External evaluation	Star：January 1 , 2023 End：December 31,2023	Participation in company operations, awareness of functional committee's responsibilities, improvement of functional committee's decision-making quality, composition and member selection of functional committee.	Self-evaluation result: Excellent
4	■The audit committee	■ Internal self-evaluation of the board □ Director self-evaluation □ Peer evaluation □ External evaluation	Star：January 1 , 2023 End：December 31,2023	Participation in company operations, awareness of functional committee's responsibilities, improvement of functional committee's decision-making quality, composition and member selection of functional committee, and internal control.	Self-evaluation result: Excellent

Remarks:

1. Evaluation criteria: The self-evaluation score is the overall average score of all items: For an average score of 4 or above, the self-evaluation result is "excellent". For an average score above 3 but below 4, the self-evaluation result is "good". For an average score below 3 , the self-evaluation result is "improvement needed".
2. The evaluation for 2023 was completed in January 2024, and the evaluation results were reported to the board meeting on February 1, 2024.
3. The evaluation results are as follows: the overall average score of the board's self-evaluation is 4.88 points, the overall average score of the board members' self-evaluation is 4.99 points, and the overall average score of the functional committees' self-evaluation is 5 points. The above shows that the Company's board of directors covers various functional committees, and the current system is complete and well functioning, and can fully perform the functions.

(II) Information on the operation of the Audit Committee or the participation of supervisors in the operation of the board of directors:

1. Information on the operation of the Audit Committee: The term of office of independent directors of the Company started from August 27, 2021 and lasts for three years. In the past year, the Committee held six meetings, and the attendance of independent directors is shown in the table below. The focus of this year's work described as follows

- Review of financial reports: The Board of Directors prepares the Company's business report, financial statements and earnings distribution proposal, among which, the financial statements have been audited by EnWise CPAs & Co. with the independent auditor's report issued. The above-mentioned business report, financial statements and earnings distribution proposal have been reviewed by the Audit Committee and found no inconsistency.
- Assessing the effectiveness of the internal control system
  The Audit Committee assessed the effectiveness of the policies and procedures of the Company's internal control system (including control measures in finance, operation, risk management, information security, outsourcing, legal compliance and other control measures), and reviewed the regular reports from the Company's audit department and CPAs, as well as the management, including risk management and compliance. The Audit Committee believes that the Company's risk management and internal control systems are effective, and the Company has adopted the necessary control mechanisms to supervise and correct violations.
- Appointment of CPAs
  To ensure the independence of the accounting firm, the Audit Committee has prepared the independence evaluation form in accordance with Article 47 of the Certified Public Accountant Act and the Bulletin of Norm of Professional Ethics for Certified Public Accountant No. 10 "Integrity, Objectivity, and Independence," to assess the independence, professionalism and suitability of the CPAs, and assess whether they are the Company's related parties, has mutual business or financial interests with each other, and so on. On January 18, 2023, the 9th meeting of the 1st Board of Directors reviewed and approved the assessment of independence of Huang Hslang-ying, CPA and Tsao Yong-jen, CPA of EnWise CPAs & Co., and are qualified to act as the Company's financial and taxation attesting CPAs.

January 1 , 2023-December 31,2023

Conditions	Name	Actual number of attendance(B)	Number of entrusted attendance	Actual attendance rate(%) (B/A)	Remark
Independent director	Yang, Tung-Hsiao	6	0	100	
Independent director	Young Weiju	6	0	100	
Independent director	Lin, Chun-Mao	6	0	100	
Independent director	Wen Yen-Jung	2	0	100	June 28, 2023 Take office

Other notes:

I. In case of any of the following circumstances in the operation of the Audit Committee meeting, state the date, session, content of the proposal, objections, reservations or significant suggestions from independent directors, resolution of the Audit Committee, and the Company's handling of the opinions of the Audit Committee:
   (I) Matters listed in Article 14-5 of the Securities and Exchange Act. Please refer to pages 32-33 of the annual report on important resolutions of audit committee meetings.
   (II) Other than the matters above, the resolutions not approved by the Audit Committee but approved by more than two-thirds of all directors: None.

II. Implementation of the directors' avoidance of proposals involving personal interests; state the name of the director, the content of the proposal, the reasons for avoiding interests, and the participation in voting. None

III. Communication of independent directors with internal audit supervisor and CPAs (including communication about major matters related to the Company's financial and business status, methods and results). Please refer to pages 33-34.

(1) Matters listed in Article 14-5 of the Securities and Exchange Act.

Date	Term	Proposal content	Resolution	The Company's handling of the opinions of the Audit Committee	Objections, reservations or significant suggestions from independent directors
January 18, 2023	9th session of the 1st term	I. Evaluation of the appointment, compensation and independence of the Company's certifying CPAs. II. Amendment to the Company's "Measures for Job Authorization and Deputy System". III. The Company entrusts the related party Da Sheng Construction Co., Ltd. to undertake the project of "Lot number 191, Taiho Section, Beitun District, Taichung".	After consultation by the Chairman, the attending members had no objections and the proposal was passed as it was.	Approved and passed by all attending directors.	None
March 22, 2023	10th session of the 1st term	I. 2022 business report and financial statements. II. 2022 earnings distribution. III. Approval of the Company's 2023 budget. IV. Effectiveness assessment of the Company's internal control statement report and internal control system. V. Expected commissioned construction on self-own land with related parties in the next year. VI. The Company's application for financing for "land No. 191 Taiho Section" and endorses and guarantees for others.	After consultation by the Chairman, the attending members had no objections and the proposal was passed as it was.	Approved and passed by all attending directors.	None
May 10, 2023	11th session of the 1st term	I. The Company's financial report for Q1 2023.	After consultation by the Chairman, the attending members had no objections and the proposal was passed as it was.	Approved and passed by all attending directors.	None
June 14, 2023	12th session of the 1st term	I. The Company entrusts the related party Da Sheng Construction Co., Ltd. to undertake the project of "541, Renping Section, Beitun District, Taichung".	After consultation by the Chairman, the attending members had no objections and the proposal was passed as it was.	Approved and passed by all attending directors.	None

Date	Term	Proposal content	Resolution	The Company's handling of the opinions of the Audit Committee	Objections, reservations or significant suggestions from independent directors
August 9, 2023	13th session of the 1st term	I. The Company's financial report for Q2 2023. II. Proposal to amend the Company's "Internal Control System" and "Management Measures".	After consultation by the Chairman, the attending members had no objections and the proposal was passed as it was.	Approved and passed by all attending directors.	None
November 9, 2023	14th session of the 1st term	I. The Company's financial report for Q3 2023. II. The Company's 2024 annual audit plan. III. Chungkung Branch, Land Bank approve for "land No. 191 Taiho Section" and endorses and guarantees for others.	After consultation by the Chairman, the attending members had no objections and the proposal was passed as it was.	Approved and passed by all attending directors.	None

(2) Communication between independent directors and internal audit supervisor.

Date	Communication meeting	Communication focus	Communication result
January 18, 2023	The audit committee	1.Report on the actual audit based on the audit plan from October 2022 to Depcember 2022.	No comments at this meeting
March 22, 2023	The audit committee	1.Report on the actual audit based on the audit plan from January 2023 to February 2023. 2.Company's 2022 internal control s tatement report and internal control system effectiveness assessment.	No comments at this meeting
May 10, 2023	The audit committee	1.Report on the actual audit based on the audit plan from March 2023 to April 2023.	No comments at this meeting
August 9, 2023	The audit committee	1.Report on the actual audit based on the audit plan from May 2023to July 2023.	No comments at this meeting
November 9, 2023	The audit committee	1.Report on the actual audit based on the audit plan from August 2023 to October 2023. 2.Submission of the 2024 audit plan.	No comments at this meeting

Date	Communication meeting	Communication focus	Communication result
February 1, 2024	The audit committee	1.Report on the actual audit based on the audit plan from October 2023 to December 2023.	No comments at this meeting
March 14, 2024	The audit committee	1.Report on the actual audit based on the audit plan from January 2024 to February 2024. 2.The Company's 2023 internal control statement report and internal control system effectiveness assessment.	No comments at this meeting

(3) Communication of independent directors with CPAs

Date	Communication meeting	Communication focus	Communication result
January 18, 2023	Written communication	1. 2023 audit plan (including audit objectives, scope and methods, timeline for reporting, and audit results). 2. Matters for communication with the governance unit, key audit work items, revision of laws, internal control audit method and corporate governance.	Independent directors had no opinions.
March 22, 2023	Independent communication meetings between independent directors and CPAs (prior to the Audit Committee meeting)	1. Description on the 2023 financial statements and the results of the audit on key matters by the CPAs. 2. The CPAs explained other communication matters, and there was no significant deficiency or material situation. 3. The CPAs explained the action plans for sustainable development.	No comments at this meeting

(3) Corporate governance status, and deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof

Evaluation items	Status			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary	
I. Does the Company establish and disclose its corporate governance best practice principles based on "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"?	✓		The Company adopted its own "Corporate Governance Best Practice Principles" on November 9, 2016, in line with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies."	In compliance with the "Corporate Governance Best Practice Principles."
II. The Company's equity structure and shareholders' equity				In compliance with the "Corporate Governance Best Practice Principles."
(1) Does the Company have internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters, and have the procedures implemented accordingly?	✓		(1) According to the Company's "Procedures for Handling Material Inside Information and Prevention of Insider Trading," any proposals or doubts from shareholders shall be handled by the spokesperson. The dispute arising therefor, if any, will be settled by the attorney-at-law retained by the Company.	
(2) Does the Company possess the list of the Company's major shareholders of ultimate controllers, and the list of the ultimate controllers of the major shareholders?	✓		(2) The Company keeps in touch with the major shareholders, and takes the chance of the annual general meeting to verify any changes in major shareholders.	
(3) Does the Company establish and implement the risk control and firewall mechanism with its affiliated companies?	✓		(3) The Company adopts the "Regulations Governing Business/Financial Transactions with Related Parties, Group Entitles and Specific Companies" to control the transactions between the Company and its affiliated companies. Meanwhile, the Company sets forth the firewall mechanism in its	

Evaluation items	Status			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary	
			internal operating procedure for control.	
(4) Does the Company adopt internal rules prohibiting the Company's insiders from trading securities using information not disclosed to the market?	✓		(4) It has been expressly defined in the Company's "Procedures for Handling Material Inside Information and Prevention of Insider Trading."	
III. Composition and responsibilities of the Board of Directors				
(1) Does the Board of Directors have a diversity policy and management goals that are duly enforced?	✓		(1) The Company's "Corporate Governance Best Practice Principles" provide the Board members' diversity policy. For the time being, the Board members include four female members. For details, please refer to Page 17-18 of the annual report.	(1) In compliance with the "Corporate Governance Best Practice Principles."
(2) Does the Company, in addition to setting up the Remuneration Committee and Audit Committee lawfully, have other functional committees set up voluntarily?		✓	(2) The Company already established the Remuneration Committee, and also the Audit Committee at the shareholders' meeting on August 27, 2021.	(2) In compliance with the "Corporate Governance Best Practice Principles."
(3) Does the Company establish a set of policies and assessment methods to evaluate the Board's performance, conduct the performance evaluation regularly at least on an annual basis, and submit the results of performance assessments to the Board of Directors and use them as reference in determining remuneration for individual directors, and their nomination for additional office term?	✓		(3) The Company has adopted the "Regulations Governing Board's Self-Evaluation or Peer Evaluation." on September 30,2021, The Company will conduct the performance evaluation regularly, report the evaluation results to the Board of Directors, and also use them as reference in determining remuneration for individual directors, and their nomination for additional office terms. The Company has completed the 2022 performance evaluation on directors, and reporting	(3) In compliance with the "Corporate Governance Best Practice Principles."

Evaluation items	Status			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary	
(4) Does the Company have the independence of the external auditors evaluated regularly?	✓		thereof. (4) On February 1, 2024, the board meeting of the Company approved the evaluation of the independence and competency of the certifying CPAs, and the CPAs also provided a "Detached Independence Statement".Upon the Company's confirmation that the external auditor has no other financial interest and business relationship with the Company, except the fees for certification and taxation, the Company may retain the external auditor and review the fees charged by him/her. The Company also complies with requirements about the replacement of the external auditor, if any.	(4) In compliance with the "Corporate Governance Best Practice Principles."
IV. Does the TWSE/TPEx listed company assign the adequate number of competent corporate governance officers, and appoint the chief corporate governance officer responsible for the corporate governance affairs (including but not limited to, provision to directors/supervisors the information needed by them to perform their duties, assistance to directors/supervisors in compliance, organization of the Board of Directors meetings and shareholders' meetings pursuant to laws, complete the company registration and registration of any changes, and preparation of	✓		The Company's "Corporate Governance Best Practice Principles" provide that Finance Dept. should be responsible for the corporate governance operations, On November 11, 2022, the board meeting of the Company approved the evaluation of the independence and competency of the certifying CPAs, and the CPAs also provided a "Detached Independence Statement". ， Descriptions: (1) Complete the company registration and registration of any changes. (2) Organize the Board of Directors meetings and shareholders' meetings pursuant to laws, and help directors/supervisors comply with laws and	In compliance with the "Corporate Governance Best Practice Principles."

Evaluation items	Status			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary	
the Board meeting and shareholders' meeting minutes, etc.)?			regulations related to Board of Directors meetings and shareholders' meetings. (3) Prepare the Board of Directors' meeting and shareholders' meeting minutes. (4) Provide directors with the information needed by them to perform their duties and the latest development in laws and regulations related to the management of a company to help directors and supervisors with legal compliance. (5) Matters related to investor relations. (6) Other matters required by the Articles of Incorporation or contract.	
V. Does the Company provide proper communication channels and create a stakeholder section on its website to address corporate social responsibility issues that are of significant concern to stakeholders (including but not limited to shareholders, employees, customers and suppliers)?	✓		The Company set up the stakeholder section www.aries-net.com.twand investors section on its official website, in order to provide shareholders, customers, suppliers and employees with instant services.	In compliance with the "Corporate Governance Best Practice Principles."
VI. Does the Company engage a Shareholders Service Agency to handle Shareholders' Meeting affairs?	✓		The Company appoints Grand Fortune Securities Co., Ltd., Shareholders Service Dept. to process shareholders' meetings on behalf of it.	In compliance with the "Corporate Governance Best Practice Principles."
VII. Information disclosure (1) Does the Company set up a website to disclose the Company's business, finance and corporate governance information?	✓		(1) The Company has delegated dedicated personnel to manage the Company's official website and disclose important messages immediately. The	In compliance with the "Corporate Governance Best Practice Principles."

Evaluation items	Status			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary	
			Company's website: www.aries-net.com.tw	
(2) Does the Company adopt other information disclosure methods (e.g., establishing an English website, designating dedicated persons for collecting and disclosing information about the Company, practicing the spokesperson system, posting the investor conference on the Company's website, etc.)?	✓		(2) The Company designates dedicated personnel to take charge of the collection and disclosure of the Company's information. The Company also discloses related information on the MOPS and its official website, regularly or from time to time. It appoints the spokesperson and deputy spokesperson as required, and implements the system precisely. If necessary, it will convene the investor conference, and disclose related information pursuant to the relevant requirements.	
(3) Does the Company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial statements for the first, second and third quarters as well as its operating status for each month before the specified deadline?		✓	(3) For the time being, the Company doesn't have any plan to report its financial statements earlier.	
VIII. Does the Company have other information that enables a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' interests, continuing education of directors/supervisors, implementation of risk management policies and risk measurements, implementation of	✓		(1) Employees' interests and rights: The Company provides a fair working environment, values education and training, contributes labor pension fund, and establishes the Employees' Welfare Commission to value the employees' interests and rights. (2) Employee care: Organize the meeting to care for the employees' work and enhance inter-departmental communication and coordination.	In compliance with the "Corporate Governance Best Practice Principles."

Evaluation items	Status			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary	
customer policy, and insuring against liabilities of company directors and supervisors)?			(3) Investor relations: The Company upholds "Honest, Sincerity and Sustainability" as its management philosophy. The Company's official website also set up an investor section to provide investors with the business and financial information for reference. (4) Supplier relations: The Company's suppliers are primarily the construction companies and contractors awarded contracts by the Company. The Company enters into contracts with them to define both parties' rights and obligations, and also meets the suppliers from time to time to coordinate the construction progress management of each supplier. Meanwhile, the Company set up the supplier's section and message board on its official website for full communication throughout the Company. (5) Stakeholders' interests: The Company's official website set up the stakeholder section. In addition to the stakeholder section, it also adds a message board to protect the stakeholders' interests and rights. (6) Continuing education of directors: The Company arranges continuing education courses in accordance with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEx Listed Companies, and also advises the directors of any update on the laws and regulations related to the	

Evaluation items	Status			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary	
			corporate governance from time to time. (7) Implementation of risk management policies and risk measurements: The Company adopts its own internal control system and conducts the self-evaluation regularly, in order to ensure that the internal control system is implemented effectively. (8) Implementation of customer policy: The Company sets up the customer service department and delegates dedicated personnel to deal with customer service. It also sets up the customer service center in the stakeholder section to keep communication and service with the customers. (9) Insuring against liabilities of the Company's directors and supervisors: According to the Articles of Incorporation, upon election of the directors, the Board of Directors may resolve to purchase the liability insurance for the Company's directors.	
IX. Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by the TWSE Corporate Governance Center, and propose enhancement measures for any issues that are yet to be rectified: Please refer to Pages42 hereof.				

1. Improvements made according to the results of the 2023 corporate governance evaluation:

Question No.	Indicator	Status of improvements
2.2	Did the company adopt a board diversity policy and disclose the specific management objectives as well as the status of implementation of the diversity policy on the company's website and in the annual report?	The Company has disclosed the specific management goals and implementation of the policy for board diversity in the 2023 annual report and the Company's website.
2.10	Did the company disclose the professional qualifications and experience of the Audit Committee members as well as the key tasks and status of operations of the Audit Committee for that fiscal year?	The Company disclosed the professional qualifications and experience of the Audit Committee members as well as the key tasks and status of operations in the 2023 annual report.
2.15	Did the company disclose on its website how independent directors communicate on their own with the chief internal auditor and the external auditors (e.g., the manner of communication, the matters discussed, and the results of such communication regarding the company's financial reports and its financial and operating status)?	The Company has disclosed on the Company's website the status of individual communications between the Independent Directors and the Chief Internal Auditor and the CPAs.
4.15	Did the company disclose on its website or in its annual report its ethical corporate management policy passed by its board of directors, expressly prescribing its specific ethical management practices and its programs to prevent unethical conduct, and specify the status of implementation?	The Company has disclosed the specific practices and implementations of ethical corporate management in the 2023 annual report.

2. According to the results of the 10th corporate governance evaluation (2023), the unimproved items and measures need to be prioritized:

Question No.	Indicator	Matters to be improved first and the measures thereof
4.1	Has the Company establish a dedicated (part-time) unit to promote sustainable development, conducted risk assessments on environmental, social, or corporate governance issues related to the Company's operations based on the principle of materiality, and formulated relevant risk management policies or strategies, with the board of directors supervising the promotion of sustainable development? Is the information disclosed on the Company's website and in the annual report?	The Company expects to establish a dedicated (concurrent) unit for sustainable development in 2024.
4.11	Has the Company disclosed its annual greenhouse gas emissions, water consumption and total weight of waste in the past two years? (If the annual greenhouse gas emissions, water consumption or total weight of waste in the past two years have been verified externally, an additional point will be added to the total score.)	The Company will conduct a greenhouse gas inventory in 2024 to inventory 2023.

Directors' Continuing Education in 2023

Conditions	Name	Date	Organizer	Course name	Hours
Director	Lai, Yuan-Chao	August 9,2023-August 9,2023	TCGA	The strategies, goals, material issues of the ESG Sustainability Report, and financial and non-financial information disclosure therein	3hours
		November 9,2023-November 9,2023	TCGA	Compliance of companies and directors' supervisory obligations	3hours
Corporate director representative	Liang-Cheng,Lai	August 9,2023-August 9,2023	TCGA	The strategies, goals, material issues of the ESG Sustainability Report, and financial and non-financial information disclosure therein	3hours
		September 21,2023-September 21,2023	IIA	Analysis of the latest "Business Mergers and Acquisitions Act" and "Corporate Governance" Practical Case Studies	3hours
		November 9,2023-November 9,2023	TCGA	Compliance of companies and directors' supervisory obligations	3hours
Corporate director representative	Lai, Wen-Ling	June 2,2023-June 2,2023	CNAIC	2023 Taishin Net Zero Electricity Summit Forum	3hours
		August 9,2023-August 9,2023	TCGA	The strategies, goals, material issues of the ESG Sustainability Report, and financial and non-financial information disclosure therein	3hours
		November 9,2023-November 9,2023	TCGA	Compliance of companies and directors' supervisory obligations	3hours

Conditions	Name	Date	Organizer	Course name	Hours
Corporate director representative	Liao, Yu-Chun	August 9,2023-August 9,2023	TCGA	The strategies, goals, material issues of the ESG Sustainability Report, and financial and non-financial information disclosure therein	3hours
		September 14,2023-September 14,2023	ARDF	The "Labor Law Compliance" Practice and Case Studies for Enterprise	6hours
		November 9,2023-November 9,2023	TCGA	Compliance of companies and directors' supervisory obligations	3hours
Corporate director representative	Chien, Shu-Chin	May 23,2023-May 23,2023	Taiwan Stock Exchange Corporation Taipei Stock Exchange	Promotion Conference of Sustainable Development Action Plan for TWSE/TPEx-listed Companies	3hours
		August 9,2023-August 9,2023	TCGA	The strategies, goals, material issues of the ESG Sustainability Report, and financial and non-financial information disclosure therein	3hours
		November 9,2023-November 9,2023	TCGA	Compliance of companies and directors' supervisory obligations	3hours
Independent director	Young Weiju	August 9,2023-August 9,2023	TCGA	The strategies, goals, material issues of the ESG Sustainability Report, and financial and non-financial information disclosure therein	3hours
		November 9,2023-November 9,2023	TCGA	Compliance of companies and directors' supervisory obligations	3hours

Conditions	Name	Date	Organizer	Course name	Hours
Independent director	Yang, Tung-Hsiao	August 9,2023-August 9,2023	TCGA	The strategies, goals, material issues of the ESG Sustainability Report, and financial and non-financial information disclosure therein	3hours
		November 9,2023-November 9,2023	TCGA	Compliance of companies and directors' supervisory obligations	3hours
Independent director	Lin, Chun-Mao	August 9,2023-August 9,2023	TCGA	The strategies, goals, material issues of the ESG Sustainability Report, and financial and non-financial information disclosure therein	3hours
		November 9,2023-November 9,2023	TCGA	Compliance of companies and directors' supervisory obligations	3hours
Independent directo	Wen Yen-Jung	August 9,2023-August 9,2023	TCGA	The strategies, goals, material issues of the ESG Sustainability Report, and financial and non-financial information disclosure therein	3hours
		November 7,2023-November 7,2023	ARDF	Common internal control management deficiencies of enterprises and practical case analysis	6hours
		November 9,2023-November 9,2023	TCGA	Compliance of companies and directors' supervisory obligations	3hours

Managers' Continuing Education in 2023

Conditions	Name	Date	Organizer	Course name	No. of hours
General Manager	Liao, Yu-Chun	August 9,2023-August 9,2023	TCGA	The strategies, goals, material issues of the ESG Sustainability Report, and financial and non-financial information disclosure therein	3hours
		September 14,2023-September 14,2023	ARDF	The "Labor Law Compliance" Practice and Case Studies for Enterprise	6hours
		November 9,2023-November 9,2023	TCGA	Compliance of companies and directors' supervisory obligations	3hours

(IV) Composition, responsibilities, and operation of the Company's Remuneration Committee

According to regulations, the board meeting of the Company decided to establish the Remuneration Committee on December 28, 2011. The Remuneration Committee should exercise the following powers with the attention of a good manager, and submit suggestions to the board meeting for discussion:

1. Regular review of the policies, systems, standards and structure of the Company's directors' and managers' salary and compensation.
2. Regular review of the directors' and managers' salary and compensation.

The committee shall follow the principles below when performing the duties mentioned in the preceding paragraph:

1. For the performance evaluation and salary and compensation of directors and managers, the usual payment standards in the same industry should be referred to, with consideration of the reasonableness of the relationship among personal performance, company operational performance and future risks.
2. Directors and managers should not be guided to engage in behaviors that exceed the Company's risk appetite for the pursuit of salary and compensation.
3. For the proportion of short-term performance bonus paid to directors and senior managers, as well as the timing of partial changes in salary and compensation payments, consideration should be given to industry characteristics and the nature of the Company's business.

The salary and compensation referred to in the two items above include cash compensation, stock options, bonus via share subscription, retirement benefits or resignation payment, various subsidies, and other measures with substantial rewards.

(1) Information about Remuneration Committee members

Identity (note 1) \ Conditions / Name		Professional qualifications and experience	Independence	Number of other public companies for which he/she concurrently serves as the remuneration committee member
Independent director (convener)	Young Weiju	Please refer to page 15 of the annual report for disclosure of directors' and supervisors' professional qualifications and independent directors' independence.		
Independent director	Yang, Tung-Hsiao	Please refer to page 15 of the annual report for disclosure of directors' and supervisors' professional qualifications and independent directors' independence.		
Independent director	Lin, Chun-Mao	Please refer to page 15 of the annual report for disclosure of directors' and supervisors' professional qualifications and independent directors' independence.		

(2) Operation of Remuneration Committee

I. The Company's Remuneration Committee is composed of 3 members.

II. Term of office of the committee members: August 27, 2021 to August 26, 2024. The Remuneration Committee held two meetings (A) in the past year, and the qualifications and attendance of the members are as follows:

January 2023~December 2023

Job title	Name	Actual number of attendance (B)	Number of entrusted attendance	Actual attendance rate (%) (B/A)	Remark
Convener	Young Weiju	2	0	100	
Member	Yang, Tung-Hsiao	2	0	100	
Member	Lin, Chun-Mao	2	0	100	

Other notes:

1. If the board of directors declines to adopt or modify a recommendation from the remuneration committee, the date, session, topic discussed and the resolution of the board meeting and handling of the resolution of the remuneration committee shall be specified (if the remuneration package approved by the Board is better than the recommendation made by the committee, please specify the discrepancy and its reason).
2. For the resolutions of the remuneration committee, if any member expresses an objection or has a reservation which is recorded or in writing, the date, session, contents of the proposal, all members' opinions and handling of members' opinions shall be described.

(3) Information about Remuneration Committee's meetings

Date	Term	Important resolution	Opinion of the Remuneration Committee	The Company's handling of the opinion of the Remuneration Committee
January 18, 2023	4th session of the 5th term	1. Evaluation of the 2023 salary and compensation of the Company's directors and managers, as well as the 2022 year-end bonus for the Chairman and President. 2. Amendment to the Company's "Measures for the Allocation of Compensation to Directors, Functional Committee Members and President".	After consultation by the Chairman, the attending members had no objections and the proposal was passed as it was.	Approved and passed by all attending directors
March 22, 2023	5th session of the 5th term	1. Distribution of 2022 employees' remuneration and directors' remuneration. 2. Remuneration distribution amount for individual directors for 2022. 3. Proposal for periodic review of the Company's "Organizational Regulations for the Remuneration Committee". 4. Regular review of the policies, systems, standards and structure of the Company's directors' and managers' salary and compensation for discussion.	After consultation by the Chairman, the attending members had no objections and the proposal was passed as it was.	Approved and passed by all attending directors

(V) Implementation status of sustainable development practices, and deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and causes thereof

Items	Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and causes thereof
	Yes	No	Summary	
I. Does the Company implement a governance framework that supports sustainable development, and designate a unit that specializes (or is involved) in the promotion of sustainable development? Is the unit empowered by the Board of Directors and run by senior management, and how does the Board supervise progress?		✓	The Company established its Sustainable Development Best Practice Principles on August 10, 2022. In order to improve the management of sustainable development, the Company expects to establish a governance structure in 2024 to promote sustainable development, and establish a dedicated (part-time) unit responsible for proposing and implementing sustainable development policies, systems or related management guidelines and specific promotion plans, and regularly reporting to the board of directors.	No material deviation was found
II. Does the Company, in accordance with the materiality principle, conduct risk assessments on environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy?		✓	For the Company’s risk management policy, please refer to Page154 hereof.	No material deviation was found.
III. Environmental issues (1) Does the Company have an appropriate environmental management system established in accordance with its industrial character?	✓		The Company's environmental management system should include the following items, which are currently under construction: 1. Collect and evaluate sufficient and timely information on the impact of operational activities	No material deviation was found.

Items		Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and causes thereof
		Yes	No	Summary	
				on the natural environment. 2. Establish measurable environmental sustainability goals and regularly review their sustainability and relevance for development. 3. Develop specific plans or action plans and other implementation measures, and regularly review the effectiveness of their operations.	
(2)	Does the Company endeavor to utilize all resources more efficiently, and use renewable materials with a low impact on the environment?	✓		The company is committed to improving energy efficiency by using recycled materials with low impact on environmental loads, so that the Earth's resources can be sustainably utilized.Reception center applies the container house design in consideration of the effect produced by reuse. The reception center is built at a fixed location and intended for long-term occupation, so as to achieve environmental protection and energy conservation, and avoid waste. Meanwhile, the model home is designed via VR to enable customers to simulate the scenario in the model room with their visual senses.	No material deviation was found.
(3)	Does the Company assess the current and future potential risks and opportunities that climate change may present to enterprises and adopt responsive measures against climate-related issues?		✓	The Company has not yet assessed the responsive measures against climate change so far.	To be adopted subject to the Company’s overview of operation and scale.
(4)	Does the Company maintain statistics on GHG emission, water consumption, and total waste volume in the last two years,		✓	The Company expects to collect statistics on greenhouse gas emission and water consumption in 2024.	No material deviation was found.

Items	Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and causes thereof
	Yes	No	Summary	
and implement policies aiming at reducing GHG, water, or other wastes?				
IV. Social issues (1) Does the Company develop its management policies and procedures in accordance with laws and the International Bill of Human Rights?		✓	The Company complies with the related labor laws and regulations, including Labor Standards Act, in order to protect the employees' interests and rights.	No material deviation was found.
(2) Does the Company adopt and implement a reasonable employee benefit policy (including remuneration, vacation and other benefits, etc.), and adequately reflect the operating performance or results to the remuneration to employees?	✓		The Company contributes to the employees' benefits and organizes the Employees' Welfare Commission to process various welfare issues. The Company also convenes the labor-management meeting regularly to provide the employees with a channel via which they may express their opinion and verify the Company's business activities thoroughly.	No material deviation was found.
(3) Does the Company provide employees with a safe and healthy work environment, and provide safety and health education to employees regularly?	✓		The Company contributes to the employees' benefits and organizes the Employees' Welfare Commission to process various welfare issues. The Company also convenes the labor-management meeting regularly to provide the employees with a channel via which they may express their opinion and verify the Company's business activities thoroughly.	No material deviation was found.
(4) Does the Company have an effective career capacity development training program established for employees?	✓		The company's Sustainable Development Best Practice Principles stipulates that it should create a favorable environment for employees' career development, and establish an effective training program for their career development abilities.	No material deviation was found.

Items		Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and causes thereof
		Yes	No	Summary	
(5)	Does the Company comply with laws and international standards with respect to the issues including customers' health, safety, and privacy, marketing and labeling in all products and services offered, and adopt consumer or customer interest protection policies and grievance procedures?	✓		The Company maintains a fair communication channel between it and customers, and provides transparent and effective grievance procedures concerning its products and services. The online [Message Board] and [Contact No. for Customers] are set up on the official website to provide instant customer services.	No material deviation was found.
(6)	Does the Company adopt any specific supplier management policy demanding that the suppliers comply with the related regulations governing environmental protection, occupational safety and health or labors' human rights, and how is the policy implemented?	✓		The information to be appraised by the Company before the Company engages in transactions with the suppliers refers to the photocopy of company registration certificate/license, engineering performance or any other supportable business certificates. Considering that the effect posed by industrial characteristics to the environment and society has not been defined in the appraisal standards, the contract between the Company and suppliers has not yet included any provisions requiring that the Company may terminate or rescind the contract at any time if the suppliers are suspected of violating the corporate social responsibility policy and pose any significant effects to the environment and society.	No material deviation was found.

Items	Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and causes thereof
	Yes	No	Summary	
V. Does the Company prepare the sustainable development report or any report on non-financial information based on international reporting standards or guidelines? Is said report assured or guaranteed by a third-party certification unit?		✓	The Company has not yet prepared a corporate social responsibility report, but will prepare it subject to the Company's overview of operation and scale.	No material deviation was found.
VI. If the Company has established its own sustainable development policies in accordance with "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," please describe the current practices and any deviations thereof from such principles: The Company has formulated the Sustainable Development Best Practice Principles, and will gradually implement it accordingly.				
VII. Other information useful to the understanding of sustainable practice: None.				

Work environment and employees' personal safety protection

Item	Contents
Access security	1.The strict access control system is available for security day and night. 2.The Company executes the contract with the apartment administration committee to hire security personnel to maintain the Company's security.
Maintenance and inspection of various equipment	1.According to the Regulations for Inspecting and Reporting Building Public Security, the Company contracts a professional company to perform the public security inspection. 2.According to the Fire Services Act, the Company contracts the fire protection inspection to the relevant service supplier each year.
Physical health	The Company's management regulations provide safety and health measures. Each unit shall pay attention to the safety and health facilities in the work environment at all times, and comply with the Company's requirements about labor safety and health to maintain the employees' health.

Mental health	1. Expression of opinion: The Company has set up a download section for operational forms and various manuals, and also the education and training section to provide employees with a channel via which they may express their opinions and engage in interactive learning. 2. Education and training: In order to strengthen expertise and improve work efficiency and sense of achievement, the employees may apply with the Company for attendance to any education and training courses at their discretion.
Insurance and medical treatment	1.All of the Company's employees shall enroll in the labor insurance/national health insurance programs. 2. In the case of any employee's disability or death due to an occupational accident, Article 59, Article 60, Article 61, Article 62, Article 63 and Article 63-1 of the Labor Standards Act shall apply, and an application for benefits may be filed with the Bureau of Labor Insurance according to the Labor Insurance Act.

(VI) Performance of ethical management, and deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and causes thereof

Evaluation item	Status (Note)			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and causes thereof
	Yes	No	Summary	
I. Establishment of ethical management policies and plans (1) Does the Company state in its regulations or external correspondence about the ethical management policies and practices passed by the Board of Directors and the commitment of the Board of Directors and senior management to actively implement the operating policies? (2) Does the Company establish the assessment mechanism for unethical conduct to analyze and assess the operating activities with a higher risk of unethical conduct in the scope of business periodically, and adopt the unethical conduct prevention program based on the mechanism, which shall at least cover the prevention measures referred to in the subparagraphs of Paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies”?	✓ ✓		(1) The Company has established the Ethical Corporate Management Best Practice Principles approved in the board meeting on August 10, 2022 for the establishment of a corporate culture of ethical corporate management and sound development, in order to comply with ethical standards and avoid opportunities for personal gain. (2) The "Ethical Corporate Management Best Practice Principles" of the Company stipulates that the Company should establish an evaluation mechanism for the risk of unethical behavior, and regularly review the appropriateness and effectiveness of the prevention plan. The prevention plan should cover at least the following behavior preventive measures: 1. Offering and receiving bribes. 2. Providing illegal political donations. 3. Inappropriate charitable donations or sponsorships. 4. Offering or accepting unreasonable gifts,	No material deviation was found.

Evaluation item	Status (Note)			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and causes thereof
	Yes	No	Summary	
(3) Does the Company expressly state the SOP, guidelines for conduct and reward & punishment and grievance systems in the unethical conduct prevention program, implement the same precisely, and regularly review amendments to said program?	✓		hospitality, or other improper benefits. 5. Infringing business secrets, trademark rights, patent rights, copyrights and other intellectual property rights. 6. Engaging in unfair competition behavior. 7. Products and services that directly or indirectly harm the rights, health and safety of consumers or other stakeholders during research and development, procurement, manufacturing, supply or sales. (3) The Company has established ethical corporate management procedures and behavior guidelines on August 10, 2022, and designated President's Office as the dedicated responsible unit under the Board of Directors, with the main responsibilities of assisting in integrating ethical corporate management into the Company's business strategy, complying with laws and regulations to establish relevant anti fraud measures to ensure ethical corporate management, regularly analyzing and evaluating the risks of unethical behavior within the business scope, and planning a whistle blowing system and ensuring the effectiveness. It shall regularly (at least once a year) report to the board of directors.	

Evaluation item	Status (Note)			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and causes thereof
	Yes	No	Summary	
II. Implementation of ethical management:				No material deviation was found.
(1) Does the Company evaluate the ethical record of all counterparts it has business relationships? Are there any ethical management clauses in the agreements it signs with business partners?	✓		(1) The Company engages in housing and building development, leasing and sales business. For the sale, the Company will enter into the transaction agreement with customers, and also expressly state the collection schedule and clauses about the breach of contract therein, in order to protect the Company's interests and rights. Meanwhile, the Company expressly provides the escrow mechanism in the pre-sale contract to protect consumers' interests and rights.	
(2) Does the Company establish a unit dedicated to promoting ethical corporate management under the supervision of the Board of Directors, which shall be responsible for reporting the status of implementation of the ethical management policy and unethical conduct prevention program to the Board of Directors regularly (at least for once per year)?	✓		(2) The Company has designated President's Office as the dedicated (part-time) unit to promote ethical corporate management. The implementation of ethical management was reported to the Board of Directors on February 1, 2024, including the establishment of ethical management policies and programs, educational promotion, regular inspection of unethical conducts, inspection of the whistle-blowing system, and protection of whistleblowers.	
(3) Does the Company have any policy that prevents conflict of interest, and channels that facilitate the	✓		(3) The Company's "Code of Ethical Conduct for Directors and Managers" and "Code of	

Evaluation item	Status (Note)			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and causes thereof
	Yes	No	Summary	
report of conflict of interest?			Conduct for Employees" expressly state the conflict of interest prevention policy and also provide the independent directors, managers and chief internal auditor with a channel via which they may state their opinions.	
(4) Does the Company fulfill ethical management by establishing an effective accounting system and internal control system, and have an internal audit unit research and adopt related audit plans based on the unethical conduct risk assessment result and conduct audits on the compliance by the unethical conduct prevention program, or appoint a CPA to conduct the audits?	✓		(4) The Company has fulfilled the ethical management by establishing the relevant accounting system and internal control system, and allowing the internal audit unit to conduct the audit regularly.	
(5) Does the Company organize internal or external training on a regular basis to maintain ethical management?	✓		(5) To enable employees to understand the importance of ethical management, the Company conducted a 0.5-hour digital course on ethical management education for each employee through the intranet in December 2023, and 15 incumbents completed the online training course.	
III. Implementation of the Company's whistleblowing system				No material deviation was found.
(1) Does the Company have a specific whistleblowing and reward system stipulated, a convenient whistleblowing channel established, and a responsible staff designated to deal with the accused	✓		(1) The Company's "Corporate Governance Best Practice Principles" have set forth the whistleblowing mechanism to encourage internal and external personnel to whistleblow	

Evaluation item	Status (Note)			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and causes thereof
	Yes	No	Summary	
party?			any unethical conduct or misconduct. The Company set up and announced the independent whistleblowing mailbox available to the Company's internal and external personnel on the Company's website and intranet.	
(2) Does the Company define the standard operating procedure, follow-up measures to be taken upon completion of the investigation, and nondisclosure mechanism toward the investigation of reported cases as accepted?	✓		(2) The Company's SOP for accepting and investigating reported cases is stated as follows: 1. The reported cases involving the general employees shall be submitted to the department heads. Those involving directors or senior management shall be submitted to independent directors. 2. The Company's dedicated unit and the management, or personnel receiving the reported cases as referred to in the preceding subparagraph shall verify the truth immediately, and ask the legal compliance or other related departments for assistance, if necessary. 3. Where the accused is proven to have violated the related laws or the Company's ethical management policy and requirements, the accused shall be asked to cease the misconduct immediately and	
(3) Has the Company taken proper measures to protect the whistleblowers from suffering any consequence of reporting an incident?	✓			

Evaluation item	Status (Note)			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and causes thereof
	Yes	No	Summary	
			subject to appropriate punishment. If necessary, the Company may file a legal action to claim damages, in order to maintain the Company's goodwill and interest. 4. Documentation of case acceptance, investigation processes and investigation results shall be retained for five years and may be retained electronically. In the event of a legal action in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the legal action. 5. With respect to a confirmed information, the Company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent a recurrence. The responsible unit of the Company shall submit to the Board of Directors a report on the whistleblowing case, actions taken, and subsequent reviews and corrective measures. (3) Personnel of the Company handling whistleblowing matters shall represent in	

Evaluation item	Status (Note)			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and causes thereof
	Yes	No	Summary	
			writing they will keep the whistleblowers' identity and contents of information confidential. The Company also undertakes to protect the whistleblowers from improper treatment due to their whistleblowing. The Company uses its best effort to keep the informant's identity in confidence and protect his/her from any retaliation. If he/she suffers any retaliation, threat or harassment, he/she shall report to his/her immediate supervisor, chief internal auditor or other competent personnel immediately. The Company shall render adequate treatment and punishment immediately.	
IV. Enhanced information disclosure Does the Company disclose the contents of its ethical management best practice principles and the result of implementation on its official website and MOPS?	✓		The Company's "Code of Ethical Conduct for Directors and Managers" has already been disclosed on the Company's official website and MOPS.	No material deviation was found.
V. If the Company has established its own ethical management policies in accordance with "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies," please describe the current practices and any deviations thereof from such principles:				
VI. Other information useful to understanding ethical corporate management (e.g. The Company reviews and amends the ethical management best practice principles established by it): None.				

(VII) If the Company has established corporate governance principles and other relevant guidelines, references to such principles must be disclosed:

The Company has adopted its own "Code of Ethical Conduct for Directors and Managers," "Code of Conduct for Employees," and "Corporate

Governance Best Practice Principles" as disclosed on the Company's official website/investor section/corporate governance/laws & regulations at http://www.aries-net.com.tw/investment01-2.php.

(VIII) Other information material to the understanding of corporate governance within the Company

The Company's Procedures for Handling Material Inside Information and Prevention of Insider Trading are summarized as follows:

(1) Applicable subjects: The Procedures are applicable to the following subjects including:

①The Company's directors, supervisors, managers, and shareholders who hold more than 10% of the Company's shares, and the natural person as a proxy to exercise duties designated under Paragraph 1 of Article 27 of the Company Act, including their spouses, underage children, and those holding shares in the name of a third party.

②Any person who has learned the information by reason of occupational or controlling relationship.

③A person who, though no longer among those listed in the preceding two subparagraphs, has only lost such status within the last six months.

④Any person who has been informed of the information by the persons referred to in the preceding three subparagraphs.

(2) Dedicated unit: The dedicated unit designated by the Company's Board of Directors to deal with material inside information refers to the Finance Dept.

(3) Any violation of the following requirements by the persons subject to the restriction on insider trading shall constitute insider trading:

①Upon actually knowing of any information that will have a material impact on the price of the securities of the Company, after the information is confirmed, and prior to the public disclosure of such information or within 18 hours after its public disclosure, the persons shall not purchase or sell, in the person's own name or in the name of another, shares of the Company that are listed on an exchange or an over-the-counter market, or any other equity-type security of the Company.

②Upon actually knowing of any information that will have a material impact on the ability of the Company to pay principal or interest, after the information is confirmed, and prior to the public disclosure of such information or within 18 hours after its public disclosure, the persons shall not sell, in the person's own name or in the name of another, the non-equity-type corporate bonds of the Company that are listed on an exchange or an over-the-counter market.

(IX) Status of Internal Control System

1. Declaration for Statement of Internal Control

Tacheng Real Estate Co.,Ltd.

Declaration for Statement of Internal Control System

Date: March 14, 2024

The following declaration is made based on the 2023 self-inspection of the Company's internal control system:

I. The Company acknowledges and understands that establishment, implementation and maintenance of the internal control system are the responsibility of the Board and managerial officers, and that such a system has already been established throughout the Company. The purpose of this system is to provide reasonable assurance in terms of business performance & efficiency (including profitability, performance, asset security etc.), reliable, timely and transparent financial reporting, and regulatory compliance.

II. The internal control system is designed with inherent limitations. No matter how perfect the internal control system is, it can only provide reasonable assurance of the fulfillment of the three objectives referred to above. Moreover, the effectiveness of the internal control system could be affected by changes in the environment and circumstances. However, self-supervision measures were implemented within the Company's internal control policies to facilitate immediate rectification once procedural flaws were identified.

III. The Company evaluates the effectiveness of its internal control system design and execution based on the criteria specified in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The criteria introduced by the "Regulations" consisted of five major elements, each representing a different stage of the internal control system: 1. Control environment, 2. Risk evaluation, 3. Procedural control, 4. Information and communication, and 5. Supervision. Each element further encompasses several sub-elements. Please refer to "the Regulations" for details.

IV. The Company has adopted the above-mentioned criteria to validate the effectiveness of its internal control design and execution.

V. Based on the inspection results described above, the Company considers the design and execution of its internal control policies 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 business results, target accomplishments, reliability, timeliness and transparency of reported financial information, and its compliance with relevant laws.

VI. The Statement forms an integral part of the Company's annual report and prospectus, and shall be made public. Any illegal misrepresentation or non-disclosure in the public statement above is subject to legal consequences described in Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. The Statement was approved at the Company's Board of Directors meeting on March 14, 2024. None of the 9 directors present at the meeting held any objections, and unanimously agreed to the contents of this declaration.

Tacheng Real Estate Co.,Ltd.
Chairman: Lai, Yuan-Chao
General Manager: Yuchun Liao

2. If the internal control system has been reviewed by an external auditor, the result of such review must be disclosed: None**.**

(X) Punishments received by the Company and its internal personnel pursuant to laws and punitive actions issued by the Company against its internal employees in violation of the internal control system provisions in the most recent year until the date of publication of the annual report that may significantly impact shareholders' interest or security price, and major deficiency and correction status: None.

(XI) Important resolutions of shareholders' meetings and board meetings in the past year and as of the date of printing of the annual report

1. Shareholders' Meeting

Meeting name and date		Important resolution	Implementation status
2023 Shareholders' Meeting	June 28, 2023	I. 2022 business report and financial report.	The proposal was passed as it was by all shareholders present, and was announced in the shareholders' meeting minutes on July 12, 2023.
		II. 2022 earnings distribution.	The proposal was passed as it was by all shareholders present, and the dividend was distributed on July 25, 2023.
		III. Expected commissioned construction on self-own land with related parties in the next year.	The proposal was passed as it was by all shareholders present, and the amendment was completed.
		IV. Election of one additional director and one additional independent director.	The elected list is as follows: Director: Representative of Ta You Investment Co., Ltd.: Yuchun Liao Iindependent director: Wen Yen-Jung
2024 Shareholders' Meeting	June 27, 2024	I. 2023 business report and financial statements. II. 2023 earnings distribution scheme. III. Amendments "Endorsement guarantee operation procedure". IV. Re-election of directors. V. Lifting the non-competition restrictions on the company's new directors and their representatives.	Not yet implemented as of the date of printing of the annual report.

2. Board meetings

Meeting date	Term	Important resolution	Whether in compliance with matters listed in Article 14-3 of the Securities and Exchange Act	Independent directors' opinions	The Company's disposal of independent directors' opinions
January 18, 2023	1st session in 2023	I. Evaluation of the 2023 salary and compensation of the Company's directors and managers, as well as the 2022 year-end bonus for the Chairman and President.	No		
		II. Evaluation of the appointment, compensation and independence of the Company's certifying CPAs.	Yes	No objection	None
		III. Amendment to the Company's "Measures for Job Authorization and Deputy System".	Yes	No objection	None
		IV. Proposal to amend the Company's "Measures for Allocation of Remuneration to Directors, Functional Committee Members and General Manager" .	No		
		V. Proposal to amend the Company's "Management Measures".	No		
		VI. The Company entrusts the related party Da Sheng Construction Co., Ltd. to undertake the project of "Lot number 191, Taiho Section, Beitun District, Taichung".	Yes	No objection	None
March 22, 2023	2nd session in 2023	I. Distribution of 2022 employees' remuneration and directors' remuneration.	No		
		II. 2022 business report and financial report.	Yes	No objection	None
		III. 2022 earnings distribution.	Yes	No objection	None
		IV. Discussion of 2023 budget.	Yes	No objection	None
		V. Effectiveness assessment of the Company's internal control statement report and internal control system.	Yes	No objection	None
		VI. Remuneration distribution amount for individual directors for 2022.	No		
		VII. Review of the proposal by the Remuneration Committee on the amendment to the "Organizational Regulations for the Remuneration Committee".	No		
		VIII. Review of the proposal by the Remuneration Committee on the regular review of the policies,	No		

Meeting date	Term	Important resolution	Whether in compliance with matters listed in Article 14-3 of the Securities and Exchange Act	Independent directors' opinions	The Company's disposal of independent directors' opinions
		systems, standards and structure of the directors' and managers' salary and compensation.	Yes	No objection	None
		IX. The Company's application for financing for "land No. 191 Taiho Section" and endorses and guarantees for others.	Yes	No objection	None
		X. Expected commissioned construction on self-own land with related parties in the next year.	No		
		XI. Election of new directors	No		
		XII. Nomination and resolution of the list of director (including independent director) candidates.	No		
		XIII. Proposal to formulate matters related to the 2023 general shareholders' meeting of the Company.			
May 10, 2023	3rd session in 2023	I. The Company's financial report for Q1 2023.	Yes	No objection	None
June 14, 2023	4th session in 2023	I. The Company entrusts the related party Da Sheng Construction Co., Ltd. to undertake the project of "541, Renping Section, Beitun District, Taichung".	Yes	No objection	None
Auguest 9, 2023	5th session in 2023	I. The Company's financial report for Q2 2023.	Yes	No objection	None
		II. Proposal to amend the Company's "Internal Control System" and "Management Measures".	Yes	No objection	None
November 9, 2023	6th session in 2023	I. The Company's financial report for Q3 2023.	Yes	No objection	None
		II. The Company's 2024 annual audit plan.	Yes	No objection	None
		III. Chungkung Branch, Land Bank approve for "land No. 191 Taiho Section" and endorses and guarantees for others.	Yes	No objection	None
		IV. Chungkung Branch, Land Bank approve for "land No. 541, Renping Section"	No		
		V. 1 Proposal to amend the Company's "Management Measures".	No		
February 1, 2024	1st session in 2024	I. Evaluation of the 2024 salary and compensation of the Company's directors and managers, as well as	No		

Meeting date	Term	Important resolution	Whether in compliance with matters listed in Article 14-3 of the Securities and Exchange Act	Independent directors' opinions	The Company's disposal of independent directors' opinions
		the 2023 year-end bonus for the Chairman and President.			
		II. Evaluation of the appointment, compensation and independence of the Company's certifying CPAs.	Yes	No objection	None
		III. The Company entrusts the related party Da Sheng Construction Co., Ltd. to undertake the project of "Lot number 81, Biliu Section, Beitun District, Taichung".	Yes	No objection	None
		IV. Proposal to amend the Company's "Management Measures".	No		
		V. Approval for applying for the extension of guaranteed limit on commercial paper and increase in credit limit to Taoyuan Branch of Mega Bills Finance Co., Ltd.	No		
March 14, 2024	2nd session in 2024	I. Distribution of 2023 employees' remuneration and directors' remuneration.	No		
		II. 2023 business report and financial report.	Yes	No objection	None
		III. 2023 earnings distribution.	Yes	No objection	None
		IV. Discussion of 2024 budget.	Yes	No objection	None
		V. Effectiveness assessment of the Company's internal control statement report and internal control system.	Yes	No objection	None
		VI. Amendments"Endorsement guarantee operation procedure".	Yes	No objection	None
		VII. Amendments "Internal control system" and"Internal audit system" and "Management measures".	No		
		VIII. Remuneration distribution amount for individual directors for 2023.	No		
		IX. Review of the proposal by the Remuneration Committee on the amendment to the "Organizational Regulations for the Remuneration Committee".	No		
		X. Review of the proposal by the Remuneration Committee on the regular review of the policies,			

Meeting date	Term	Important resolution	Whether in compliance with matters listed in Article 14-3 of the Securities and Exchange Act	Independent directors' opinions	The Company's disposal of independent directors' opinions
		systems, standards and structure of the directors' and managers' salary and compensation. XI. Director election. XII. Nomination and resolution of the list of director (including independent director) candidates. XIII. Election of one additional director and one additional independent director. XIV. Proposal to formulate matters related to the 2024 general shareholders' meeting of the Company.	No No Yes No	No objection	None
May 8 2024	3nd session in 2024	I. The Company's financial report for Q1 2024. II. Authorization of the Chairman's Resolutions in connection with Future Land Development. III. Intended to apply for a revolving credit line from Shin Kong Commercial Bank.	Yes Yes No	No objection No objection	None None

(XII) In the past year and as of the date of printing of the annual report, if any director or supervisor had different opinions on important decisions passed by the board meeting and there were records or written statements, the main contents: None.

(XIII) Summary of resignations or dismissals of the chairman, president, accounting supervisor, financial supervisor, internal audit supervisor, corporate governance supervisor, and research and development supervisor of the Company in the past year and as of the date of printing of the annual report: None.

V. Information about CPA's audit fee

(1) Please disclose the amounts of the audit fees and non-audit fees paid to the external auditors and to the firm to which they belong, as well as the details of non-audit services:

Unit: NT$ Thousand

Name of CAP Firm	Name of CPA	Audit Period	Audit fee	Non-audit fee	Total	Remark
EnWise CPAs & Co.	Huang, Hsiang-Ying Tsao, Yong-Jen	January 1, 2023~December 31, 2023	800	330	1,130	Explanation about the non-audit fee: For the attested tax returns, NT$270 thousand For the check on salary information, NT$10 thousand For the review on annual reports, NT$50 thousand

(2) In the case of any change of the CPA firm that resulted in the reduction of the audit fee from the previous year, please disclose the audit fee before and after the change and the cause of such change:

(3) If the audit fee was reduced by more than 10% from the previous year, please disclose the amount of reduction, percentage and cause thereof: None.

VI. Replacement of CPA: None.

VII. The Company's Chairman, General Manager, or managers in charge of financial or accounting operations being employed by the external auditor's firm or any of its affiliated company within the most recent year: None.

VIII. Any transfer of equity interests and pledge of or change in equity interests by a director, supervisor, manager, or shareholder with a stake of more than 10 percent in the most recent year and until the date of publication of the annual report:

(1) Changes in the equity of directors, supervisors, managers and major shareholders:

Job title	Name	2023		Until April 29, 2024	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Chairman	Lai, Yuan-Chao	(1,100,000)	-	-	-
Director	Jin Cheng Investment Co., Ltd.	-	-	-	-
	Representative: Liang-Cheng, Lai	1,100,000	-	-	-
	Representative: Chien, Shu-Chin	-	-	-	-
Director	Ta You Investment Co., Ltd.	-	-	-	-
	Representative: Lai, Wen-Ling	-	-	-	-
	Representative of Ta You Investment Co., Ltd.: Liao, Yu-Chun	-	-	-	-
Independent director	Yang, Tung-Hsiao	-	-	-	-
Independent director	Young Weiju	-	-	-	-
Independent director	Lin, Chun-Mao	-	-	-	-
ndependent director	Wen Yen-Jung	-	-	-	-
General Manager	Yuchun Liao	-	-	-	-
Major Shareholder	Ta Cheng Construction Co., Ltd.	-	-	-	-

(2) Information on the transfer of shares: None.

(3) Information on the pledge of shares: None.

IX. Disclosure of relationships, such as related party, spouse or relative within the second degree of kinship, among the top ten shareholders

April 29, 2024

Name	Shares held in own name		Shares held by spouse and underage children		Shares held in the name of a third party		If there is a relationship, such as a related party, spouse, or relative within the second degree of kinship, among the top ten shareholders, please disclose the designation or name and relationship.	
	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Designation (or Name)	Relationship
Lai, Yuan-Chao	34,625,530	34.63%	1,300,564	1.30%	-	-	Ta Cheng Construction Co., Ltd.	Both companies' chairman is the same person.
							Ta Song Investment Co., Ltd.	
							Ta Shen Investment Co., Ltd.	The Company's director
							Fu, Ching-Chen	Spouse
							Liang-Cheng, Lai	Son
Ta Cheng Construction Co., Ltd.	15,659,852	15.66%	-	-	-	-	Lai, Yuan-Chao	The Company's Chairman
							Juristic person representative of Jin Cheng Investment Co., Ltd.: Fu, Ching-Chen	The Company's director
							Hsu, Ching-Ming	The Company's supervisor
Representative of Ta Cheng Construction Co., Ltd.:Lai, Yuan-Chao	34,625,530	34.63%	1,300,564	1.30%	-	-	Ta Song Investment Co., Ltd.	The Company's Chairman
							Ta Shen Investment Co., Ltd.	The Company's director
							Fu, Ching-Chen	Spouse
							Liang-Cheng, Lai	Son
Jin Cheng Investment Co., Ltd.	6,502,820	6.50%	-	-	-	-	Fu, Ching-Chen	The Company's Chairman
							Ta Cheng Construction Co., Ltd.	The Company's director
							Liang-Cheng, Lai	The Company's supervisor
Representative of Jin Cheng Investment Co., Ltd.: Fu, Ching-Chen	1,300,564	1.30%	34,625,530	34.63%	-	-	Ta Shen Investment Co., Ltd.	The Company's Chairman
							Ta Cheng Construction Co., Ltd.	Juristic person represented by the Company's director
							Lai, Yuan-Chao	Spouse
							Liang-Cheng, Lai	Son
Ta Song Investment Co., Ltd.	6,370,109	6.37%	-	-	-	-	Lai, Yuan-Chao	The Company's Chairman
Representative of Ta Song Investment Co., Ltd.: Lai, Yuan-Chao	34,625,530	34.63%	1,300,564	1.30%	-	-	Ta Cheng Construction Co., Ltd.	The Company's Chairman
							Ta Shen Investment Co., Ltd.	The Company's director
							Fu, Ching-Chen	Spouse
							Liang-Cheng, Lai	Son
Ta Sheng Investment Co., Ltd.	6,370,109	6.37%	-	-	-	-	Fu, Ching-Chen	The Company's Chairman
							Lai, Yuan-Chao	The Company's director

Name	Shares held in own name		Shares held by spouse and underage children		Shares held in the name of a third party		If there is a relationship, such as a related party, spouse, or relative within the second degree of kinship, among the top ten shareholders, please disclose the designation or name and relationship.	
	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Designation (or Name)	Relationship
							Liang-Cheng, Lai	The Company's supervisor
Representative of Ta Shen Investment Co., Ltd.: Fu, Ching-Chen	1,300,564	1.30%	34,625,530	34.63%	-	-	Jin Cheng Investment Co., Ltd.	The Company's Chairman
							Ta Cheng Construction Co., Ltd.	Juristic person representative of the Company's director
							Lai, Yuan-Chao	Spouse
							Liang-Cheng, Lai	Son
Ta You Investment Co., Ltd.	3,317,765	3.32%	-	-	-	-	Ta Cheng Construction Co., Ltd.	The Company's director
Representative of Ta You Investment Co., Ltd.: Lin, Chun-Jen	-	-	-	-	-	-	Ta Cheng Construction Co., Ltd.	Juristic person representative of the Company's director
Fu, Ching-Chen	1,300,564	1.30%	34,625,530	34.63%	-	-	Ta Shen Investment Co., Ltd.	Both companies' chairman is the same person.
							Jin Cheng Investment Co., Ltd.	
							Ta Cheng Construction Co., Ltd.	Juristic person representative of the Company's director
							Lai, Yuan-Chao	Spouse
							Liang-Cheng, Lai	Son
Hsu, Yu-Hsuan	1,177,085	1.18%	-	-	-	-	-	-
Liang-Cheng, Lai	1,100,000	1.10%	-	-	-	-	Lai, Yuan-Chao	Father
							Fu, Ching-Chen	Mother
							Ta Shen Investment Co., Ltd.	The Company's supervisor
							Jin Cheng Investment Co., Ltd.	The Company's supervisor
Tsai, Chien-Hsing	822,805	0.82%	-	-	-	-	-	-

X. Number of shares held by the Company, and the Company's directors, supervisors and managers, and the entities directly or indirectly controlled by the Company in a single investee, and consolidated shareholding percentage of the above categories**:** None.

Four. Funding Status

I. Capital and shares

(1) Source of Capital

April 29, 2024

Year / month	Issue price	Authorized capital		Paid-in capital stock		Remark			
		Number of shares (thousand shares)	Amount (NT$ Thousand)	Number of shares (thousand shares)	Amount (NT$ Thousand)	Source of Capital (NT$ Thousand)		Offset share capital via properties other than cash	Others
August 1995	10	3,250	32,500	3,250	32,500	Registered capital	32,500	None	Note 1
February 1996	10	5,100	51,000	5,100	51,000	Cash capital increase	18,500	None	Note 2
May 1997	10	10,000	100,000	10,000	100,000	Cash capital increase	49,000	None	Note 3
September 2000	10	42,000	420,000	18,000	180,000	Cash capital increase Recapitalization of earnings Capital surplus	60,000 17,610 2,390	None	Note 4
July 2001	10	42,000	420,000	20,700	207,000	Recapitalization of earnings Recapitalization of capital surplus	18,000 9,000	None	Note 5
September 2002	10	42,000	420,000	24,105	241,050	Recapitalization of earnings Recapitalization of employee bonus Recapitalization of capital surplus	20,700 3,000 10,350	None	Note 6
August 2003	10	48,000	480,000	28,021	280,208	Recapitalization of earnings Recapitalization of employee bonus Recapitalization of capital surplus	25,793 3,000 10,365	None	Note 7
August 2004	10	48,000	480,000	31,673	316,733	Recapitalization of earnings Recapitalization of employee bonus Recapitalization of capital surplus	24,098 2,900 9,527	None	Note 8
August 2005	10	48,000	480,000	33,352	333,520	Recapitalization of earnings	16,787	None	Note 9
February 2006	10	48,000	480,000	30,352	303,520	Cancellation of repurchased shares of the Company	(30,000)	None	Note 10
December 2008	10	48,000	480,000	27,352	273,520	Cancellation of repurchased shares of the Company	(30,000)	None	Note 11
August 2013	10	100,000	1,000,000	60,352	603,520	Cash capital increase (in private placement)	330,000	None	Note 12
July 2015	10	100,000	1,000,000	75,352	753,520	Cash capital increase (in private placement)	150,000	None	Note 13
September 2021	10	200,000	2,000,000	86,655	866,548	Recapitalization of earnings	113,028	None	Note 14
September 2022	10	200,000	2,000,000	100,000	1,000,000	Recapitalization of earnings	133,452	None	Note 15

Note 1: Approval letter under Jian-1-Zi No. 01006130 dated August 14, 1995
Note 2: Approval letter under Jian-1-Zi No. 85265305 dated February 25, 1996
Note 3: Approval letter under (86) Shang-Zi No. 110838 dated June 30, 1997
Note 4: Approval letter under (89) Tai-Cai-Zheng (1) No. 60038 dated July 17, 2000
Note 5: Approval letter under (90) Tai-Cai-Zheng (1) No. 138123 dated June 14, 2001
Note 6: Approval letter under (91) Tai-Cai-Zi No. 0910140817 dated July 22, 2002
Note 7: Approval letter under Tai-Cai-Zheng-1-Zi No. 0920128169 dated June 25, 2003
Note 8: Approval letter under Tai-Cai-Zheng-1-Zi No. 0930128485 dated June 28, 2004
Note 9: Approval letter under Jin-Guan-Zheng-1-Zi No. 0940125620 dated June 27, 2005
Note 10: Approval letter under Jin-Guan-Zheng-3-Zi No. 0950103569 dated February 3, 2006
Note 11: Approval letter under Jin-Guan-Zheng-3-Zi No. 0970064760 dated November 25, 2008
Note 12: Approval letter under Jin-Shou-Shang-Zi No. 10201178580 dated August 30, 2013
Note 13: Approval letter under Jin-Shou-Shang-Zi No. 10401136540 dated July 8, 2015
Note 14: Granted the effective registration from FSC on September 17, 2021; approval letter under Jin-Shou-Shang-Zi No. 11001202460 dated November 5, 2021
Note 15: Granted the effective registration from FSC on July 18, 2022; approval letter under Jin-Shou-Shang-Zi No. 11101177170 dated September 16, 2022

Share categories	Authorized capital			Remark
	Outstanding shares (Note) (thousand shares)	Unissued shares (thousand shares)	Total (thousand shares)	
Registered ordinary shares	100,000	100,000	200,000	

Notes: 1. TWSE-listed stocks

2. Information relevant to the shelf registration system: None.

(2) Shareholders' structure

April 29, 2024

Shareholders' structure / Quantity	Government agencies	Financial institutions	Other juristic persons	Foreign institutions and foreigners	Natural persons	Total
Number of shareholders	-	-	24	25	2,691	2,740
Number of shares held	-	-	42,239,015	805,960	56,955,025	100,000,000
Shareholding	-	-	42.24%	0.80%	56.96%	100.00%

(3) Diversity of Ownership

April 29, 2024

Shareholding category	Number of shareholders	Number of shares held	Shareholding
1-999	1,272	219,744	0.22%
1,000-5,000	954	2,009,546	2.01%
5,001-10,000	209	1,605,263	1.61%
10,001-15,000	80	989,214	0.99%
15,001-20,000	59	1,068,578	1.07%
20,001-30,000	45	1,121,391	1.12%
30,001-40,000	27	976,130	0.98%
40,001-50,000	20	905,419	0.91%
50,001-100,000	27	1,874,720	1.87%
100,001-200,000	17	2,437,074	2.44%
200,001-400,000	6	1,629,359	1.63%
400,001-600,000	10	4,988,655	4.99%
600,001-800,000	4	2,928,268	2.92%
800,001-1,000,000	1	822,805	0.82%
1,000,001 or above	9	76,423,834	76.42%
Total	2,740	100,000,000	100.00%

(4) Name list of major shareholders

Rankings	Major shareholders	Number of shares	Shareholding
1	Lai, Yuan-Chao	34,625,530	34.63%
2	Ta Cheng Construction Co., Ltd.	15,659,852	15.66%
3	Jin Cheng Investment Co., Ltd.	6,502,820	6.50%
4	Ta Song Investment Co., Ltd.	6,370,109	6.37%
5	Ta Sheng Investment Co., Ltd.	6,370,109	6.37%
6	Ta You Investment Co., Ltd.	3,317,765	3.32%
7	Fu, Ching-Chen	1,300,564	1.30%
8	Hsu, Yu-Hsuan	1,177,085	1.18%
9	Liang-Cheng, Lai	1,100,000	1.10%
10	Tsai, Chien-Hsing	822,805	0.82%

(5) Information relating to market price, net worth, earnings, and dividends per share for the latest 2 years

Unit: NT$ Thousand/Thousand Shares

Item \ Year			2022	2023	Until March 31, 2024 (Note 8)
Market price per share (Note 1)	Highest		31.40	26.50	34.60
	Lowest		23.75	20.70	27.00
	Average		28.76	23.43	30.27
Net worth per share (Note 2)	Before distribution		18.33	19.81	18.26
	After distribution		17.33	18.31	-
Earnings per share	Weighted average outstanding shares		100,000	100,000	100,000
	Earnings per share (Note 3)	Before adjustment	3.46	2.48	(0.05)
		After adjustment	3.46	2.48	(0.05)
Stock dividend per share	Cash dividends		1.00	1.50	-
	Bonus shares	Stock dividend from retained earnings	-	-	-
		Stock dividend from capital surplus	-	-	-
	Accumulated unpaid dividends (Note 4)		-	-	-
Analysis of return on investment	P/E ratio (Note 5)		8.31	9.45	(605.44)
	P/D ratio (Note 6)		28.76	15.62	-
	Cash dividend yield (Note 7)		0.03	0.06	-

In the event of recapitalization of earnings or capital surplus, please also disclose the retroactively adjusted market price and cash dividend subject to the number of shares as allocated.

Note 1: Please identify the highest and lowest market price per share of ordinary stock for each fiscal year and calculate each fiscal year's average market price based on each year's trading value and trading volume.

Note 2: Please apply the number of the outstanding issued shares at the end of the year as the basis and specify it based on the distribution resolved by the Board of Directors meeting, or by the shareholders' meeting of next year.

Note 3: If retroactive adjustment is needed due to allocation of a stock bonus, please identify the earnings per share before and after the adjustment.

Note 4: If the equity securities issue terms and conditions require that the stock dividends undistributed in the year may be accumulated and distributed until the year in which earnings are generated, please disclose the stock dividends accumulated and undistributed until the end of the year separately.

Note 5: P/E ratio = Average closing price per share for the year/Earnings per share.

Note 6: P/D ratio = Average closing price per share for the year/Cash dividend per share.

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

Note 8: The information about net worth per share and earnings per share shall refer to the information available during the most recent quarter until the date of publication of the annual report, which has been audited (reviewed) by the CPA, while the other sections shall specify the information available in the current year until the date of publication of the annual report

(6) Dividend policy and execution status

1. The dividend policy defined under the Articles of Incorporation:

If there is a surplus after account settlement of the fiscal year, the Company shall pay applicable taxes pursuant to laws and cover loss carried forward, followed by the allocation of 10% of the remainder as legal reserve, unless such legal reserve amounts to the paid-in capital, and the remainder, if any, is appropriated for special reserve or reversed as a special reserve. If there is still a balance, it will be pooled up with the undistributed earnings carried forward from previous years

for distribution as shareholder dividends and bonus under a proposal prepared by the Board of Directors subject to the resolution made by a shareholders' meeting.

The Company may distribute the stock dividends and bonus, capital surplus or legal reserve in cash, in whole or in part, per the resolution adopted by a majority of the directors present at the meeting of Board of Directors attended by more than two-third of the whole directors, and shall report the distribution to a shareholders' meeting.

The Company adopts the dividend policy in response to the current and future development plans and by taking into account the investment environment, funding needs and overview of the industrial competition, as well as shareholders' interest, in order to decide the optimal proportions of shareholder dividends to be distributed in the form of stock and in cash per the earnings appropriation plan proposed by the Board of Directors as resolved by a shareholders' meeting. Among other things, the cash dividend and stock dividend shall be no less than 20% of the total dividends, respectively.

2. The dividends proposed to be distributed at the shareholders' meeting:

The Company's net income was NT$247,834,548 in 2023, which was subject to appropriation of the legal reserve of NT$24,783,455. After the balance plus the undistributed earnings at the beginning of the year, NT$392,413,009, the distributable earnings become NT$615,464,102 this year. Given this, according to the earnings distribution plan, the cash dividend to be distributed are NT$150,000,000. The earnings distribution plan is specified as follows:

Tacheng Real Estate Co.,Ltd.

Earnings Distribution Plan

2023

Unit: NT$

Item	Amount
Undistributed earnings, beginning	392,413,009
Add: Current net income	247,834,548
Less: Legal reserve	(24,783,455)
Current distributable earnings	615,464,102
Distribution items	
Shareholder bonus (cash dividend, NT$1 per share)	(150,000,000)
Undistributed earnings, ending	465,464,102

Chairman: Lai, Yuan-Chao　　General Manager: Yuchun Liao　　Accounting Manager: Teng, Hsiang-Chien

(7)Impacts posed by the proposed bonus shares on the Company's business performance and earnings per share: The shareholders' meeting did not distribute stock dividends this time, therefore this item is not applicable.

(8) Remuneration to employees, directors and supervisors:

1. The percentages or ranges with respect to remuneration to employees and directors, as set forth in

the Company's Articles of Incorporation:

The annual profits concluded by the Company, if any, shall be subject to employee remuneration of 0.1%~5%. The Board of Directors shall resolve to distribute the same in the form of stock or cash subject to the specific ratio falling in said appropriation rate range. The other recipients of such remuneration may include the employees of affiliated companies that satisfy certain criteria. The Board of Directors may resolve to distribute no more than 3% of the earnings as remuneration to directors. The motion for distribution of remuneration to employees and directors shall be reported to a shareholders' meeting. However, profits must first be taken to offset the Company's cumulative losses, if any. Then, the remuneration to employees and directors may be appropriated subject to the ratio referred to in the preceding paragraph.

2. The basis for estimating the amount of remuneration to employees and directors, for calculating the number of shares to be distributed as stock dividends, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

   The remuneration to employees and directors estimated for the current year was determined based on the percentage set forth in the Articles of Incorporation, distributed at the percentage passed by the Board of Directors, and recognized as the current operating expenses. The discrepancy, if any, will be adjusted in the next period.

3. Distribution of remuneration approved by the Board of Directors:

   The Company's Board of Directors resolved on March 14, 2024 to approve the distribution of remuneration to employees, NT$874, 210and remuneration to directors, NT$378,824, for 2023. No discrepancy between said remuneration and recognized expenses has been found. The remuneration was paid in cash in whole.

4. Actual payment of the remuneration to employees/directors/supervisors in the previous year (including the number of shares allocated, the sum of cash paid, and the price at which shares were issued) and any differences from the figures estimated (explain the amount, the cause, and treatment of such discrepancies):

   The remuneration to employees and directors actually allocated in 2022 were NT$1,076,709 and NT$430,684, respectively. No discrepancy between said remuneration and recognized expenses has been found. The remuneration was paid in cash in whole.

(9) Repurchase of the Company's shares: None.

II. Corporate bonds: None.

III. Preferred shares: None.

IV. Global depository receipts: None.

V. Employee stock warrants: None.

VI. Restricted Stock Awards (RSAs): None.

VII. New shares issued for the acquisition or transfer of other shares: None.

VIII. Progress on the use of funds: None.

Five.Operational Overview

I. Business activities

(I)Business scope

1. Business activities

The Company primarily engages in housing and building development, leasing and sales business. So far, it has acquired multiple land parcels used for construction. Now, the Company is launching construction projects for sale, including「四季山妍」,「一月春語」,「七月沐樂」,「大城仰雲」,「十二月滿」,「八月小確幸」,「四月泊樂」,「大城樂好事」,and「大城十一月」house completed and handed over，The projects in progress include「大城迎好事」,「悅讀大城-雲詠」,「大城二月埕」,「大城知丘」and「大城光年」.

2. Business ratio in 2022

nit: NT$ Thousand; %

Item	Operating revenue	Business ratio
Lease revenue	200	-
Construction revenue	1,382,149	100.0
Total	1,382,349	100.0

3. The Company's current main products and services

(1) Real Estate Business/Rental and Leasing

(2) Housing and building development, lease and sales

(3) Wholesale of Building Materials/Retail

(4) Landscape and Interior Designing

(5) Wholesale and Retail of Building Materials

4. New products planned to be developed: None.

(II) Overview of industry

1. Overview of industry and development

The Company's Board of Directors resolved to add new business lines in 2012, and re-elected directors and supervisors in May 2012. Since then, the Company has primarily engaged in the construction, development, lease and sale business. The individual projects completed by the Company include「四季山妍」,「 一月春語」,「七月沐樂」,「大城仰雲」,「十二月滿」,「八月小確幸」,「四月泊樂」,「大城樂好事」and「大城十一月」. The projects in progress include「大城迎好事」,「悅讀大城-雲詠」,「大城二月埕」,「大城知丘」and「大城光年」.

According to the domestic and international economic scenario observation of the Taiwan Institute of Economic Research, the recent international economic situation has improved slightly, although the manufacturing industry in the U.S. and Europe has continued to shrink. The manufacturing industry in Japan has declined due to reduced global demand, and the service industry has grown slightly with the expansion of new businesses. China is still dragged down by the real estate downturn, but the industrial and commercial activities have recovered.

Regarding the construction industry, as rigid demand continues to emerge due to the construction catch-up at the end of the year, the peak season for home buying, and the support of the Government Housing Subsidies for the Youth 2.0 policy, plus the consideration for the government's public construction budget increasing in 2024, and the outlook of the housing market

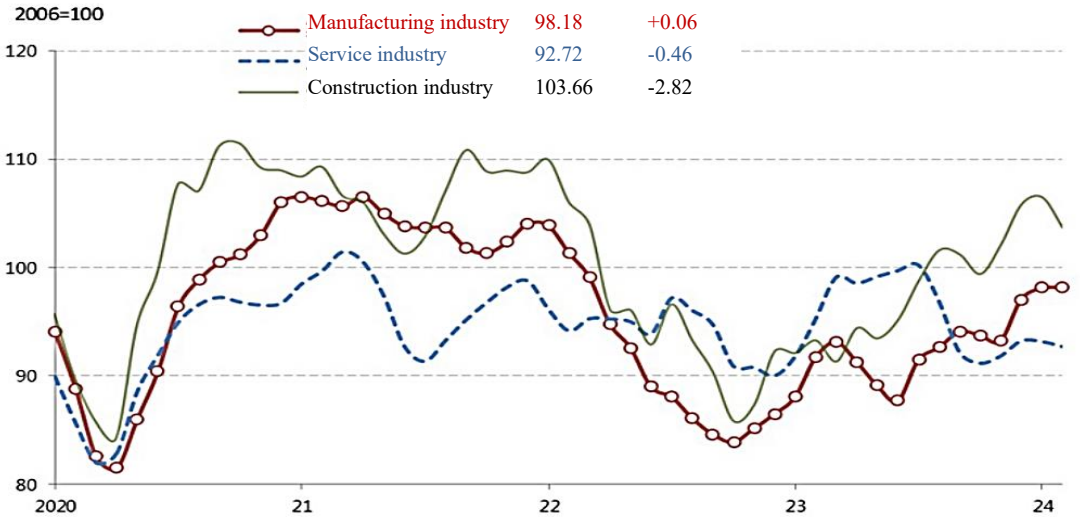
in the next six months moving towards positive development, the construction industry is optimistic about the performance of the business in the current month and the next six months.

According to the survey of the Institute, the model simulation shows that the business climate test points for the manufacturing, service, and construction sector in December 2023 increased simultaneously. The testing points of service and construction in December showed an upward trend for the second consecutive month, and the testing point of manufacturing industry turned to rise. Finally, for the macroeconomics in 2024, the economic growth in Taiwan is expected to be mainly supported by consumption and investment, and external demand will recover in 2024. Taiwan Institute of Economic Research forecasts that the domestic economic growth rate in 2024 will be 3.15%.

In terms of the construction industry, in view of the shortage of domestic labor, coupled with the fierce competition in the labor market due to the recovery of the tourism and catering industries, the industry is facing a shortage of workers; in addition, the government's carbon tariff has caused the prices of building materials such as rebar and cement to fluctuate up, making the cost on the rise. Hence, the industry players review the construction in progress, resulting in slower pace of new projects and planning, which in turn affects the overall construction revenue. Therefore, in February 2024, the business of the construction industry was deemed deteriorated. Looking to the future, considering the record high budget of the governmental public construction, the volume of civil engineering tenders to be awarded in the future will be increased, the related businesses are expected to maintain the growth momentum. Meanwhile, the commercial and office buildings will also increase with the economic rebound and the recovery of manufacturing industry. Furthermore, the high-tech industry is optimistic about the future development of the industry and has higher enthusiasm for factory and office construction. Therefore, the business of the construction industry in the next six months is expected to improve.

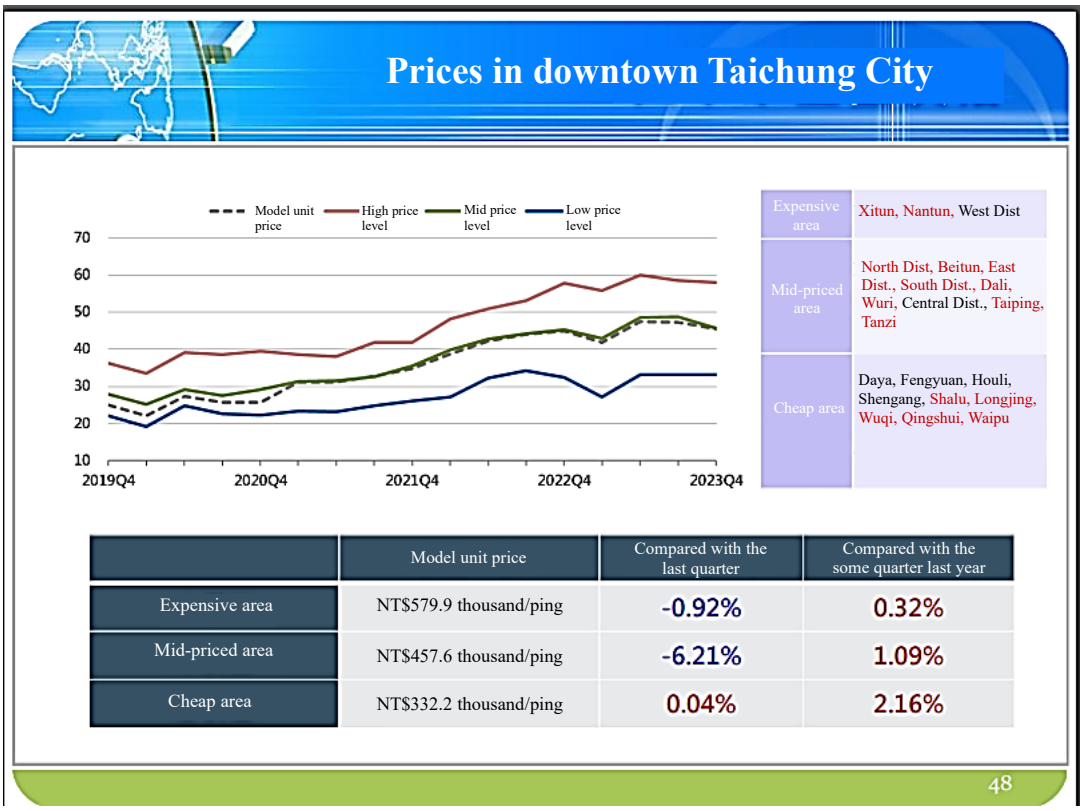
In terms of the real estate industry, in February 2024, the monthly growth rate of the number of building transactions and transfers in the six major cities was -40.9% m-o-m, and -6.5% y-o-y. This is mainly due to the interruption of the Lunar New Year, resulting in the fewer working days than both January and in 2023. In fact, after excluding seasonal factors, the annual growth rate in the number of building transactions and transfers in the six major cities from January to February 2024 was as high as 40.1%. It is obvious that the purchases from first-time homebuyers and the property allocation due to the expectation of inflation emerged, and pushed up the overall housing market transactions. Looking to the future, in view of the gradual emergence of domestic economic momentum, coupled with the “Government Housing Subsidies for the Youth” stimulating the buying interest of the first-time buyers constantly, and the investment related to the semiconductor industry, as well as the limited effect of 0.125% interest rate hike on the general housing market, in the short-term, the domestic housing market is still active, and for the near future, in terms of the transaction areas and product structure, the expensive areas will be less active than the cheaper areas, seeming a polarized phenomenon.

Business climate measurement point (March 2024)

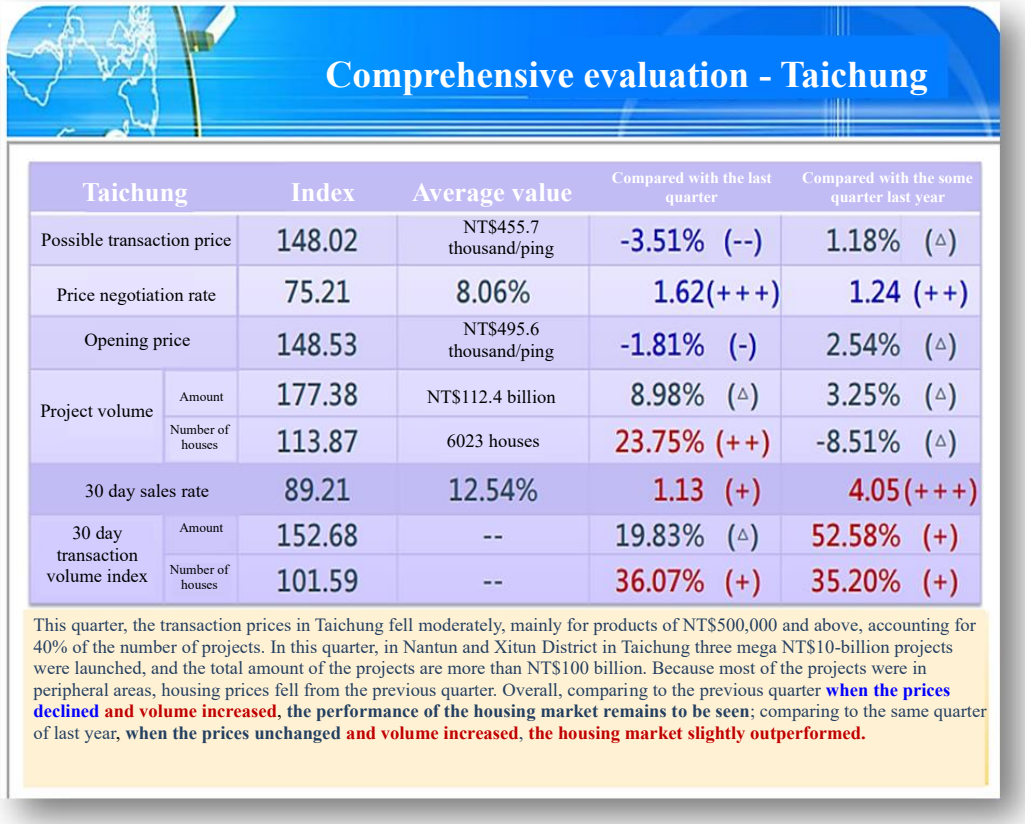


In Q4 2023, based on the Cathay Real Estate Index showed a steady price with increased volume season-on-season and year-on-year. In this quarter, the bidding price, price negotiation rate, number of projects promoted are both maintained steady; and amount of projects promoted remained increases slightly, while the sales rate and transaction volume both increased significantly. The Central Bank revised down the economic growth rate for 2023 to 1.40%, and kept the policy interest rate unchanged. A closer look at the performance of each region, comparing to the same quarter last year, the transaction prices in other regions are stable or rising, except that Hsinchu and Tainan go south; other than Hsinchu and Tainan, where the transaction volume decreases, in other regions, the transaction volumes are stable or increasing.

This quarter, under the impact of the equalization of Land Rights Act and the presidential election, the number of projects promoted nationwide fell by more than 10% year-on-year; the transaction volume rebounded due to the recovery of the economics and the stabilization of exports, as well as the surge in Taiwan's stock market. Overall, the housing market this quarter is rather bullish, showing a steady price with increased volume season-on-season and year-on-year. With the continuous facilitation of “Program for Healthy Real Estate Market,” the Equalization of Land Rights Act and Non-self-use House Tax are expected to exert the influence constantly. Furthermore, the Central Bank has not loosened its control policies, and that inflation has relatively slowed year-on-year, the housing market shall to be monitored constantly after the election. In addition, by reviewing the whole year, the demand for owner-occupiers is still the main force supporting the housing market in 2024, continuing the trend of 2023. The housing market in 2024 is expected to move towards a trend of price and volume consolidation.



Source of Data: Cathay Real Estate Index of Q4 2023



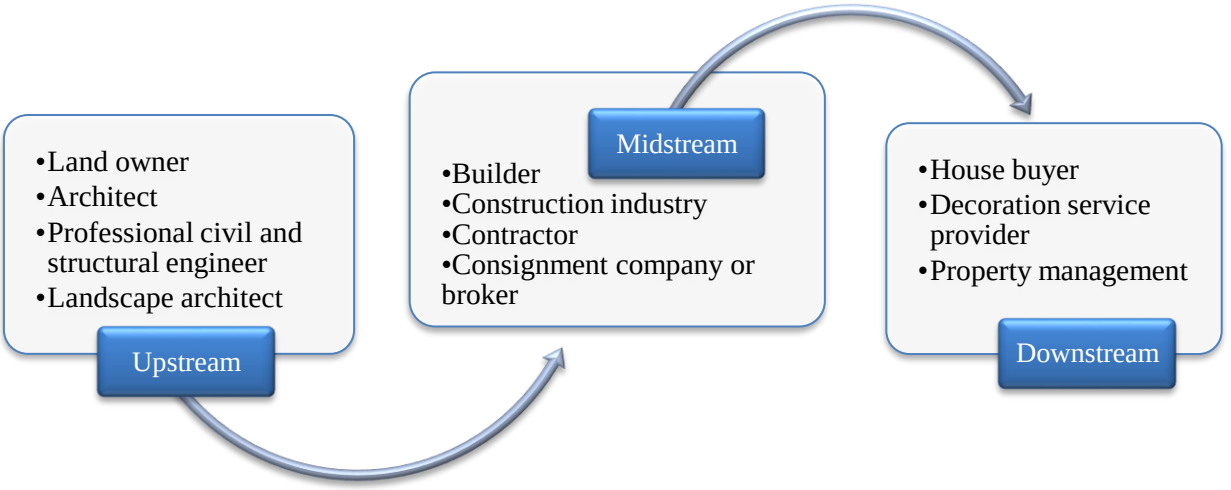
Source of Data: Cathay Real Estate Index of Q4 2023

2. Correlation of the upstream, midstream and downstream segments of the industry:

The Company is engaged in real estate construction and development. The upstream segments of the construction industry chain cover land, architects, professional civil and structural engineers, landscape architects and building materials. The land was acquired from sources including land owners, in the form of joint construction with the land owners, bids from governments, and from the old communities under the urban renewal planning. Architects, professional civil and structural engineers, and landscape architects play an important part in real estate construction and development and the part valued by the Company most. Meanwhile, parts of building materials, such as tiles and stones, are purchased from professional suppliers according to the strict procurement procedure.

The Company and its construction contractors are identified as the midstream segment of the construction industry chain, also the most key position, dedicated to providing related services including building planning, construction and engineering management. Upon acquisition of the land from land owners, the Company retains architects to plan the design and award the contract to construction companies or contractors to perform the construction work. Further, consignment companies, brokers or or builders' sales departments are retained to sell products and provide after-sale services, as well as professional services including advertisement, sale and customer service.

The downstream segment of the construction industry chain covers property management, decoration service providers and house buyers, focusing on preservation and maintenance, property management, and after-sale service and warranty service available to house buyers. The correlation of the upstream and downstream segments of the construction industry chain is shown in the following chart:



3. Industrial development trend and competition

(1) Value consumers' interests and rights, and after-sale service

Ministry of the Interior has promulgated the "Standard Real Estate Transaction Contract Template" to expressly define the right and obligations of transaction of pre-sale houses or land development, and also highlight the Consumers Protection act and Fair Trade Act. Therefore, builders shall act more cautiously in executing contracts, engineering quality and construction progress to maintain consumers' interests and rights.

(2) The building design is more adapted to users' needs.

In consideration of the changes in consumer needs, products shall consider the functions including environmental protection, leisure, safety, and comfort, to satisfy consumers' needs.

(3) Completion of major transportation construction projects drives the construction projects for suburban housing.

Under the active development by builders, the land resources available for development become limited in Taichung City Metropolitan Area and, therefore, the land price tends to be higher. In order to balance regional development, the government has kept planning new towns and redevelopment zones in recent years to relieve the pressure of residing in the metropolitan area. For example, the continuing development of the Central Taiwan Science Park and construction of highways and high-speed railways resulted in the extension of transportation networks to the fringes and suburbs of the metropolitan area. As a result, the distance between urban and rural areas has been shortened significantly, thus driving the expansion of related life circles indirectly. Builders successively turn to develop projects in suburban areas with convenient transportation and growth potential. In Taichung City Metropolitan Area, such as Beitun District, Wuri District, Taiping District and Fengyuan District, the number of projects appears to be increasing.

(4) Product competition

The builders' characteristics vary depending on the land lots and locations of products. For the time being, the projects launched by the Company are primarily located in Taichung City Metropolitan Area. The Company's Chairman, and Chairman of Ta Cheng Construction Co., Ltd. are the same person, namely Lai, Yuan-Chao. Led by the Chairman, Ta Cheng Construction Co., Ltd. has engaged in the building development field for more than three decades, and completed more than 80 successful projects. In the future, the Company will follow the step of Ta Cheng Construction Co., Ltd. to adopt strict construction planning and keep researching new construction methods to improve the construction quality, prepare long-term planning for vertical integration of upstream and downstream segments, in order to

reduce costs and improve competitiveness, achieve the goal of sustainable business and become the most dominant brand locally in Taiwan. Therefore, the products planned by the Company have specific competitiveness in the real estate market of the Taichung City Metropolitan Area.

(3) Overview of technology and R&D

1. Market development: Precisely control the real estate market information, and extensively collect information about land and real estate market in various districts.
2. Architectural design: Plan the optimal products in response to the location where the project is launched and characteristics of the surrounding environment, in order to meet consumers' needs, serve as the basis for product positioning and marketing strategies, and also create a high sales rate.
3. Construction engineering: With adequate construction technique and project management, the Company strictly controls the construction quality, costs and progress to ensure the construction site's safety.

(4) Long-term/short-term business development plan

1. Short-term business development plan:

Based on the "Honest, Sincerity and Sustainability" management philosophy, the Company engages in building housing, providing high-quality architecture products, and enhancing pre-sale housing sales management to raise customers' satisfaction. According to the short-term planning, the Company will still launch the projects primarily in Taichung District, and improve its market survey, choose the land lots carefully, and consider convenient transportation and development planning as the first priority, and strictly control costs via the budget system and audit system, in order to achieve the sound financial structure, solidify the business base, keep the Company growing and create the maximum profit for shareholders.

2. Long-term business development plan:

According to the long-term business development plan, the Company will primarily orient its business toward the construction business. For the time being, it launches projects primarily in Taichung District. In the future, the Company will, in consideration of the resilience of land acquisition strategies, expand its business development in other districts step by step. It will keep participating permanently in urban renewal or development projects organized by governments. It expects to expand its development ability and range in the next few years.

For the time being, the product development orientation still focuses on the planning and development of housing construction. In the future, in response to the market demand, the Company will create diversified products and aim to produce high-quality, exquisite and practical

architectural products. Meanwhile, it also hopes to provide diversified peripheral services to improve a builder's service quality.

II. Overview of Market and Production & Marketing

(I) Market analysis

1. Territories where the main products are sold

Unit: NT$ Thousand; %

Year / Territories	2022		2023	
	Sales value	%	Sales value	%
Domestic marketing	1,943,504	100.00	1,382,349	100.00
Export sale	-	-	-	-
Total	1,943,504	100.00	1,382,349	100.00

2. Market share

The Company terminated the dealership of information products in June 2012. In order to develop the construction business, the Company added the Construction Business Division. It takes time to complete the procedures consisting of builders' analysis of land, design & development, application for building permit, the commencement of the work and completion of work. For example, it might need to take 2~4 years to complete the procedures, in the case of a building. Besides, the time of recognition might vary depending on the years of completion. Since 2013, the Company has successively launched projects including「一月春語」,「四季山妍」,「七月沐樂」,「大城仰雲」,「十二月滿」,「八月小確幸」,「四月泊樂」,「大城樂好事」and「大城 11 月」which were completed from 2015 to December 2023. The projects in progress currently include「大城迎好事」,「悅讀大城-雲詠」,「大城二月埕」,「大城知丘」and「大城光年」Notwithstanding, as the projects already launched by the Company are all local housing construction projects, no significant market share has been secured by the Company so far.

3. Future market demand and supply, and market's growth potential

The Government is now planning to proactively expand the investment in comprehensive infrastructure projects, aiming to construct the infrastructure needed by the national development for the next three decades. The "Forward-looking Infrastructure Development Program" consists of five major construction projects, namely, the projects for construction of safe and convenient railways, water environment in response to climate changes, green infrastructure promoting environmental sustainability, digital infrastructure creating a smart homeland, and enhancement of balanced infrastructure in urban and rural areas. In response to the Government's planning, the Company will orient its business development toward local and exquisite products to satisfy consumers' needs.

4. Competitive niche

(1) Professional management team

The planning and construction of each building constructed by the Company focus on the planning and design of local products and strictly require quality. With the adequate construction technique and project management, the Company strictly controls the construction quality, costs and progress to ensure the construction site's safety. Profession and quality are the basic requirements. In addition to focusing on the "efficiency-oriented," the Company also demands "Open and Innovative" in order to make the products more adapted to consumers' needs.

(2) Land development that satisfies the market needs

Based on the land information collected by Land Development Dept. and the Company's ability to analyze the development of land lots, the Company uses the best effort to find the land lots with value-added potential. Alternatively, the Company utilizes a remarkable ability to communicate and negotiate with land owners for land acquisition or joint construction and development. Therefore, the Company can better control the sources of land in the Taichung City Metropolitan Area.

(3) Local product positioning in nature

The Company conducts detailed market surveys and analyses to launch products that satisfy the market needs. Meanwhile, with the most adequate construction technique and project management, the Company strictly controls the construction quality and ensures the construction site's safety.

5. Analysis of positive and negative factors for future development and responsive measures

The Company still orients its future business development toward the Construction Business Division with the following reasons:

(1) Positive factors:

Given the recovery of the international economy and the opening of China, Taiwan, Hong Kong and Macau, the government information system's development and convenience stimulate consumers' willingness to purchase real estate; therefore, the investment value in real estate is emerging. The time spent in title transfer registration is expected to be shortened significantly; therefore, the trading risk will be mitigated significantly. In response to the expanding circulation platform, the liquidity of real estate transactions will grow drastically and the market scale is expected to be expanded further. Meanwhile, if the limitations on the purchase of the real estate by Mainland China investors or foreign investors are relaxed, Taiwan's real estate market will tend to develop globally. Then, the house price might tend to be rising and the market will keep growing.

The introduction of the "Mortgage under the Government Housing Subsidies for the Youth" policy allows first-time homebuyers or qualified owner-occupiers intending in buying a home to shorten their decision-making time, and accelerate their purchase of home. Looking to the future, the favorable factors for the future housing market include the gradual recovery of the domestic economy, the emergence of rigid demand from the "Mortgage under

the Government Housing Subsidies for the Youth," and the likely end of tightening monetary policy step by step.

(2) Negative factors:

In consideration of the "two-in-one tax policy for real estate" implemented as of 2016 and the targeted policy implemented by the Central Bank as of December 2021, the real estate loan granted by banks has increased significantly. In order to prevent excessive funds from flowing to the real estate market and mitigate the financial institutions' risk over real estate loans, the Company has proposed to adjust the optional credit control measures to reduce the percentage of loans granted to specific subjects. On January 27, 2021, the three laws including the Equalization of Land Rights Act were amended and announced again, and were approved by the Executive Yuan to come into effect on July 1, 2021. The revised new actual price registration 2.0 system includes: complete disclosure of land and doorplate numbers, making transaction information more transparent; comprehensive management and immediate filing of pre-sold properties, making the transaction information of pre-sold properties real-time and complete; management of red-slip transactions to protect the rights and interests of consumers, and prohibit the buyer to resell the written deed to a third party; the standardized contract for pre-sold properties requests pre-sold property sellers to submit the standardized contract to the local government for filing before the sale of pre-sold properties. In addition, due to the inflation factor, future interest rates and loan percentages will affect people's willingness to buy houses.If Taiwan's real estate market becomes open, land acquisition costs and construction costs will keep increasing. The design, positioning and pricing of local products will be the key factors critical to sales.

The new system of the House Tax Act 2.0 upon the amendment on July 1, 2024 includes;

- For owner-occupiers (only one single house for owner-occupiers nationwide, excluding houses with current value exceeding a certain amount), the tax rate is adjusted to 1%
- The lower limit of the non-owner-occupied tax rate (housing accumulation tax) is adjusted to 2% and the upper limit is raised to 4.8%.
- It is still up to the county and city governments to set differential tax rates.
- The consolidation is changed to nation-based from county/city based (anyone owns more than three houses, even located in different county/city, is subject to housing accumulation tax)

(3) Responsive measures:

(A) Plan and design local products and set the price more adapted to consumers' needs.

(B) Amend the contractual terms and conditions more carefully in response to laws and regulations to ensure the interests and rights of the Company and consumers.

(C) Strictly control the construction quality, costs and progress to ensure the construction site's safety.

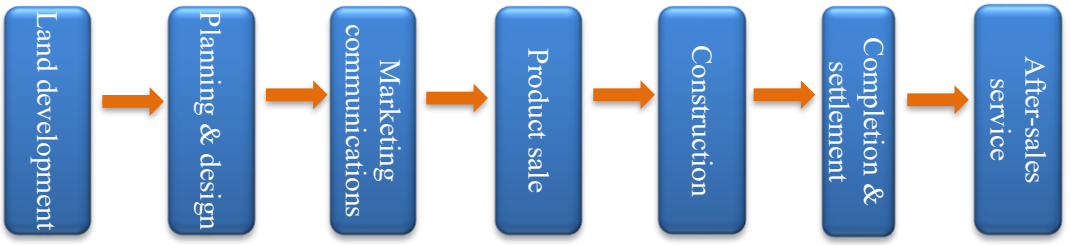
(D) Improve the house design and construction quality controls based on sustainable business principles.

(II) Important purposes and production processes of main products

1. Important purposes of main products

The main products provided by the Company include housing complexes and townhouse functioning to provide consumers with a comfortable and safe living environment.

2. Production processes of main products



(III) Supply of key raw materials

The Company's key raw materials refer to land and construction projects.

For land: The Company has delegated the land development personnel to find suitable cases voluntarily, and work with the land owner in the form of joint construction or evaluate the buyout of the land and self-building. The Company is not likely to suffer any shortage of supplies.

Construction project: The Company contracts its construction projects to construction contractors at the contract price for labor and materials. The Company will select qualified construction contractors and control the construction progress, construction quality and building materials cost-effectively. Therefore, the Company is not likely to suffer any shortage or interruption of supplies for the time being.

(IV) A list of any suppliers (customers) accounting for 10 percent or more of the Company's total procurement (sales) amount in either of the most recent two years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each.

1. Main suppliers in the most recent two years:

Unit: NT$ Thousand; %

Year	2022				2023				January 1 to March 31, 2024			
Item No.	Title	Amount	To the annual net purchase amount〔%〕	Relationship with the issuer	Title	Amount	To the annual net purchase amount〔%〕	Relationship with the issuer	Title	Amount	To the annual net purchase amount until the previous quarter in then year〔%〕	Relationship with the issuer
1	Ta Sheng Construction Co., Ltd.	705,081	64.46	Related party	Ta Sheng Construction Co., Ltd.	752,895	81.24	Related party	Ta Sheng Construction Co., Ltd.	159,876	82.91	Related party
2	Ta Cheng Construction Co., Ltd	268,715	24.57	Related party	Others	173,873	18.76	Related party	Others	32,966	17.09	None

Year	2022				2023				January 1 to March 31, 2024			
Item No.	Title	Amount	To the annual net purchase amount〔%〕	Relationship with the issuer	Title	Amount	To the annual net purchase amount〔%〕	Relationship with the issuer	Title	Amount	To the annual net purchase amount until the previous quarter in then year〔%〕	Relationship with the issuer
3	Others	120,014	10.97	None	-	-	-	-	-	-	-	-
	Net purchase	1,093,810	100.00	-	Net purchase	926,768	100.00	-	Purchase of goods Net sales	192,842	100.00	-

2. Main customers in the most recent two:

Unit: NT$ Thousand; %

Year	2022				2023				January 1 to March 31, 2024			
Item No.	Title	Amount	To the annual net sales amount〔%〕	Relationship with the issuer	Title	Amount	To the annual net sales amount〔%〕	Relationship with the issuer	Title	Amount	To the annual net sales amount until the previous quarter in then year〔%〕	Relationship with the issuer
1	Others	1,943,504	100.00	None	Others	1,382,349	100.00	None	X X Lin.	11,144	99.11	None
2	-	-	-	-	-	-	-	-	Others	100	0.89	None
	Net sales	1,943,504	100.00	-	Net sales	1,382,349	100.00	-	Net sales	11,244	100.00	-

Remark: List the name, sales amount and sales ratio of the customers who have accounted for over 10% of total sales in latest two years. Notwithstanding, if the contract requires that the customers' names shall not be disclosed, or if the trading counterpart is an individual and also non-related party, the customers or trading counterpart may be identified by code instead.

(V) Production volume and value in latest two years

(1) Production volume and value in the latest two years:

Unit: NT$ Thousand

Year / Main products	2022		2023	
	Production volum (Note 1)	Production value (Note 2)	Production volume (Note 1)	Production value (Note 2)
Lease	-	2,960	-	-
Land and building	174	1,181,555	134	1,021,485
Total	-	1,184,515	-	1,021,485

(Note 1): The production volume of land and buildings refers to the number of houses completed in the current year.
(Note 2): The production value of land and building refers to the cost invested in the completion of individual projects.

(2) Sale volume and value in latest two years:

Unit: NT$ Thousand

Year / Main products	2022		2023	
	Sales volume (Note 1)	Sales value (Note 2)	Sales volume (Note 1)	Sales value (Note 2)
Lease	-	1,731	-	200
Land and building	222	1,941,773	135	1,382,149
Total	-	1,943,504	-	1,382,349

(Note 1): The sale volume of land and buildings refers to the number of houses transferred and settled in the current year.
(Note 2): The production value of land and buildings refers to the actual revenue from the houses transferred and settled in the current year.

III. Information about employees in latest two years and until the date of publication of the annual report

Year		2022	2023	Until March 31, 2024
Number of employees	Sales personnel	-	-	-
	Management personnel	14	16	16
	Total	14	16	16
Average age		44.5	44	44..25
Average years of service		6.4	6.5	6.75
Academic background distribution ratio %	PhD	-	-	-
	Master	29	25	25
	Bachelor	71	75	75
	Senior high school	-	-	-
	Below senior high school	-	-	-

IV. Information about the expenses of environmental protection

(1) In the most recent year and until the date of publication of the annual report, losses (including compensation), and total penalty imposed, due to environmental pollution: None.

(2) Future responsive measures (including improvement measures) and possible expenditure: The contract for individual projects invested by the Company is awarded to a construction contractor. In the process of construction, the construction contractor is in charge of environmental protection operations. Based on the environmental protection philosophy, the Company strictly demands that contractors should do their job to protect the environment at their construction sites. Therefore, it is expected that no material environmental protection capital expenditure needs to be spent by the Company in the future.

V. Labor-management relationship

(1) The Company’s employee benefit plans, continuing education, training, retirement systems, and the

status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests.

1. Employee benefit plans

(1) Insurance

All of the Company's employees shall enroll in the labor insurance/national health insurance programs. The labor pension will be contributed by the employer. The personnel unit will take charge of these upon the employee's onboard.

(2) Welfare

In order to improve the employees' welfare, the Company establishes the Employees' Welfare Commission to process the employees' welfare operations. The welfare fund is contributed by the employees and Company to the Employees' Welfare Commission jointly on a monthly basis. The employees may also apply for subsidies according to the criteria for employee welfare operations and funds defined under the "Articles of Association of Employees' Welfare Commission." The Company also organizes group health activities, domestic and foreign tours and various welfare measures, from time to time, to recuperate the employees physically and mentally, and improve friendships among the employees.

(3) Safety and health

Each of the Company's units shall pay attention to the safety and health facilities in the work environment at all times, and comply with the Company's requirements about labor safety and health to maintain the employees' health.

(4) Leave

The leave granted by the Company includes weekends, and the commemorative (festival) days prescribed by the Government as announced by the Management Dept. each year. Notwithstanding, if the employees are requested to work on said leave days, the Company shall subsequently grant the equivalent bonus leave to the employees. Meanwhile, the Company offers annual leave in accordance with the Labor Standards Act to help colleagues achieve a balance in work and life.

(5) Other subsidies

The Company's Management Dept. selects fine-quality suppliers and uniform, in order to provide each colleague with a tailor-made uniform as the corporate identity and save the employees' apparel allowance.

2. Employees' continuing education and training

Item	Total number of persons	Total hours	Total expenses (NT$)
Orientation training	-	-	-
Competency training	4	49	38,800

3. Retirement system

The Company adopts the regulations governing workers' retirement in accordance with the

Labor Standards Act. The employees' retirement shall be handled in accordance with the relevant rtirement requirements and the Company's regulations governing workers' retirement.

In response to the implementation of the Labor Pension Act (hereinafter referred to as the "new system"), as of July 1, 2005, the employees who choose to apply the new system shall appropriate 6% of their monthly salary to the Labor Pension personal accounts at the Bureau of Labor Insurance.

4. Code of Conduct for Employees

In order to enable all of the Company's employees to verify the legal requirements to be observed by them and employees' ethical obligation to be performed by them during performance of their duties, and in consideration of the Company's expectation toward the transactions between the colleagues and the Company's partners and suppliers, the Company adopts the "Code of Conduct for Employees." The Code serves as the basis to be followed by the Company's employees when they are performing duties, and is also expected to improve the behavior, literacy and professional ethics of the Company's employees to ensure the Company's business sustainability and development. The related regulations and Code are summarized as follows:

(1) Ethical management principles

The Company's employees shall comply with laws and the Code when performing their job duties, and uphold the integrity-based, serious and responsible attitude and value the team discipline, in order to pursue high ethical standards.

(2) Principles of fairness

A. The Company provides the equality in recruitment, employment and development free from discrimination based on gender, race, age or any other factors.

B. The Company's employees shall endeavor to treat the Company's customers, suppliers, competitors and the other co-workers impartially. No one shall manipulate, conceal or abuse proprietary information, misrepresent important facts or engage in any other unfair dealings.

(3) Working environment

A. The Company's employees shall work with each other to maintain a healthy and safe working environment, and discrimination or harassment (including sexual harassment) in any form or intimidating language is strictly prohibited inside the Company. The Company's employees shall adhere to the rational principles of mutual respect toward each other.

B. In order to ensure that the Company's employees may work in a healthy and safe environment, each of the employees shall be obligated to understand and observe the safety policy and procedure related to their job duties.

(4) Conflict of interest avoidance principle

A. The Company's employees shall be obligated to maintain and increase the interest which the Company may seek legally. Any activities that allow the employee or a

third party to seek personal gains via access to the Company's property or information, or by virtue of the employee's job duty, are strictly prohibited.

B. The Company's employees shall be concentrated on their work. Unless with prior approval, none of them shall be allowed to hold any position in another company or institution concurrently.

C. The Company's employees shall not request, offer, deliver or accept any gifts, entertainment, rebate, bribe or other illegal benefits in any form, for the own interest or the interest of a third party, when performing their job duties, unless the gifts or entertainment is permitted by social etiquette, customs or the Company.

D. The Company's employees are prohibited from disclosing any confidential information to the public without the Company's duly authorization. The employees are strictly prohibited from seeking personal gains or favor, or hurting others, based on confidential or inside information.

(5) Confidentiality

A. The Company's employees shall respect each other's privacy, and are prohibited from spreading rumors or slander. The information about the Company or its suppliers/customers shall be strictly controlled. Unless with authorization or required by laws, the employees shall not disclose or lose the information, and shall bear the obligation of confidentiality. The same shall apply if the employee resigns.

B. The information to be kept in confidence as referred to in the preceding paragraph shall include any of the Company's undisclosed information which might be utilized by competitors, or would cause damage to the Company or customers if it is disclosed.

(6) Protect and fairly use the Company's assets.

A. The Company's employees shall be obligated to protect the Company's assets and ensure that the assets may be applied to their job duties duly.

B. None of the Company's employees shall misappropriate, steal or intentionally ruin or damage any property and equipment owned or held by the Company and thereby cause any damages to the Company.

C. When performing their duties, the employees shall prevent data, information systems and network equipment from theft, interruption, destruction and intrusion, in order to protect the confidentiality, integrity and availability of the Company's information.

(7) Compliance with laws and regulations

A. The Company's employees shall be obligated to know and comply with the laws, rules and orders applicable to their job duties, including l aws governing insider trading and protection of intellectual property.

B. The Company's employees shall comply with various rules, systems and regulations drafted by the Company, and keep paying attention to any internal announcements.

C. The Company's employees shall avoid breaking any rules or engaging any apparently inadequate activity, and shall consider Outsiders' views about the Company's image if misconduct, if any, is made public. Should any of the Company's employees have any questions about laws or Ethics, he/she shall consult with his/her immediate supervisor or the Company's legal advisor.

(8) Encourage the report on any misconduct, or any conduct against the Code of Ethical Conduct.

A. The Company shall enhance the promotion of ethical concepts, and encourage the Company's employees to report to supervisors, managers, chief internal auditor or other competent personnel when they suspect or discover any activities against laws, regulations or Code of Ethical Conduct. The informant must provide sufficient information to facilitate the Company's investigation. After the facts reported are confirmed, the Company will award the incentive pursuant to the personnel management regulations to its sole discretion.

B. The Company shall use the best effort to keep the informant's identity in confidence and protect his/her from any retaliation. If he/she suffers any retaliation, threat or harassment, he/she shall report to his/her immediate supervisor, chief internal auditor or other competent personnel immediately. The Company shall render adequate treatment and punishment immediately.

(9) Disciplinary measures

A. Any of the Company's employees who violates the Code shall be disciplined in accordance with the personnel management regulations once he/she is proven to do so.

B. When the Company imposes any punishment on the doer, the doer may file a complaint but shall bear the burden of proof. The Company shall render adequate decision after listening to and review the statement and proof provided by the doer.

5. Labor-management agreements:

The Company's employees have been advised of the existing regulations and welfare measures when they are hired by the Company. So far, no material labor-management dispute has arisen, as the labor-management relationship is considered harmonious in the Company.

(2) Describing any losses suffered by the Company in the most recent 2 fiscal years and up to the date of publication of the annual report due to labor-management disputes, and an estimate of possible expenses that could be incurred currently and in the future, and responsive measures.

The Company is used to valuing the labor-management relationship, and has never suffered any labor-management disputes or losses due to labor-management disputes. The Company keeps upholding rational and harmonious management and operation to achieve amicable labor-management relations.

VI. **Cyber security management:**

(1) Describe the cyber security risk management framework, cyber security policies, concrete

management programs, and investments in resources for cyber security management: The Company has not yet defined the same so far.

(2) List any losses suffered by the Company in the most recent fiscal year and up to the date of publication of the annual report due to significant cyber security incidents, and potential effects to be caused and responsive measures to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

VII. Important Contracts

Contract nature	Counterparty	Contract start and end dates	Main content	Restrictive clauses
Construction contract	Ta Sheng Construction Co., Ltd.	All construction work will complete 71 months after the commencement of work.	New construction on land No. 13 Wenbei Section in Beitun District, Taichung.	None
Construction contract	Ta Sheng Construction Co., Ltd.	All construction work will complete 66 months after the commencement of work.	New construction project on land numbers 109 and 109-1 Taixiang Section in Beitun District, Taichung.	None
Construction contract	Ta Sheng Construction Co., Ltd.	All construction work will complete 71 months after the commencement of work.	New construction on land No. 191 Taihe Section in Beitun District, Taichung.	None
Construction contract	Ta Sheng Construction Co., Ltd.	All construction work will complete 55 months after the commencement of work.	New construction on land No. 541, Renping Section in Beitun District, Taichung.	None
Construction contract	Ta Sheng Construction Co., Ltd.	All construction work will complete 75 months after the commencement of work.	New construction on land No. 81, Biliu Section in Beitun District, Taichung.	None
Loan contract	Zhonggang Branch of Land Bank	April 8, 2020~April 8, 2025	Land financing for land numbers 109 and 109-1 Taixiang Section in Beitun District, Taichung.	None
Loan contract	Zhonggang Branch of Land Bank	September 13, 2022~September 13, 2025	Building financing and working capital for land numbers 109 and 109-1 Taixiang Section in Beitun District, Taichung.	None
Loan contract	Taichung Branch of Land Bank	November 8, 2021~November 8, 2026	Building financing for land No. 13 Wenbei Section in Beitun District, Taichung.	None
Loan contract	Taichung Branch of Land Bank	April 11, 2022~April 11, 2027	Land financing for land No. 541, Renping Section, Beitun District, Taichung	None

Contract nature	Counterparty	Contract start and end dates	Main content	Restrictive clauses
Loan contract	Taichung Branch of Land Bank	April 22, 2024~ April 22, 2029	Building financing and working capital for land No. 541, Renping Section in Beitun District, Taichung.	None
Loan contract	Taichung Branch of Land Bank	March 1, 2024~ March 1, 2028	Building financing for land No. 191 Taihe Section, Beitun District, Taichung	None
Loan contract	Mega Bills Finance Taoyuan Branch	March 6, 2023~March 6, 2024	Land financing for land No. 81, Biliu Section, Beitun District, Taichung	None
Joint-construction contract	Ta Cheng Construction Co., Ltd.	Commencement of work before March 31, 2021, and completion in 1080 calendar days after commencement of work.	Joint building construction on land No. 13 Wenbei Section in Beitun District, Taichung.	None
Joint-construction contract	Ta Cheng Construction Co., Ltd.	Commencement of work before January 31, 2023, and completion in 1270 calendar days after commencement of work.	Joint building construction on land No. 191 Taihe Section in Beitun District, Taichung.	None

Six. Overview of Finance

I. Consolidated Condensed Balance Sheet and Statement of Comprehensive Income

(1) Condensed Balance Sheet

Unit: NT$ Thousand

Item \ Year		Financial data for the latest 5 years					Financial data until March 31, 2024 (Note 1)
		2019	2020	2021	2022	2023	
Current assets		2,340,166	3,339,160	3,395,031	3,222,415	3,246,768	3,302,636
Property, plant and equipment		291	240	104	177	102	3,068
Right-of-use assets		-	3,787	2,960	-	-	-
Intangible assets		3	62	179	170	176	138
Other assets		10,546	17,415	10,918	10,098	13,778	12,032
Total assets		2,351,006	3,360,664	3,409,192	3,232,860	3,260,824	3,317,874
Current liabilities	Before distribution	1,285,855	2,083,735	1,791,843	1,399,456	1,279,585	1,491,595
	After distribution (Note 2)	1,308,461	2,159,087	1,921,825	1,499,456	1,429,585	1,491,595
Non-current liabilities		-	1,969	-	-	-	-
Total liabilities	Before distribution	1,285,855	2,085,704	1,791,843	1,399,456	1,279,585	1,491,595
	After distribution (Note 2)	1,308,461	2,161,056	1,921,825	1,499,456	1,429,585	1,491,595
Equity attributable to owners of the parent company		1,065,151	1,274,960	1,617,349	1,833,404	1,981,239	1,826,279
Share capital		753,520	753,520	866,548	1,000,000	1,000,000	1,000,000
Capital surplus		201,784	201,784	201,784	201,784	201,784	201,784
Retained earnings	Before distribution	109,847	319,656	549,017	631,620	779,455	624,495
	After distribution (Note 2)	87,241	131,276	285,582	531,620	629,455	624,495
Other equity		-	-	-	-	-	-
Treasury stock		-	-	-	-	-	-
Non-controlling equity		-	-	-	-	-	-
Total equity	Before distribution	1,065,151	1,274,960	1,617,349	1,833,404	1,981,239	1,826,279
	After distribution (Note 2)	1,042,545	1,199,608	1,487,367	1,733,404	1,831,239	1,826,279

Note 1: Audited by the CPA.

Note 2: The figures after distribution are specified based on the distribution resolved by the Board of Directors meeting, or by the shareholders' meeting of next year.

(2) Condensed Statement of Comprehensive Income

Unit: NT$ Thousand

Item \ Year	Financial data for the latest 5 years					Financial data until March 31, 2024 (Note 1)
	2019	2020	2021	2022	2023	
Operating revenue	169,559	1,224,273	2,027,622	1,943,504	1,382,349	11,244
Gross profit	35,716	359,639	600,878	521,421	359,625	2,200
Operating income	2,092	274,720	492,674	426,112	284,718	(5,576)
Non-operating revenue and expenditure	1,479	2,583	915	3,065	5,433	172
Profit before tax	3,571	277,303	493,589	429,177	290,151	(5,404)
Current profit of continuing operations	3,296	232,415	417,741	346,037	247,835	(4,960)
Loss of discontinuing operations	-	-	-	-	-	-
Net income (loss)	3,296	232,415	417,741	346,037	247,835	(4,960)
Current other comprehensive income (net after tax)	-	-	-	-	-	-
Current total comprehensive income	3,296	232,415	417,741	346,037	247,835	(4,960)
Profit attributed to owners of the parent company	3,296	232,415	417,741	346,037	247,835	(4,960)
Profit attributed to non-controlling equity	-	-	-	-	-	-
Total comprehensive income attributed to owners of the parent company	3,296	232,415	417,741	346,037	247,835	(4,960)
Total comprehensive income attributed to non-controlling equity	-	-	-	-	-	-
Earnings per share	0.04	2.68	4.18	3.46	2.48	(0.05)

Note 1: Audited by the CPA.

(III) Names of external auditors and audit opinions for the latest 5 years

Year	CPA Firm	Name of CPA	Audit Opinions
2023	EnWise CPAs & Co.	Huang, Hsiang-Ying, & Tsao, Yong-Jen	Unqualified opinion
2022	EnWise CPAs & Co.	Huang, Hsiang-Ying, & Tsao, Yong-Jen	Unqualified opinion
2021	EnWise CPAs & Co.	Huang, Hsiang-Ying, & Tsao, Yong-Jen	Unqualified opinion
2020	EnWise CPAs & Co.	Tsao, Yong-Jen & Liao, Nien-Chieh	Unqualified opinion
2019	EnWise CPAs & Co.	Tsao, Yong-Jen & Liao, Nien-Chieh	Unqualified opinion

II. Financial analysis for the latest 5 years

Item \ Year		Financial data for the Past 5 years					Financial data until March 31, 2024 (Note 1)
		2019	2020	2021	2022	2023	
Financial structure	Libilities to assets ratio(%)	54.69	62.06	52.55	43.28	39.24	44.95
	Long-term capital as a percentage of property, plant and equipment(%)	366,031	532,054	1,555,143	1,035,821	1,942,391	59,527
Solvency	Current ratio (%)	181.99	160.25	189.47	230.26	253.73	221.41
	Quick ratio (%)	14.18	30.66	22.43	39.07	51.74	35.38
	Times interest earned	0.37	15.53	27.67	24.27	13.88	(1.45)
Operational ability	Accounts receivable turnover (times)	256.91	1,909.94	9174.76	8,915.16	20,328.66	1,405,50
	Days to collect accounts receivable	1.42	0.19	0.03	0.04	0.01	0.06
	Average inventory turnover (times)	0.08	0.36	0.50	0.50	0.39	0.00
	Account payable turnover (times)	1.41	5.07	6.93	7.77	4.91	0.04
	Average days to sell inventory	4,563	1,014	730	730	936	27,273
	Property, plants and equipment turnover (times)	582.68	5,101,14	19,496.36	10,980.24	13,552.44	3.66
	Total asset turnover (times)	0.07	0.36	0.59	0.60	0.42	0.00
Profitability	Rate of return on assets (%)	0.17	8.14	12.34	10.42	7.63	(0.15)
	Rate of return on equity (%)	0.31	19.86	28.88	20.05	12.99	(0.26)
	Profit before tax to capital (%)	0.47	36.80	56.96	42.91	29.01	(0.54)
	Profit to sales (%)	1.94	18.98	20.60	17.80	17.92	(44.11)
	Earnings per share (NT$)	0.04	3.08	4.82	3.46	2.48	(0.05)
Cash flow	Cash flow ratio (%)	Note2	19.21	Note2	30.96	31.05	Note2
	Cash flow adequacy ratio (%)	Note2	Note2	Note2	Note2	29.25	65.44
	Cash reinvestment ratio (%)	Note2	29.65	Note2	16.54	15.01	Note2
Leverage	Operating Leverage	8.53	1.08	1.05	1.06	1.09	0.02
	Financial Leverage	(0.27)	1.07	1.03	1.04	1.07	0.59

Note 1: Audited by the CPA.Note 2: The ratio is negative. Note 3: The formula is as follows:

(1) Financial analysis

1. Financial structure

(1) Debt to assets ratio =Total liabilities/Total Assets.

(2) Long-term capital as a percentage of property, plant and equipment = (total equity+ non-current liabilities) / property, plant and equipment net

2. Solvency

(1) Current ratio = Current assets / Current liability

(2) Quick ratio = (Current Assets - Inventories - Prepaid expenses) / Current liability

(3) Times interest earned = Profit Before Credit for Income Tax / interest expense

3. Operational ability

(1) Receivables (including accounts receivable and notes receivable resulting from operation) turnover = net sales / balance of average accounts receivable (including accounts receivable and notes receivable resulting from operation).

(2) Average cash collection days=365/Receivables turnover.

(3) Inventory turnover=Cost of goods sold/Average inventory.

(4) Payables (including accounts payable and notes payable resulting from operation) turnover = cost of goods sold / balance of average accounts payable (including accounts payable and notes payable resulting from operation).

(5) Average inventory turnover days=365/Inventory turnover.

(6) Property, plant and equipment turnover rate=net sales/average property, plant and equipment, net.

(7) Total assets turnover=net sales/average total assets.

4. Profitability

(1)ROA=[Profit or loss after tax+interest expenses × (1- tax rate）]/average total assets.

(2) ROE=Profit or loss after tax/Average total equity.

(3) Profit margin=Profit or loss after tax/Net sales.

(4) Earnings per share=(Income attributable to owners of the parent - Preferred stock dividend)/Weighted average number of outstanding shares.

5. Cash flow

(1) Cash flow ratio =Net cash flow from operating activities/Current liabilities.

(2) Net cash flow adequacy ratio=Net cash flow from operating activities during the most recent five years/(Capital expenses+Increase in inventory+Cash dividends) during the most recent five years.

(3) Cash reinvestment ratio=(Net cash flow from operating activities-Cash dividends)/(Gross property, plant and equipment+Long-term investments+Other non-current assets+working capital).

6. Leverage:

(1) Operating leverage=(Net operating revenues-Variable operating costs and expenses)/Operating income

(2) Financial leverage=Operating income/(Operating income-Interest expenses).

III. Audit Committee's review report on the most recent financial statements

Tacheng Real Estate Co.,Ltd.
Audit Committee's Review Report

The Company's 2023 business report, financial statements and earnings distribution plan have been prepared and submitted by the Board of Directors. Among the other things, the financial statements were already audited by Huang, Hsiang-Ying, CPA & Tsao, Yong-Jen, CPA of EnWise CPAs & Co., who issued the external auditor's report with unqualified opinions accordingly. Based on the Audit Committee's review, it found no inconsistency existing. The Report is presented in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act accordingly.

Respectfully submitted,

To:
2024 Shareholders' Meeting

Tacheng Real Estate Co.,Ltd.
Convener of Audit Committee: Yang, Tung-Hsiao

March 14, 2024

IV.Financial Statememts for the Most Recent Fiscal Year

EnWise CPAs & Co.
8-1F, No. 130, Taiyuan N. Rd.,
Taichung City 404
Tel:(04)2296-6234 Fax: (04)2291-0580

External Auditor's Report

To: Tacheng Real Estate Co., Ltd.

Audit Opinions

We have completed our review on the Balance Sheet of Tacheng Real Estate Co., Ltd.(hereinafter referred to as the "Company") on December 31, 2023 and 2022, and Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Individual Financial Statements (including a summary of significant accounting policies) for January 1~December 31, 2023 and 2022.

In our opinion, said individual financial statements in all major respects are in compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with International Financial Reporting Standards (IFRSs), International Accounting Standards (IAS), IFRIC Interpretation, or SIC Interpretation endorsed by the Financial Supervisory Commission. They are sufficient to adequately express the financial status of the Company as of December 31, 2023 and 2022 and its financial performance and cash flow from January 1 through December 31, 2023 and 2022.

Basis for Opinions

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Individual Financial Statements section of the 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 for our opinions, based on our audit results and the other external auditors' report.

Key Audit Matters

Key audit matters refer to the most important matters for the audit of 2023 individual financial statements of the Company based on our professional judgment. These matters were addressed in the context of our audit of the individual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We judge that the following key audit matters should be communicated in the audit report:

Inventory valuation

Explanation

The Company’s inventory primarily consists of available-for-sale real estate, land for construction and real estate construction in progress. For the related accounting policies and information, please refer to Notes 4(6) and 6(3) herein. In the Company’s individual financial statements, the inventory is measured at the lower of cost or net realizable value. As the net realizable value might fluctuate significantly subject to the factors including market environment and government policies, that might result in the risk over the inventory cost higher than the net realizable value, it is identified as one of the key audit matters herein.

Audit procedures

The responsive procedures which we already executed to deal with said key audit matters are summarized as follows:

1. Evaluate the management’s loss provision for inventory subject to the nature of inventory.
2. Evaluate the reasonableness of the allowance for inventory valuation loss and the management’s hypotheses.
3. Review the accuracy of the Company's past allowance for inventory valuation loss, and compare it with that estimated in the current period to evaluate whether the estimation methods and hypotheses in the current period are adequate.
4. Verify the changes in the selling price and subsequent inventory market price adopted by the Company's management to evaluate the reasonableness of the net realizable value of inventory.
5. Estimate the recoverable amount based on the independent appraisal report issued by the expert, review the reasonableness of related hypotheses, and evaluate the real estate appraiser’ s qualifications and independence.
6. Consider whether the Company’s disclosure of the information about the allowance for inventory valuation loss is adequate.

Recognition of revenue

Explanation

The Company’s generates its revenue from operation of the available-for-sale real estate. For the related accounting policies and information, please refer to Notes 4(12) and 6(17) herein. The sales revenue refers to a major indicator to determine whether a company achieves the business and financial targets, as well as investors’ expectations. The authenticity, whether the time of recognition is correct and whether it is complete are critical to the individual financial statements. Therefore, it is identified as one of the key audit matters.

Audit procedures

The responsive procedures which we already executed to deal with said key audit matters are summarized as follows:

1. Execute the test on control of the sales and collection cycle, and evaluate whether the accounting policy on recognition of revenue follows the related statements of financial accounting.
2. Execute the analytic procedures for sales revenue, cost and gross profit to evaluate whether there is any significant abnormality in the recognition of revenue.
3. Execute the cutoff test and conduct a random check on the sales contract, settlement information and real estate transfer registration documents of customers to evaluate whether there is any significant abnormality in the timing for recognition of revenue.

4. Analyze the changes in top 10 sales customers to understand and verify whether there are any significant changes and abnormal transactions.
5. Access the statement of sales revenue and sales discount, execute the substantive test, and conduct a random check on the sales contract and related documents executed with customers to evaluate whether there is any abnormality in the recognition of sales revenue and occurrence of sales discount.
6. Evaluate the adequacy of the disclosure of the Company's revenue recognition policy and other information.

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

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and with International Financial Reporting Standards (IFRSs), International Accounting Standards (IAS), IFRIC Interpretation, or SIC Interpretation endorsed and promulgated in effect by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of individual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual financial statements, the management is responsible for assessing the ability of the Company to continue operations, disclosing related matters, as well as continuing operations with the basis of accounting, unless the management either intends to liquidate the Company or to cease operations, or has no feasible alternative but to do so.

External Auditors' Responsibilities for the Audit on Individual Financial Statements

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
4. Conclude on the appropriateness of the management's use of the going concern basis of accounting and whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern, based on the audit evidence obtained. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual 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 contents of the individual financial statements, including the related notes, and whether the individual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 under the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and to communicate with them all relationships and other matters that may reasonably be considered affecting our independence, and where applicable, other matters (including related safeguards).

From the matters communicated with the governance unit, we have determined key audit matters of 2023 individual financial statements of the Company. 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.

EnWise CPAs & Co.

External Auditor: Huang Hsiang-Ying

External Auditor: Tsao Yong-Jen

Securities and Futures Bureau, Financial Supervisor Commission R.O.C. (Taiwan)

Approval No.: Jin-Guan-Zheng (6) No. 0930144676

Securities and Futures Bureau, Financial Supervisor Commission R.O.C. (Taiwan)

Approval No.: Jin-Guan-Zheng (6) No. 0980018119

March 14,2024

Tacheng Real Estate Co., Ltd.

(Formerly known as Taiwan Aries Co., Ltd.)

Balance Sheet

December 31, 2023 and 2022

Unit: NT$ Thousand

Code	Item	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Assets				
11xx	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 553,738	17.0	$ 227,973	7.0
1150	Notes receivable (Notes 4 and 6)	8	-	128	-
1170	Accounts receivable, net (Notes 4, 5 and 6)	-	-	-	-
1200	Other receivables (Note 4)	-	-	5	-
1210	Other receivables-related parties(Notes 4 and 7)	47	-	-	-
1320	Inventory (Notes 4, 5, 6 and 8)	2,571,030	78.9	2,666,986	82.5
1410	Prepayments	13,674	0.4	8,566	0.3
1470	Other current assets (Notes 4, 6, 7 and 8)	35,438	1.1	254,073	7.9
1480	Incremental costs of obtaining a contract-current (Notes 4 and 6)	72,833	2.2	64,684	2.0
11xx	Total current assets	3,246,768	99.6	3,222,415	99.7
15xx	Non-current assets				
1600	Property, plant and equipment (Notes 4 and 6)	102	-	177	-
1755	Right-of-use assets (Notes 4 and 6)	-	-	-	-
1780	Intangible assets (Note 4)	176	-	170	-
1840	Deferred income tax assets (Notes 4, 5 and 6)	11,121	0.3	9,596	0.3
1900	Other non-current assets (Notes 4 and 6)	2,657	0.1	502	-
15xx	Total non-current assets	14,056	0.4	10,445	0.3
	Total assets	$ 3,260,824	100.0	$ 3,232,860	100.0

(Continued)

(Brought Forward)

Tacheng Real Estate Co., Ltd.

(Formerly known as Taiwan Aries Co., Ltd.)

Balance Sheet

December 31, 2023 and 2022

Unit: NT$ Thousand

Code	Item	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Liabilities and equity				
21xx	Current liabilities				
2100	Short-term loan (Notes 4 and 6)	$ 550,900	16.9	$ 736,270	22.8
2130	Contract liabilities-current (Notes 4,6 and 7)	397,837	12.2	404,510	12.5
2150	Notes payable (Note 4)	15,202	0.5	2,044	0.1
2160	Notes payable-related parties (Notes 4 and 7)	43	-	100	-
2170	Accounts payable (Note 4)	32,679	1.0	11,310	0.3
2180	Accounts payable-related parties (Notes 4 and 7)	183,370	5.6	171,738	5.3
2200	Other payables (Note 4)	55,840	1.7	30,732	1.0
2230	Current income tax liabilities (Note 4)	7,517	0.2	30,039	0.9
2300	Other current liabilities (Notes 6 and 7)	36,197	1.1	12,713	0.4
21xx	Total current liabilities	1,279,585	39.2	1,399,456	43.3
	Total liabilities	1,279,585	39.2	1,399,456	43.3
31xx	Equity				
3100	Share capital (Notes 4 and 6)	1,000,000	30.7	1,000,000	30.9
3200	Capital surplus (Note 6)				
3210	Capital surplus at premium	184,558	5.7	184,558	5.7
3220	Capital surplus - treasury stock trading	17,226	0.5	17,226	0.6
3300	Retained earnings (Note 6)				
3310	Legal reserve	139,207	4.3	104,603	3.2
3350	Undistributed earnings	640,248	19.6	527,017	16.3
	Total equity	1,981,239	60.8	1,833,404	56.7
	Total liabilities and equity	$ 3,260,824	100.0	$ 3,232,860	100.0

(Please refer to the Notes to Individual Financial Statements.)

Chairman: Lai,Yuan-Chao

General Manager: Yuchun Liao

Accounting Manager: Teng Hsiang-Chien

Tacheng Real Estate Co., Ltd.
(Formerly known as Taiwan Aries Co., Ltd.)
Statement of Comprehensive Income
2023 and 2022

Unit: NT$ Thousand
(Except NT$ for Earnings per Share)

Code	Item	2023		2022	
		Amount	%	Amount	%
4000	Operating revenue				
4310	Lease revenue (Notes 4, 6 and 7)	$ 200	-	$ 1,731	0.1
4510	Construction revenue (Notes 4 and 6)	1,382,149	100.0	1,941,773	99.9
4000	Operating revenue, net	1,382,349	100.0	1,943,504	100.0
5000	Operating costs				
5310	Lease costs (Notes 4 and 6)	-	-	2,960	0.2
5510	Construction costs (Notes 6 and 7)	1,022,724	74.0	1,419,123	73.0
5000	Total operating costs	1,022,724	74.0	1,422,083	73.2
5900	Gross profit(loss)	359,625	26.0	521,421	26.8
6000	Operating expenses				
6100	Selling revenue (Notes 4, 6 and 7)	48,897	3.5	68,729	3.5
6200	Administrative expenses (Notes 4, 6 and 7)	26,010	1.9	26,580	1.4
6000	Total operating expenses	74,907	5.4	95,309	4.9
6900	Net operating profit(loss)	284,718	20.6	426,112	21.9
7000	Non-operating revenue and expenditure				
7100	Interest revenue	2,309	0.2	623	-
7010	Other revenue (Note 7)	3,124	0.2	2,466	0.1
7050	Financial costs (Notes 4,6 and 7)	-	-	(24)	-
7000	Total non-operating revenue and expenditure	5,433	0.4	3,065	0.1
7900	Profit before tax(loss)	290,151	21.0	429,177	22.0
7950	Income tax (gains) expenses (Notes 4 and 6)	42,316	3.1	83,140	4.2
8200	Current profit(loss)	247,835	17.9	346,037	17.8
8500	Current total comprehensive(loss) income	$ 247,835	17.9	$ 346,037	17.8
	Earnings per share(loss) (Note 6)				
9750	Basic earnings per share(loss)	$ 2.48		$ 3.46	
9850	Diluted earnings per share(loss)	$ 2.48		$ 3.46	

(Please refer to the Notes to Individual Financial Statements.)

Chairman: Lai,Yuan-Chao
General Manager: Yuchun Liao
Accounting Manager: Teng Hsiang-Chien

Tacheng Real Estate Co., Ltd.

(Formerly known as Taiwan Aries Co., Ltd.)

Statement of Changes in Equity

2023 and 2022

Unit: NT$ Thousand

	Share capital (Note 6)	Capital surplus (Note 6)		Retained earnings (Note 6)		Total
	Ordinary share capital	At premium	Treasury stock trading	Legal reserve	Undistributed earnings	
2022						
Balance on January 1, 2022	$ 866,548	$ 184,558	$ 17,226	$ 62,829	$ 486,188	1,617,349
Appropriation and distribution of retained earnings 2021						
Legal reserve	-	-	-	41,774	(41,774)	-
Cash dividends	-	-	-	-	(129,982)	(129,982)
Stock dividends	133,452	-	-	-	(133,452)	-
Profit (loss)2022	-	-	-	-	346,037	346,037
Balance on December 31, 2022	1,000,000	184,558	17,226	104,603	527,017	1,833,404
2023						
Balance on January 1, 2023	1,000,000	184,558	17,226	104,603	527,017	1,833,404
Appropriation and distribution of retained earnings 2022						
Legal reserve	-	-	-	34,604	(34,604)	-
Cash dividends	-	-	-	-	(100,000)	(100,000)
Profit (loss)2023	-	-	-	-	247,835	247,835
Balance on December 31, 2023	$ 1,000,000	$ 184,558	$ 17,226	$ 139,207	$ 640,248	$ 1,981,239

(Please refer to the Notes to Individual Financial Statements.)

Chairman: Lai,Yuan-Chao General Manager: Yuchun Liao Accounting Manager: Teng Hsiang-Chien

Tacheng Real Estate Co., Ltd.

(Formerly known as Taiwan Aries Co., Ltd.)

Statement of Cash Flows

2023 and 2022

Unit: NT$ Thousand

Item	2023	2022
Cash flow from operating activities		
Profit before tax(loss)	$ 290,151	$ 429,177
Income charges (credits) not affecting cash flow		
Depreciation expenses	75	3,108
Amortization expenses	142	61
Provision (reversal of provision) for bad debt expenses	(126)	(125)
Interest expenditure	20,901	17,684
Interest revenue	(2,309)	(623)
Net changes in operating assets		
Notes receivable	120	(120)
Accounts receivable	126	425
Other receivables	5	154
Other receivables-related parties	(47)	-
Inventory	95,956	325,313
Prepayments	(5,108)	(7,807)
Other current assets	2,601	632
Incremental costs of obtaining a contract-current	(8,149)	19,017
Net changes in operating liabilities		
Contract liabilities-current	(6,673)	(108,603)
Notes payable	13,158	1,095
Notes payable-related parties	(57)	(10)
Accounts payable	21,369	(2,720)
Accounts payable-related parties	11,632	6,053
Other payables	25,268	(8,288)
Other payables-related parties	-	(447)
Other current liabilities	23,484	(133,431)
Cash inflow (outflow) from operating activities	482,519	540,545
Interest collected	2,309	623
Interest paid	(21,061)	(17,737)
Income tax paid	(66,363)	(90,103)
Cash inflow (outflow) from operating activities	397,404	433,328
Cash flow from investing activities		
Increase inProperty, plant and equipment	-	(221)
Increase in intangible assets	(148)	(52)
Increase in other financial assets-current	-	(146,276)
Decrease in other financial assets - current	216,034	-
Increase other non-current assets	(2,155)	-
Decrease other non-current assets	-	2,299
Net cash inflow(outflow) from investing activities	213,731	(144,250)
Cash flow from financing activities		
Increase in short-term loans	-	-
Decrease (increase)short-term loans	(185,370)	(134,500)
Repayment of principal of lease liabilities	-	(2,986)
Cash dividends	(100,000)	(129,982)
Cash inflow (outflow) from financing activities	(285,370)	(267,468)
Net increase (decrease) in cash and cash equivalents	325,765	21,610
Balance of cash and cash equivalents, beginning	227,973	206,363
Balance of cash and cash equivalents, ending	$ 553,738	$ 227,973

(Please refer to the Notes to Individual Financial Statements.)

Chairman: Lai,Yuan-Chao

General Manager: Yuchun Liao

Accounting Manager: Teng Hsiang-Chien

Tacheng Real Estate Co., Ltd.
(Formerly known as Taiwan Aries Co., Ltd.)
Notes to Individual Financial Statements
2023 and 2022

Unit: NT$ Thousand
(Unless otherwise noted)

I. Company History

The Company was established upon approval in August 1995, primarily engaged in housing construction, rental and sales of commercial buildings, real estate trading, construction materials trading and import/export, and interior decoration design, etc.

The Company has traded its stocks on Taipei Exchange (TPEx) since April 22, 2002.

The Company changed its company name from Taiwan Aries Co., Ltd. To Tacheng Real Estate Co.,Ltd.per the resolution approved at the shareholders' meeting on August 27, 2021.

The Company has no parent company or ultimate parent company.

II. Dates and procedures where the financial statements were resolved

The individual financial statements were passed and issued by the Board of Directors on March 14, 2024.

III. Applicability of newly promulgated and amended standard rules and interpretations

(1) Effect posed by adoption of the newly promulgated and amended standard rules and interpretations endorsed by FSC.
The adoption of the following amended International Financial Reporting Standards by the Company starting from 2023 does not have a material influence on the individual financial statements.

- 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"
- Amendments to IFRS 12 "International Tax Reform—Pillar Two Model Rules"

(2) Effect when the Company has yet to adopt the IFRSs approved by the FSC.
The Company evaluated that the application of the following amended IFRS since January 1, 2023 shall have little chance leading to material impacts in the individual financial statements.

- Amendments to IAS 1, "Classification of Liabilities as Current or Non-Current"
- Amendments to IAS 1, "Non-Current Liabilities with Covenants"
- Amendments to IFRS 7 and IFRS 7, "Supplier Finance Arrangements"
- Amendments to IFRS 16, "Sale and Leaseback Transaction"

(3) New and amended standards and interpretations not yet endorsed by FSC.

- 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
- Amendments to IFRS 17, “First time application IFRS17 & IFRS9 compare information”
- Amendments to IFRS 21, “Lack of Exchangeability”

The Company is continuing to assess the impact of the above standards and interpretations on its financial status and operating results and will disclose relevant influence once the assessment has been completed.

IV. Summary of significant accounting policies

The important accounting policies applied by the preparation of the individual financial statements are summarized as follows: Unless otherwise provided, the following accounting policies have been applied during the presentation period of the parent company only financial statements.

(1) Statement of compliance

The individual financial statements have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and IFRSs endorsed by the FSC.

(2) Basis of preparation

1. Basis for measurement

Except the financial assets at fair value through profit or loss, the individual financial statements were prepared based on the historical cost.

2. Functional currency and presentation of currency

The functional currency of the Company shall be subject to the currency applicable in the main economic environment in which its business place is situated. The individual financial statements should be presented based on the Company’s functional currency, NTD. All of the financial information presented in NTD should be held presented in NTD Thousand as the currency unit.

(3) Classification standard of current and non-current assets and liabilities

Assets which meet one of the following conditions shall be classified into current assets, and any assets other than the current assets shall be classified into non-current assets:

1. Assets expected to be realized, or intended to be sold or consumed, in the normal operating cycle.
2. Assets primarily held for the purpose of trading;
3. Assets expected to be realized within 12 months after the reporting period; or
4. Assets which are cash or cash equivalents, exclusive of the assets to be used for an exchange or to settle a liability, or otherwise remain restricted at more than 12 months after the reporting period.

Liabilities which meet one of the following conditions shall be classified into current liabilities, and any liabilities other than the current liabilities shall be classified into non-current liabilities:

1. Liabilities expected to be repaid in the normal operating cycle;
2. Liabilities primarily held for the purpose of trading;
3. Liabilities expected to be discharged within 12 months after the reporting period; or
4. Liabilities of which the Company do not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the trading counterpart, result in its settlement by the issue of equity instruments do not affect its classification.

The Company is engaged in construction projects, subject to the operating cycle more than one year. Therefore, the assets and liabilities related to the construction projects are classified into the current or non-current ones based on the normal operating cycle.

(4) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and check deposits. Cash equivalents refer to highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(5) Financial instruments

The accounts receivable and bond securities issued therefrom are stated when they are incurred initially. The other financial assets and financial liabilities are recognized initially when the Company becomes a party to the contract of the financial instruments. Any financial assets other than those at fair value through profit or loss (exclusive of the accounts receivable constituting major components of finance), or financial liabilities, shall be initially evaluated based on fair value, plus the transaction cost directly attributed to the acquisition or issuance. The accounts receivable excluding major components of finance shall be initially evaluated based on the transaction cost.

1. Financial assets

The purchase or disposal of financial assets classified in the same manner in customary transactions shall be subject to accounting on the date of transaction or settlement. The Company would not reclassify all affected financial assets since the first date of next reporting period until it changes the financial assets management model.

(1) Financial assets measured at amortized cost

The financial assets which meet the following conditions but are not designated as those at fair value through profit or loss are measured at the amortized cost:

A. ' The issuer holds the financial assets within a business model whose objective is to hold the financial assets to collect the contractual cash flows.

B. ' The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The subsequent measurement of such assets shall be stated at the amount recognized initially, plus or minus accumulated amortizations calculated under effective interest method, and the amortized cost after adjustment on any loss provision. The interest revenue, foreign currency exchange gain or loss and impairment loss are stated into the income. The gain or loss is stated into income at the time of derecognition.

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

The investments in debt instrument which meet the following conditions but are not designated as those at fair value through profit or loss are measured at the fair value through other comprehensive income:

A. The issuer holds the financial assets within a business model whose objective is to hold the financial assets to collect and sell the contractual cash flows.

B. The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments not held for trading, for which the Company irrevocably elected at initial recognition to present changes in fair value in "other comprehensive income". Said election is made on an item-by-item basis.

The investment in debt instrument, if any, is measured at fair value subsequently. The interest revenue, foreign currency exchange gain or loss and impairment loss calculated under the effective interest method are stated into other comprehensive income. The accumulated other comprehensive income is reclassified into income at the time of derecognition.
The investment in equity instrument, if any, is measured at fair value subsequently. The dividend revenue is stated into income (unless it obviously represents the recovery of a part of the investment). The other net profit or loss is stated into other comprehensive income, and is not reclassified into income.

The dividend revenue from equity investment is recognized on the date when the Company has the right to collect the dividend (on the ex-dividend date usually).

(3) Financial assets at fair value through profit or loss

Financial assets not measured at amortized cost or measured at fair value through other comprehensive income, but measured at fair value through profit or loss. In order to eliminate or significantly reduce the accounting mismatch at the time of initial recognition, the Company may irrevocably designate the financial assets measured at amortized cost or at fair value through other comprehensive income as those at fair value through profit or loss.

The assets shall be measured at fair value subsequently. The net profit or loss thereof (including any stock

(4) Impairment on financial assets

At the end of each reporting period, the Company takes into consideration any reasonable and evidential information, for the investments in debt instruments measured at fair value through other comprehensive income, financial assets measured at amortized cost and contract assets. The Company measures the loss

provision at an amount equal to the 12-month expected credit losses, with respect to those over which the credit risk has not increased significantly since initial recognition, and at an amount equal to lifetime expected credit losses, with respect to those over which the credit risk has increased significantly since initial recognition.

The lifetime expected credit loss represents the expected credit loss on financial instruments caused by potential defaults within the expected lifetime of the instruments.

The expected credit loss within 12 months represents the expected credit loss on financial instruments caused by potential defaults within 12 months after the reporting date (or a shorter term, if the expected lifetime of the financial instrument is shorter than 12 months).

(5) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset are terminated, or transfer 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 transfer nor retain substantially all of the risks and rewards of ownership and they do not retain control over the financial assets.

2. Financial liabilities and equity instruments

(1) Classification of liabilities or equity

Liabilities 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 transactions

The equity instruments refer to any contracts signifying the Company’s residual equity after their assets less all of their liabilities. The equity instruments issued by the Company are recognized at the amount after the payment of acquisition less the direct issue cost.

(3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or fair value through profit or loss. A financial liability is classified as at fair value through profit or loss if it is classified as held for trading or derivative, or designated as such at the time of initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value, and the net gains and losses, including any interest expenses, are stated into income.

(4) Financial liabilities measured at amortized cost

Financial liabilities not held for trading and not designated to be measured at FVTPL are initially recognized at fair value plus directly attributable transaction costs; subsequent evaluations are measured at amortized cost using the effective interest rate method. Interest expense not capitalized as asset cost is listed under non-operating income and expenses. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and exchange gains and losses are recognized in profit or loss. At derecognition, any gain or loss is also

(5) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or canceled, or expired. On derecognition of a financial liability, the difference between the carrying amount of a financial liability and the total consideration paid or to be paid (including any non-cash assets transferred or liabilities assumed) is stated into income.

3. Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the 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.

(6) Inventory

When investing in housing construction, the Company calculates the costs subject to different engineering projects, in order to purchase or exchange land. The capitalized costs for the payment for procurement of land paid and loans to be borne are stated as the “prepayments for land” before acquisition of the land title, and “the land for construction ” after acquisition of the land title. The construction costs invested actually and engineering expenses that can be expressly attributed shall be calculated by the construction site. The costs invested in various construction project land and construction costs are stated as “real estate construction in progress”, and “available-for-sale real estate” upon completion of the project.

The land for construction, real estate construction in progress and available-for-sale real estate are stated at cost. The interest expenses related to the construction in progress which shall be capitalized in accordance with the IAS 23 “Borrowing Costs” shall be capitalized therefor.

The inventory is measured at the lower of cost and net realizable value at the end of the period. In comparison between the cost and net realizable value, individual items must be taken as the grounds except inventory of the same categories. The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs for completion of the project and for completion of the sale.

(7) Property, plant and equipment

Property, plant, and equipment includes tangible items that are expected to be used in more than one reporting period and that are used in production of goods or labor services, for rental to others, or for administration. They are recognized at cost only if it is probable that the future economic benefits associated therewith will flow to the Company and the cost may be measured reliably. They are subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

The real estate construction in progress is recognized at cost less accumulated impairment loss. The cost includes professional service fees ,and that of the assets that meet the essential requirements includes the capitalized amount under IAS 23 “Borrowing Costs.” For those assets, depreciation was provided on the same basis applicable to the other assets under the same class when those assets are completed to the extent of being ready for use and duly classified into the appropriate categories of property, plant and equipment.

The obligation to dismantle, remove and restore the site estimated by the Company after any new property, plant and equipment are acquired, or used for a while subsequently is stated as the cost and liability of the property, plant and equipment. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total costs of the item must be depreciated separately.

Depreciation is stated on a straight-line basis and writes off the cost of an asset (excluding self-owned land) less its residual value over the its estimated useful years. The useful years, residual value and depreciation method should be reviewed at the end of each reporting period. Any change is accounted for prospectively as a change in estimate.

Depreciation shall be accrued subject to the following estimated useful years:

Office equipment	3 years
Other equipment	5 years

Any property, plant and equipment should be derecognized on disposal or when it is not expected to generate future economic benefits from continued use of it. The gain or loss on disposal and retirement of property, plant and equipment is the difference between the proceeds and the carrying amount and should be stated into income.

(8) Lease

1. The Company 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. Additionally, the Company periodically assesses whether the right-of-use asset is impaired and deals with any impairment loss as incurred, and adjusts such asset in response to certain remeasurements of the lease liability, if any.

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 that may be reliably determined, or the Company' incremental borrowing rate, if that rate cannot be reliably determined. 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 substantive 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 options, or exercise price or payable fine for 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 applied to decide the lease payments; or
(2) there is a change in the Company' estimate of the amount expected to be payable under a residual value
(3) there is a change of its assessment on whether it will exercise an option to purchase the underlying asset;
(4) there is a change in the lease term resulting from a change of its assessment on whether it will exercise a
(5) there are any amendments to the subject matter, scope or other terms of the lease.

When the lease liability is remeasured due to the change in an index or rate applied to decide the lease payments, the change in the estimate of the amount expected to be payable under a residual value guarantee and the change of the assessment on whether it will exercise a purchase, extension or termination option, a corresponding adjustment is made to the carrying amount of the right-of-use assets, and the residual remeasured amount is stated into the income when 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 account 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 state into income the price difference between the remeasurement of lease liabilities.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases and leases 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.

2. The Company as a lessor

When the Company acts as a lessor, it 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 at the lease commencement. 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.

If the Company is a licensor under sublease, it should deal with the underlying lease and sublease transactions separately, and evaluate the classification of sublease transactions based on the right-of-use assets generated from the underlying lease. If the main lease refers to a short-term lease and applies recognition exemption, the Company should classify its sublease transactions into operating lease.

If the agreement consists of lease and non-lease parts, the Company allocates the consideration in contract based on IFRS 15.

(9) Intangible assets

The intangible assets with limited useful years that are acquired by the Company independently are measured at

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 from the date that they are available for use. The useful years, residual value and depreciation method should be reviewed at the end of each reporting period. Any change is accounted for as a change in accounting estimate.

Amortization amount shall be accrued subject to the following estimated useful years:

Cost of computer software	3~5 years

(10) Impairment on non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment, and estimates the recoverable amount of the assets if any such indication exists. In the event that the recoverable amount of individual assets could not be estimated, the Company estimates the recoverable amount of the cash generating units belonging to the assets to evaluate the impairment

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In the event that the individual asset or the recoverable amount of the cash generating unit is found below the carrying amount, the carrying amount of such asset or the cash generating unit is adjusted downward to the recoverable amount, with the impairment profit and loss recognized in profit and loss. Impairment losses are stated into the current income immediately. At each reporting date, the Company re-evaluates whether there is any indication of impairment showing that the impairment loss on non-financial assets other than goodwill recognized in the previous years has extinguished or decreased. If the estimate applied to determine the recoverable amount is changed, the impairment loss should be reversed in order to increase the carrying amount of the individual asset or cash generating unit to its recoverable amount, provided that it should not exceed the carrying amount that would have been determined, net of depreciation or amortization, of the asset or cash generating unit, if no impairment loss had been recognized in the previous years.

(11) Provision

The provision shall be recognized when the Company has a present obligation as a result of a past event, and it is very likely to be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When determining the amount recognized as provisions, the obligation risk and uncertainty must be taken into account. The amount must be the best estimate of the expense required for the settlement of obligation at the reporting date. If the provision is measured based on the estimated cash flow for settlement of the present obligation, the carrying amount thereof is the present value of the cash flow.

(12) Revenue from contracts with customers

1. Revenue from sales of real estate

The Company engages in contracting of the construction projects for sale, and frequently pre-sale of real estate during or before the construction. The Company recognizes revenue at the time when its control over the real estate is transferred. Subject to the contractual requirements, for the Company, the real estate generally is not intended for any other purposes. The Company recognizes revenue at the time when the statutory ownership of the real estate is transferred to customers and the real estate is delivered physically.

The revenue is measured at the transaction cost per the contract. In the case of sale of finished houses, most of time, the consideration may be collected upon transfer of the statutory ownership of the real estate. Under very limited circumstances, the accounts payable may be deferred per the agreement, provided that they may not deferred for more than 12 months. Therefore, no transaction costs would be adjusted to reflect the effect posed by the major components of finance. In the case of pre-sale real estate, the payment is generally collected in installments from execution of the contract until the real estate is transferred to customers. If the contract includes the major components of finance, the transactions price is adjusted subject to the loan interest rate applicable in that given period to reflect the effect posed by time value of money. The earned receipts are recognized as the contract liabilities. The interest expenses and contract liabilities are recognized when the impact posed by time value of money is adjusted. The amount of accumulated contract liabilities is restated as revenue when the real estate is transferred to customers.

(13) Customer contract cost

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 expect to recover those costs. The incremental costs of obtaining a contract are those costs that the consolidated entity 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.

(14) Employee benefits

1. Defined contribution plan

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly salary of the employees subject to the plan. The Company recognizes expenses for the defined

2. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a

(15) Income tax

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

1. Current income tax

The current income tax comprises the expected tax payable or receivable on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount is, after reflecting the related uncertainty in income tax (if any), is the best estimate of the tax amount expected to be paid or received as measured using tax rates enacted or substantively enacted at the reporting date.

Profit-seeking business tax shall be levied on the undistributed earnings according to the Income Tax Act. The income tax for undistributed earnings is recognized as income tax expenses thereof subject to the actual earnings distribution, after the shareholders' meeting in the year following the year when the earnings are generated approves the distribution proposal.

2. Deferred income tax

Deferred income tax is recognized based on the temporary differences at the end of reporting period between the tax bases of assets and liabilities and their carrying amounts in the balance sheet. Generally, deferred tax liabilities are recognized for all future taxable temporary differences. Deferred income tax assets are recognized to the extent that it is probable that future taxable profits will be available to reduce the temporary difference. Where the temporary difference arises from the initial recognition of any other assets or liabilities in a transaction (exclusive of business combination) and, at the time of the transaction, poses no effects on the taxable income or accounting profit, no deferred income tax assets and liabilities should be recognized.

The carrying amount of deferred tax assets are reassessed at the end of each reporting date. Aiming at such an event where there will very likely not be adequate taxable income to recover the assets either in whole or in part, the Company adjusts downward the carrying amount. Where those are not initially recognized as deferred income tax assets, the Company, as well, reassesses the carrying amount thereof at each reporting date, and, in turn, will adjust upward the carrying amount in the future while there will be likely to yield taxable income to recover assets either in whole or in part.

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

When the tax rate is changed during the interim period, the Company recognizes the effect of the tax rate change in one entry in the period occurred. If the income tax is related to items other than those recognized into profit or loss, the effect is recognized into other comprehensive income or equity. If the income tax is related to items recognized into profit or loss, the effect is recognized into profit or income.

Current income tax assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

V. Significant accounting judgments, and major sources of estimation and assumption uncertainty

When preparing the individual financial statements, the Company must make significant judgments, and also significant assumption and estimation for related future events. The judgments and estimation made by the Company are evaluated and adjusted based on historical experience and other factors constantly. Please refer to the following:

(1) Important judgments adopted by the accounting policy

The Company makes judgments based on the significant accounting policy adopted in accordance with the ” Regulations Governing the Preparation of Financial Reports by Securities Issuers.”

(2) Important accounting estimation and assumption

The accounting estimation made by the Company is based on the reasonable expectation toward future events subject to current circumstances on the balance sheet date; nevertheless, the actual results might be different from the estimates. The estimation and assumption about the risk over significant adjustment of carrying amount of assets and liabilities in next fiscal year, please see the following notes:

1. Accounts receivables–estimation of impairment loss

The Company's loss provision on accounts receivable is estimated based on the assumption for default risk and expected loss rate. The Company takes into consideration the historical experience and current market condition at each reporting date to judge the assumption to be adopted and inputs to be chosen when calculating the impairment loss.

2. Inventory valuation

Inventory shall be evaluated on the basis of the lower of the cost or net realizable value. The Company must make judgment and estimation to determine the net realizable value of the inventory at the reporting period.

3. Recognition of deferred income tax assets

Deferred income tax assets are recognized to the extent that it is probable that future taxable profits will be available to reduce the temporary difference. To evaluate the realizability of deferred income tax assets, the management has to exert significant accounting judgment and estimation, including the assumption about expectation toward growth and profit rate of future sale revenue, tax-free period, applicable income tax credit and taxation planning. The transformation of global economic environments and industrial environments and changes in laws and regulations, if any, might result in material adjustment on deferred income tax assets.

VI. Explanation of important accounting titles

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Petty cash	$ 20	$ 20
Check deposits	10	10
Demand deposits	553,708	227,943
	$ 553,738	$ 227,973

(2) Notes and accounts receivable

	December 31, 2023	December 31, 2022
Notes receivable	$ 8	$ 128
Less: Loss provision	-	-
	$ 8	$ 128

	December 31, 2023	December 31, 2022
Accounts receivable	$ 4,052	$ 4,178
Less: Loss provision	(4,052)	(4,178)
	$ -	$ -

The Company applies the simplified approach to provide for its expected credit losses on all notes receivable and accounts receivable, i.e. the use of lifetime expected credit loss. To measure the expected credit losses, the notes receivable and accounts receivable have been grouped based on shared credit risk characteristics in terms of customers' ability to pay all due amounts according to contract terms and conditions. The expected credit loss on the Company's notes receivable and accounts is analyzed as follows:

	December 31, 2023				
	Carrying amount of notes receivable	Carrying amount of accounts receivable	Total	Expected credit loss rate	Lifetime expected credit losses
Not past due	$ 8	$ -	$ 8	0%	$ -
Past due for more than one year	-	4,052	4,052	100%	4,052
	$ 8	$ 4,052	$ 4,060		$ 4,052

	December 31, 2022				
	Carrying amount of notes receivable	Carrying amount of accounts receivable	Total	Expected credit loss rate	Lifetime expected credit losses
Not past due	$ 128	$ -	$ 128	0%	$ -
Past due for more than one year	-	4,178	4,178	100%	4,178
	$ 128	$ 4,178	$ 4,306		$ 4,178

(3) Inventory

	December 31, 2023	December 31, 2022
Available-for-sale real estate	$ 28,281	$ 29,520
Land for construction	878,621	1,237,748
Real estate construction in progress	1,664,128	1,399,718
	2,571,030	2,666,986
Less: Allowance for inventory valuation and obsolescence losses	-	-
	$ 2,571,030	$ 2,666,986

1. The Company's capitalization of interest is stated as follows:

	2023	2022
Total interest before capitalization of interest	$ 20,901	$ 17,684
Amount of capitalized interest	$ 20,901	$ 17,660
Interest rate of capitalization	2.5%~2.71%	1.89%~2.40%

2. Income and expense related to inventory recognized in the current period:

	2023	2022
Cost of sold inventory	$ 1,022,724	$ 1,419,123

3. The Company purchased from the related party, Ta Cheng Construction Co., Ltd., the two parcels of land at No. 541, Renping Sec., Beitun District per the Board of Directors' resolution on December 24, 2021. The total contract price was NT$298,715 thousand..The land title transfer was registered successfully in February, 2022.

4. The Company executed the contracts with the non-related party in December 2021, in order to purchase the fourteen parcels of land at No. 90-6, Shuinan Section. The total contract price was NT$59,897 thousand. NT$29,950 thousand out of it has been paid.The land title transfer was registered successfully in January, 2022.

5. For the inventory that has been pledged as collateral or for security until December 31, 2023 and 2022, please refer to Note 8 "Assets pledged as collateral or for security."

6. For the contracts awarded by the Company to related parties and land purchased by the Company from related parties, please refer to Note 7 "Related party transaction."

(4) Property, plant and equipment

2023	Office equipment	Other equipment	Total
Costs			
Balance on January 1	$ 305	$ -	$ 305
Additions	-	-	-
Disposal	(84)	-	(84)
Scrapped	-	-	-
Balance on December 31	$ 221	$ -	$ 221

Accumulated depreciation and impairment	Office equipment	Other equipment	Total
Balance on January 1	$ 128	$ -	$ 128
Depreciation expenses	75	-	75
Disposal	(84)	-	(84)
Scrapped	-	-	-
Balance on December 31	$ 119	$ -	$ 119
Net on December 31	$ 102	$ -	$ 102

2022	Office equipment	Other equipment	Total
Costs			
Balance on January 1	$ 249	$ 267	$ 516
Additions	221	-	221
Disposal	(151)	(267)	(418)
Scrapped	(14)	-	(14)
Balance on December 31	$ 305	$ -	$ 305

Accumulated depreciation and impairment	Office equipment	Other equipment	Total
Balance on January 1	$ 181	$ 231	$ 412
Depreciation expenses	112	36	148
Disposal	(151)	(267)	(418)
Scrapped	(14)	-	(14)
Balance on December 31	$ 128	$ -	$ 128
Net on December 31	$ 177	$ -	$ 177

1. None of said assets has been pledged as collateral or for security by December 31, 2023 and 2022.

(5) Right-of-use assets

2022	Building and structure	Total
Costs		
Balance on January 1	$ 6,373	$ 6,373
Additions	-	-
Disposal	-	-
Scrapped	-	-
Balance on December 31	$ 6,373	$ 6,373

Accumulated depreciation and impairment	Building and structure	Total
Balance on January 1	$ 3,413	$ 3,413
Depreciation expenses	2,960	2,960
Disposal	-	-
Scrapped	-	-
Balance on December 31	$ 6,373	$ 6,373
Net on December 31	$ -	$ -

1. The Company rented the real estate for operations. The real estate lease term was two years.

(6) Other assets

	December 31, 2023	December 31, 2022
Temporary payment	$ 378	$ 2,962
Payment on behalf of others	2,100	2,117
Other financial assets-current	32,960	248,994
Refundable deposits	2,657	502
	$ 38,095	$ 254,575
Current	$ 35,438	$ 254,073
Non-current	2,657	502
	$ 38,095	$ 254,575

1. The other financial assets - current listed above are the amount deposited in the Company's escrow accounts with financial institutions in accordance with the "Performance Guarantee Mechanism" in the "Information to Be Recorded and Not to Be Record in Standard Contracts of Pre-sale Housing" stipulated by the Ministry of the Interior, described as follows:
(1) Pursuant to the provisions of "Guarantee of Price Refunding," the escrow contract executed by the Company with Land Bank of Taiwan for the "大城樂好事" and "大城十一月" project on September 11, 2019 and March 11, 2021, under the "Pre-sale House Escrow Mechanism" referred to in the "Mandatory Provisions of Pre-sale House Standard Contract." According to the contract, the agreed special fund should be deposited in the exclusive account opened by the Company at the financial institution, and the financial institution should be responsible for providing the guarantee to secure the repayment of the pre-house price.
(2) On January 12, 2023, the Company entered into a real estate development trust contract for the "悅讀大城-雲詠" project with the Land Bank of Taiwan pursuant to the relevant provisions of "Real Estate Development Trust." Pursuant to the contract, the Company will trust the construction funds to a financial institution, and the financial institution acts as the trustee, to ensure that the construction funds are used only for its purpose, as a protection to

2. For the restricted purposes of said other financial assets-current, please refer to Note 8 "Assets pledged as collateral or for security."

3. For the related party acting as the joint guarantor with respect to the pre-house escrow, please refer to Note 7 "Related party transaction."

4. Among the aforesaid payment on behalf of others, the part of the sales expenses paid on behalf of the co-constructed land owners, please refer to Note 7 "Related party transaction."

(7) Short-term loans

for the (loan by nature)	December 31, 2023	December 31, 2022
at the financial institution to secure repayment of the loan.	$ 550,900	$ 736,270
Interest rate range	2.65%~2.95%	2.35%~2.45%

1. For the related party acting as the joint guarantor, please refer to Note 7"Related party transaction."

2. For the collateral provided to secure said loans, please refer to Note 8"Assets pledged as collateral or for security."

(8) Lease liabilities

1. The amount of lease recognized in profit or loss is as follows:

	2023	2022
Interest expenses of lease liabilities	$ -	$ 24
Short-term lease expenses	7,125	8,227
Low-value lease asset expenses (exclusive of low-value lease of the short-term lease)	18	18
	$ 7,143	$ 8,269

2. The amount of lease recognized in the Statement of Cash Flows is as follows:

	2023	2022
Total cash outflows from lease	$ 7,143	$ 11,231

3. The Company rented the real estate for operations. The real estate lease term was two years.

(9) Other current liabilities

	December 31, 2023	December 31, 2022
Temporary receipts	$ 16,912	$ 7,350
Receipts under custody	3,792	574
Receipts under custody for land	15,493	4,789
	$ 36,197	$ 12,713

1. Said receipts under custody for land refer to the proceeds from sale of the land collected on behalf of the joint construction land owner. Please refer to Note 7 “Related party transaction” for details.

(10) Retirement benefits plan

The employee retirement plan set forth by the Company pursuant to the “Labor Pension Act” refers to the defined contribution plan. An amount equivalent to 6% of the employee’s monthly salary is appropriated to the Labor Pension personal accounts at the Bureau of Labor Insurance. According to said requirements, the total expenses recognized by the Company into the Statement of Comprehensive Income in 2022 and 2021 are stated as follows:

	2023	2022
Administrative expenses	$ 550	$ 508

(11) Share capital

The total authorized share capital of the Company amounted to NT$2,000,000 thousand at the par value of NT$10 per share, divided into 200,000 thousand shares respectively, as of December 31, 2023 and 2022. The shares issued refer to common stocks. The issued share capital totaled NT$1,000,000 thousand . All the capital funds for the outstanding shares have been received.

The Company increased the capital by NT$13,345 thousand shares from the undistributed earnings, NT$133,452 thousand, per the resolution rendered by the shareholders’ meeting on June 17, 2022. Meanwhile, the Board of Directors resolved on August 10, 2022 that September 3, 2022 should be identified as the record date. The related statutory procedures were also completed.

(12) Capital surplus

Pursuant to the Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, insofar as the Company has no accumulated deficit. According to the Securities and Exchange Act, in the event that capitalization is to be realized from said capital surplus, the total shall be no more than 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated

deficit unless the Company's legal reserve is insufficient.

(13) Retained earnings

1. Legal reserve

The Company needs to set aside an amount to legal reserve unless such legal reserve amounts to the paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal reserve which exceeds 25% of the paid-in capital by issuing new stocks or cash to shareholders in proportion to their share ownership.

2. The Company's dividend policy

If there is a surplus after account settlement of the fiscal year, the Company shall pay applicable taxes pursuant to laws and cover loss carried forward, followed by the allocation of 10% of the remainder as legal reserve, unless such legal reserve amounts to the paid-in capital, and the remainder, if any, is appropriated for special reserve or reversed as special reserve. If there is still a balance, it will be pooled up with the undistributed earnings carried forward from previous years for distribution as shareholder dividend and bonus under a proposal prepared by the Board of Directors subject to the resolution made by a shareholders' meeting.

The Company may distribute the stock dividends and bonus, capital surplus or legal reserve in cash, in whole or in part, per the resolution adopted by a majority of the directors present at the meeting of Board of Directors attended by more than two-thirds of all directors, and shall report the distribution to a shareholders' meeting.

The Company adopts the dividend policy in response to the current and future development plans and by taking into account the investment environment, funding needs and domestic/foreign competition overview, as well as shareholders' interest, in order to decide the optimal proportions of shareholder dividends to be distributed in stock and in cash per the resolution ,the board of directors drafts a profit distribution proposal and submits it to the shareholders' meeting for resolution on distribution. Among the other things, the cash dividend shall be no less than 20% of the total dividends.

3. The earnings distribution proposals 2022 and 2021 resolved by the shareholders' meetings on June 28, 2023 and June 17, 2022 are stated as follows:

	2022		2021	
	Amount	Dividend per share (NT$)	Amount	Dividend per share (NT$)
Cash dividends	$ 100,000	$ 1.00	$ 129,982	$ 1.50
Stock dividends	-	-	133,452	1.54
	$ 100,000		$ 263,434	

4. Please refer to the "Market Observation Post System" of TWSE for information on the earnings distribution proposals resolved by the shareholders' meetings of the Company.

(14) Operating lease

1. The rental revenues generated from the lease of houses and advertising walls were NT$200 thousand and NT$1,731 thousand in 2023 and 2022.

(15) Employee benefits, depreciation, and amortization expenses

	2023			2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses						
Salary expenses	$ -	$ 10,179	$ 10,179	$ -	$ 9,466	$ 9,466
Labor/national health insurance expenses	-	1,232	1,232	-	1,122	1,122
Pension expenses	-	550	550	-	508	508
Compensation to directors	-	3,584	3,584	-	3,352	3,352
Other personnel expenses	-	1,259	1,259	-	1,451	1,451
	-	16,804	16,804	-	15,899	15,899
Depreciation expenses	-	75	75	2,960	148	3,108
Amortization expenses	-	142	142	-	61	61

1. The other information about the number of employees and employee benefit expenses of the Company in 2023 and 2022 is stated as follows:

	2023	2022
Average number of employees	23	21
Number of directors without the employee identity	8	7
Average employee benefit expenses	$ 881	$ 896
Average employee salary expenses	$ 679	$ 676
Adjustment on average employee salary expenses	0.4 %	10.6 %

2. Remuneration Committee evaluates and reviews the salary and remuneration of directors, managers and supervisors regularly. Based on the employee salary policy, it review the salary level regularly each year, in order to provide the employees with the remuneration competitive in the market.

(16) Remuneration to employees and directors

1. According to the Articles of Incorporation, annual profits concluded by the Company, if any, shall be subject to employee remuneration of 0.1%~5% , and the Board of Directors shall resolve to distribute the same in the form of stock or in cash subject to the specific ratio falling in said appropriation rate range. The other recipients of such remuneration may include the employees of affiliated companies that satisfy certain criteria. The Board of Directors may resolve to distribute no more than 3% of the earnings as the remuneration to directors. However, profits must first be taken to offset against the Company cumulative losses, if any. Then, the remuneration to employees and directors may be appropriated subject to the ratio referred to in the preceding paragraph.
   The remuneration to employees and directors/supervisors estimated in 2023 and 2022 was NT$1,253 thousand and NT$1,507 thousand, respectively.

2. The remuneration to employees and directors provided by the Company in 2023 and 2022 is stated as follows:

	2023		2022	
	Cash	Stock	Cash	Stock
Remuneration to employees	$ 874	$ -	$ 1,076	$ -
Remuneration to director	379	-	431	-
	$ 1,253	$ -	$ 1,507	$ -

3. Said amounts of remuneration to employees and directors per the resolution of the Board of Directors are consistent with the estimated amounts reported in the Company's 2023 and 2022 individual financial statements.

4. Please refer to the "Market Observation Post System" of TWSE for information on the remuneration to the Company's employees and directors determined by the Company's Board of Directors.

(17) Revenue from contracts with customers

1. Details of revenue

	2023	2022
Main product lines:		
Sales of goods (sales of real estate)	$ 1,382,149	$ 1,941,773
Tenancy	200	1,731
	$ 1,382,349	$ 1,943,504
Contract type:		
Fixed-price contract	$ 1,382,349	$ 1,943,504
Point in time of revenue recognition:		
Transfer of goods or services at a point in time	$ 1,382,149	$ 1,941,773
Labor service transferred over time	200	1,731
	$ 1,382,349	$ 1,943,504

2. Contract balance

	December 31, 2023	December 31, 2022
Contract liabilities-sales of real estate	$ 397,837	$ 404,510

The total prices of contracts already executed on December 31, 2023 and 2022 were NT$3,017,700 thousand and NT$3,183,460 thousand, respectively.

The balances of contract liabilities on January 1, 2023 and 2022 that were recognized as revenue in 2023 and 2022 were NT$246,404 thousand and NT$343,511 thousand, respectively.

The change in contract liabilities primarily results from the difference between the point in time when the Company transfers goods to customers to satisfy the performance obligation and the point in time when the customers make payment.

3. Incremental costs of contract

	December 31, 2023	December 31, 2022
Incremental costs of obtaining a contract-current	$ 72,833	$ 64,684

4. For the Company’s transactions with related parties, please refer to Note 7“Related party transaction.”

(18) Financial costs

	2023	2022
Interest expenses - bank loans	$ 20,901	$ 17,660
Interest expenses - lease liabilities	-	24
	20,901	17,684
Less: Capitalization of assets that meet the essential requirements	(20,901)	(17,660)
	$ -	$ 24

(19) Income tax

1. Income tax recognized into profit or loss

	2023	2022
Current income tax		
Income tax generated from the current income	$ 24,522	$ 54,551
Land value increment tax on sale of land	8,599	24,441
Imposition on undistributed earnings	10,572	5,627
Adjustment to previous year's income tax	148	-
Total current income tax	43,841	84,619
Deferred income tax		
Deferred income tax expenses (gains) related to occurrence and reversal of temporary difference	(1,525)	(1,479)
Total deferred income tax	(1,525)	(1,479)
	$ 42,316	$ 83,140

2. Explanation about relationship between income tax expenses and accounting profit

	2023	2022
Profit before tax	$ 290,151	$ 429,177
Income tax expenses of profit before tax at statutory tax rate	58,030	85,835
Income tax imposed on undistributed earnings	10,572	5,627
Land value increment tax included into the current income tax	8,599	24,441
Tax-free income	(33,610)	(31,726)
Tax incentives	(50)	
Unrecognized changes in temporary difference	(1,373)	(1,037)
Adjustment to previous year's income tax	148	-
Income tax expenses recognized into profit or loss	$ 42,316	$ 83,140

3. Deferred income tax assets and liabilities

The changes in deferred income tax assets and liabilities are stated as follows:

2023

Deferred income tax assets	January 1, 2023	Changes in the current year	December 31, 2023
Recognized into profit or loss			
Deferred recognition of selling expenses	$ 7,255	$ 495	$ 7,750
Deferred recognition of tax	3	-	3
Deferred recognition of interest expenditure	2,338	1,030	3,368
	$ 9,596	$ 1,525	$ 11,121

2022

Deferred income tax assets	January 1, 2022	Changes in the current year	December 31, 2022
Recognized into profit or loss			
Deferred recognition of selling expenses	$ 6,927	$ 328	$ 7,255
Deferred recognition of tax	3	-	3
Deferred recognition of interest expenditure	1,187	1,151	2,338
	$ 8,117	$ 1,479	$ 9,596

3. The income tax returns of the Company's profit-seeking business have been authorized by the competent tax collection authority up to 2021.

(20) Earnings per share(loss)

1. Basic earnings per share(loss)

Basic earnings per share is calculated based on the profit attributed to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding.

2. Diluted earnings per share(loss)

Diluted earnings per share is calculated as the profit or loss attributed to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares.

3. The basic and diluted earnings per share(loss) are calculated as follows:

	2023	2022
Profit attributed to the Company's ordinary shareholders(loss)	$ 247,835	$ 346,037
Ordinary shares (thousand shares) issued on January 1	100,000	86,655
Effect of the stock dividend	-	13,345
Weighted average number of ordinary shares outstanding (thousand shares) on December 31	100,000	100,000
Basic earnings per share(loss)	$ 2.48	$ 3.46
Diluted earnings per share(loss)	$ 2.48	$ 3.46

VII. Related party transaction

(1) Relationship with related parties

Name of Related Party	Relationship with the Company
Ta Cheng Construction Co., Ltd.	An entity controlled by the key management
Ta Sheng Construction Co., Ltd.	An entity controlled by the key management
Employees' Welfare Commission of Tacheng Real Estate Co., Ltd.	Other related party
Yuan Cheng Construction Co., Ltd.	Other related party
Lai, Yuan-Chao	The Company's key management
Liang-Cheng,Lai	Representative of the Company's juristic person director
Lin, Chun-Jen	Other related party

(2) Significant transactions with related parties

1. Contract awarding and undertaking

(1) The accumulated valuation of the contract awarding by the Company to the related party is stated as follows:

	Accumulated valuation	
	December 31, 2023	December 31, 2022
Ta Sheng Construction Co., Ltd.	$ 1,377,524	$ 1,166,533

(2) The current valuation of progress payment or the contract awarding by the Company to the related party is stated as follows:

	Current valuation	
	2023	2022
Ta Sheng Construction Co., Ltd.	$ 752,895	$ 705,081

(3) The price of the construction work in progress awarded by the Company to related parties is stated as follows:

	Contract price	
	December 31, 2023	December 31, 2022
Ta Sheng Construction Co., Ltd.	$ 2,172,381	$ 1,667,619

(4) The progress payment of contract awarded by the Company to related parties shall be subject to both parties' negotiation, and claimed per the work progress based on the contract executed through the price negotiation.

2. Purchase of goods

(1) Land for construction

	Subject matter of procurement	Amount of procurement	2023	2022
Ta Cheng Construction Co., Ltd.	2 parcels of land at No. 541, Jenping Section	$ 298,715	$ -	$ 268,715

(2) The payment for land procured by the Company from the related parties is based on the contract executed upon both parties' price negotiation and in reference to the appraised value identified in the real estate

(3) The title transfer for the 2 parcels of land at No. 541, Jenping Section has been registered successfully on February 2022. The payment has been made in full on March 9, 2022.

3. Other receivables

	December 31, 2023	December 31, 2022
Ta Cheng Construction Co., Ltd.	$ 47	$ -

4. Payment on behalf of others

	December 31, 2023	December 31, 2022
Ta Cheng Construction Co., Ltd.	$ 1,511	$ 2,121
Ta Sheng Construction Co., Ltd.	34	-
	$ 1,545	$ 2,121

5. Contract liabilities

	Total contract price (Before tax)	December 31, 2023	December 31, 2022
Liang-Cheng,Lai	$ 4,457	$ 503	$ 78

6. Notes payable

	December 31, 2023	December 31, 2022
Ta Cheng Construction Co., Ltd.	$ 43	$ 100

7. Accounts payable

	December 31, 2023	December 31, 2022
Ta Sheng Construction Co., Ltd.	$ 183,370	$ 171,738

8. Receipts under custody

	December 31, 2023	December 31, 2022
Ta Cheng Construction Co., Ltd.	$ 15,493	$ 4,789

9. Rental income

Lessee

	Subject matter of lease	Earnest money deposit for lease	2023	2022
Ta Cheng Construction Co., Ltd.	House	$ -	$ 200	$ -

Said rental income is paid to the related parties per the lease contract. The rental transactions are decided and collected in the manner as same as that applicable to the general lease transactions.

10. Rental expenditure

Lessor	Subject matter of lease	Earnest money deposit for lease	2023	2022
Ta Cheng Construction Co., Ltd.	Office	$ -	$ 229	$ 229
	Land and reception center	-	4,300	6,278
			$ 4,529	$ 6,507

Said rental expenditure is paid to the related parties per the lease contract. The rental transactions are decided and collected in the manner as same as that applicable to the general lease transactions.

11. Endorsements/guarantees

(1) The security balance and commission expenditure (stated as other expenses-commission) of the joint guarantor for bank loans as acted by related party on December 31, 2023 and 2022 are detailed as follows:

	December 31, 2023				
	Endorsement /guarantee amount	Drawdown	Guarantee commission rate	Annual commission	Commission payable
Lai, Yuan-Chao	$ 1,653,400	$ 550,900	-	$ -	$ -
Lin, Chun-Jen	843,000	285,100	-	-	-
Ta Cheng Construction Co., Ltd.	570,000	221,100	0.1%	143	-
	$ 3,066,400	$ 1,057,100		$ 143	$ -

	December 31, 2022				
	Endorsement /guarantee amount	Drawdown	Guarantee commission rate	Annual commission	Commission payable
Lai, Yuan-Chao	$ 2,196,570	$ 736,270	-	$ -	$ -
Lin, Chun-Jen	1,386,170	470,470	-	100	-
Ta Cheng Construction Co., Ltd.	570,000	99,300	0.1%	2	-
	$ 4,152,740	$ 1,306,040		$ 102	$ -

(2) The balance of endorsements/guarantees made by the Company for related parties' loans and commission revenue (stated as other revenues-others) on December 31, 2023 and 2022 are detailed as follows:

	December 31, 2023				
	Endorsement /guarantee amount	Drawdown	Guarantee commission rate	Annual commission	Commission payable
Ta Cheng Construction Co., Ltd.	$ 954,120	$ 890,420	0.1%	$ 671	$ -

	December 31, 2022				
	Endorsement /guarantee amount	Drawdown	Guarantee commission rate	Annual commission	Commission payable
Ta Cheng Construction Co., Ltd.	$ 528,000	$ 528,000	0.1%	$ 503	$ -

(3) The information about related parties acting as the joint guarantors under the escrow mechanism of the Company's project entitled “Mandatory Provisions of Pre-sale House Standard Contract” in the same trade is detailed as follows:

Guarantor	December 31, 2023	December 31, 2022
Ta Sheng Construction Co., Ltd.	大城迎好事	大城迎好事
Yuan Cheng Construction Co., Ltd.	大城二月埕	大城二月埕

(4) The information about Company's acting as the joint guarantors under the escrow mechanism of the related parties project entitled “Mandatory Provisions of Pre-sale House Standard Contract” in the same trade is detailed as follows:

		December 31, 2023	
Guarantor	Project name	Endorsement/guarantee amount	Drawdown
Yuan Cheng Construction Co., Ltd.	上階綠	$ 550,000	$ 279,350

		December 31, 2022	
Guarantor	Project name	Endorsement/guarantee amount	Drawdown
Yuan Cheng Construction Co., Ltd.	上階綠	$ 550,000	$ 66,810

(5) Guaranteed notes

The guaranteed promissory note issued by the Company to related parties in order to secure the completion of the joint construction project is stated as follows:

	December 31, 2023	December 31, 2022
Ta Cheng Construction Co., Ltd.	$ 220,000	$ 220,000

(6) For the escrow contract about “refund of the pre-sale house price” issued by Land Bank of Taiwan entrusted by you, the related party, Lai,Yuan-Chao, serves as the joint guarantor. For the details on “Refund of the Pre-sale House price”, please refer to Note 6(6) “Other Assets.”

(3) Information on remuneration to the key management

	2023	2022
Short-term employee benefits	$ 4,876	$ 4,596
Retirement benefits	-	-
	$ 4,876	$ 4,596

VIII. Assets pledged as collateral or for security

Name of Asset	Guaranteed purpose	December 31, 2023	December 31, 2022
Land for construction	Short-term loans/short-term notes and bills payable	$ 806,374	$ 1,165,501
Available-for-sale real estate	Short-term notes and bills payable	10,301	18,779
Real estate construction in progress	Short-term loans/short-term notes and bills payable	1,537,233	1,347,477
Other financial assets-current	Price return performance guarantee/real estate development trust	32,960	248,994
		$ 2,386,868	$ 2,780,751

IX. Major contingent liabilities and unrecognized contractual commitments

(1) The total price of contracts executed as a result of the contract awarding was about NT$2,172,381 thousand on December 31, 2023, and the estimated price NT$882,286 thousand.

(2) The guaranteed promissory note for the joint construction project issued by the Company upon execution of the contract amounted to NT$220,000 thousand on December 31, 2023. Please refer to Note 7 “Related party transaction.”

(3) When the Company acted as the joint guarantor or debtor of the land financing in the joint construction project on December 31, 2023, the drawdown balance of the endorsements/guarantees was NT$890,420 thousand. Please refer to Note 7 “Related party transaction.”

(4) The price of the contracts for pre-sale and sale of finished houses executed by the Company with customers for the projects launched by the Company was NT$3,017,700 thousand on December 31, 2023. Please refer to Note 6(17) “Revenue from contracts with customers.”

(5) The balance of deposits in the exclusive account under the escrow contract executed by the Company and bank was NT$32,960 thousand on December 31, 2023. Please refer to Note 6(6) “Other Assets.”

(6) When the Company acted as the joint guarantors under the escrow mechanism of the related parties project entitled “Mandatory Provisions of Pre-sale House Standard Contract” in the same trade is detailed as follows,on December 31, 2023, the drawdown balance of the endorsements/guarantees was NT$279,350 thousand. Please refer to Note 7 “Related party transaction.”

X. Losses due to major disasters: None.

XI. Significant subsequent events

(1) On February 1, 2024, the Company signed the construction contract of Biliu Section 81 project with a related party, with a total contract price of NT$980,000 thousand (tax included).

XII. Others

(1) Capital risk management

The Company conducts the capital management to ensure the very premise of continued business operation to maximize the return to shareholders through optimal balances in liabilities and equity.

The capital management strategy adopted by the Company in 2023 is identical with that in 2022. In consideration of the construction industry's characteristics, including capital intensity, long production period and high unit price, few technical changes, and high debt amount, in order to ensure the financial resources and operational plan required to cover working capital, capital expenditure and debt repayment required in the future, the Company adjusts the loan and also capital structure subject to the work progress and business needs.

Subject to the actual needs at various business development stages, the Company will continue to organize the activities to strengthen the financial constitution, enhance shareholders’ equity and improve the financial structure.

(2) Financial instruments

1. Information about fair value

The carrying amount of non-financial instruments measured at fair value refers to the amount close to the reasonable amount of fair value:

Cash and cash equivalents, notes receivable, accounts receivable, other receivables, other financial assets-current, other non-current assets-refundable deposits, short-term loans, notes payable, accounts payable, other payables .

2. Fair value of financial instruments

Financial assets	December 31, 2023	December 31, 2022
Financial assets measured at amortized cost	$ 589,410	$ 477,602

Financial liabilities	December 31, 2023	December 31, 2022
Financial liabilities measured at amortized cc	$ 838,034	$ 952,194

3. Financial risk management

The Company's financial management department provides services to various sales units, and takes charge of the overall planning and coordination about the launch into domestic financial market, and supervise and manage the financial risk related to the Company's operations in accordance with the internal risk report explaining the risk level and extent analysis on exposure to the risk.
The risk includes credit risk, liquidity risk and market risk (including foreign exchange rate risk, interest rate risk

(1) Credit risk

Credit risk is the risk of financial losses faced by the Company when the customer or the trading counterpart of financial instruments trade is unable to meet its contractual obligations. It is mainly from the Company’s accounts receivables from customers and investment.

A. Receivables

In order to mitigate the potential credit risk arising from receivables, the Company evaluates the possibility to recover receivables and provide the loss provision regularly. The Company also reviews the customers’ operational ability, payment records and financial position to mitigate the credit risk until it is acceptable.

The Company adopts the following assumptions as the basis to judge whether the credit risk over financial instruments has increased significantly since initial recognition:

a. When the payment of the contract price is overdue for more than 30 days beyond the due date for the payment as agreed, the credit risk over the financial assets should be considered already increasing significantly since initial recognition.

b. When the payment of the contract price is overdue for more than 90 days beyond the due date for the payment as agreed, a default should be deemed having occurred.

With respect to the defaulted receivables, the Company has provided the loss provision for the receivables which it is impossible to expect to recover reasonably, upon the recourse by the Company. Notwithstanding, the Company will continue to seek the recourse to secure its creditor's right.

Since the Company is engaged in the construction industry, for sales of goods, it is used to collecting unearned revenue for the down payment, and buyers are used to paying the balance with bank loans. According to the Company's past experience, the expected credit loss of the receivables is not likely to be significant. Therefore, the Company is not required to bear any significant credit risk for the time being.

B. Investment

The credit risk over bank deposits and other financial instruments is measured and controlled by the Company's financial department. The Company’s trading counterparts and performing parties are reputable banks and financial institutions and corporate organizations of investment grade and above with no significant performance concerns. Therefore, there is no significant credit risk.

C. Guarantee

The Company's policy provides that the financial guarantee may be provided for:

a. A company which directly or indirectly holds more than 50% of the voting shares of the Company.

b. A company in which the Company directly or indirectly holds more than 50% of the voting shares.

c. Any enterprise with business dealings with the Company.

d. Companies that need to purchase insurance for each other in the same industry or as co-builders in accordance with contractual provisions based on the needs for contracting construction projects, or a company that is endorsed and guaranteed by all shareholders of the Company based on their ownership percentage due to a joint investment relationship, or companies that are engaged in joint and several guarantees for the performance of a pre-sale property contract in accordance with the Consumer Protection Act.

For the endorsements/guarantees made by the Company for others on December 31, 2023 and 2022, please refer to Note 7 “Related party transaction.”

D. Exposure to credit risk

The largest exposure to credit risk that might cause the Company to incur financial losses when the counterparts default obligations under contracts and the Company provides financial guarantees primarily comes from the carrying amount of financial assets and contract assets recognized in the balance sheet, NT$589,410 thousand and NT$477,602 thousand, on December 31, 2023 and 2022. The financial guarantees provided by the Company were NT$1,169,770 thousand and NT$594,810.

(2) Liquidity risk

Liquidity risk is the risk that the Company is unable to pay cash or financial asset to settle the financial liability and unable to perform its related obligations.

A. The Company monitors the liquidity risk on its own, and maintains the cash and available facility at the level which the management considers adequate, in order to cover the need of the Company's business activities and mitigate the effect posed by the fluctuation of cash flows. Generally, the Company ensures that it retains the balance in cash and available facility enough to cover the short-term expected operating expenses and repayment of financial liabilities.

B. The following table is the summarized analysis of the Company’s financial liability with agreed repayment period based on the expiry date and undiscounted amount due:

December 31, 2023	Carrying amount	Contract cash flow	Within 1 year	1~2 years	2~5 years	More than 5 years
Short-term loan	$ 550,900	$ 550,900	$ -	$ 211,600	$ 339,300	$ -
Notes payable	15,202	15,202	15,202	-	-	-
Notes payable-related parties	43	43	43	-	-	-
Accounts payable	32,679	32,679	32,679	-	-	-
Accounts payable-related parties	183,370	183,370	183,370	-	-	-
Other payables	55,840	55,840	55,840	-	-	-
	$ 838,034	$ 838,034	$ 287,134	$ 211,600	$ 339,300	$ -

December 31, 2022	Carrying amount	Contract cash flow	Within 1 year	1~2 years	2~5 years	More than 5 years
Short-term loan	$ 736,270	$ 736,270	$ -	$ -	$ 736,270	$ -
Notes payable	2,044	2,044	2,044	-	-	-
Notes payable-related parties	100	100	100	-	-	-
Accounts payable	11,310	11,310	11,310	-	-	-
Accounts payable-related parties	171,738	171,738	171,738	-	-	-
Other payables	30,732	30,732	30,732	-	-	-
	$ 952,194	$ 952,194	$ 215,924	$ -	$ 736,270	$ -

The Company does not expect the maturity analysis of cash flows will be significantly pre-matured or the actual amount will be significantly different.

(3) Market risk

The market risk refers to the risk that affects the Company's income or value of the financial instruments held by the Company, due to changes in the market price, e.g. Changes in the foreign exchange rate, interest rate, and price of equity instruments. The market risk management aims to control the exposure to market risk until it is acceptable, and also optimize the return on investment.

A. Foreign exchange rate risk

The Company's functional currency is NTD. The Company's transactions are primarily denominated in NTD. For other monetary assets and liabilities denominated in foreign currency, in the case of short-term imbalances arising, the Company buys or sells foreign currencies at the spot foreign exchange rate to ensure that the net exposure remains acceptable.

B. Interest rate risk

The Company borrowed funds at floating interest rate, and the risks over changes in fair value and cash flow arose therefor. The Company simulates multiple programs and analyzes interest rate risk to ensure that no excessive risk should be borne by it and the interest rate is fixed when significant changes in the interest rate occur.

The Company's financial instruments at variable interest rate are primarily the deposits and loans at floating interest rate. Therefore, the changes in market interest rate will result in the changes in the effective interest rate and also fluctuation in the future cash flow. Whenever the market interest rate increased or decreased by 1%, while any other variables remain unchanged, the Company's profit before tax changed by NT$358 thousand and NT$(2,593) thousand in 2023 and 2022.

C. Other pricing risks

No equity price risk occurs to the Company as a result of the investment in TWSE/TPEx-listed equity securities.

XIII. Disclosures in notes

(1) Information on significant transactions

1. Loaning of fund to others: None.
2. Making of endorsements/guarantees for others: See Table 1.
3. Marketable securities held at the end of year: None.
4. The amount of the accumulated purchase or sale of the same securities is over NT$300 million or 20% of the paid-in capital: None.
5. The purchase amount of real estate exceeds NT$300 million or 20% of paid-in capital: None.
6. The amount of real estate disposed of exceeds NT$300 million or 20% of paid-in capital: None
7. The purchase and sales conducted with the related parties for an amount over NT$100 million or 20% of paid-in capital: See Table 2.
8. The receivables-related party for an amount over NT$100 million or 20% of paid-in capital: None.
9. Transactions of derivative instruments: None.
10. Business relationship and amount of major transactions between parent company and subsidiaries and among

(2) Information on investees: None.

(3) Information on investment in Mainland China: None.

(4) Information on major shareholders: See Table 3.

XIV. Segment information：

(1) Financial information by industry

The Company manages the organization and allocate resources via a single business department. The Company's business activities primarily consisted of real estate transactions in 2023 and 2022, and the operating revenue from the activities accounted for 90% of the Company's whole revenue.

(2) Financial information by territory

Not applicable, as the Company has no foreign operations.

(3) Information on important customers

The Company has dispersed customer bases; therefore, no concentration of any single customer exists.

Tacheng Real Estate Co., Ltd.
Making of endorsements/guarantees for others
2023

Table 1

Unit: NT$ Thousand

No. (Note1)	Endorser/ guarantor	Endorsed/guaranteed party		Limits on endorsements/ guarantees for a single enterprise (Note 3)	Current maximum endorsement/ guarantee balance	Endorsement/ guarantee balance - ending	Drawdown	Endorsement/ guarantee amount secured with property as collateral	Ratio of the cumulative endorsement/ guarantee amount to the net worth in the most recent financial statements	Maximum endorsements/ guarantees (Note 3)	Endorsement/ guarantee made by the parent company for its subsidiaries	Endorsements /guarantees made by the subsidiaries for the parent company	Endorsement/ guarantee made for the operations in Mainland China
		Company name	Relationship (Note 2)										
0	Tacheng Real Estate Co., Ltd.	Ta Cheng Construction Co., Ltd.	(1)	$ 1,981,239	$ 954,120	$ 954,120	$ 890,420	$ -	48.16%	$ 2,971,859	N	N	N
0	Tacheng Real Estate Co., Ltd.	Yuan Cheng Construction Co., Ltd.	(7)	$ 7,924,956	$ 550,000	$ 550,000	$ 279,350	$ -	27.76%	$ 15,849,912	N	N	N

Note 1: The sections are completed in the following manners:
(1) "0" for the issuer.
(2) Investees are numbered from number 1 and so on.

Note 2: There are 7 types of relations between the endorser/guarantor and the endorsed/guaranteed party as follows; just indicate the type:
(1) Any company with business dealings with the Company.
(2) A subsidiary which holds more than 50% of the equity of ordinary shares.
(3) An investee in which the parent company and subsidiaries hold more than 50% of the equity of ordinary shares in total.
(4) The parent company which holds more than 50% of the equity of the ordinary shares of the Company directly, or via a subsidiary.
(5) Companies that need to purchase insurance for each other in the same industry in accordance with contractual provisions based on the needs for contracting construction projects.
(6) A company that is endorsed and guaranteed by all shareholders of the Company based on their ownership percentage due to a joint investment relationship.
(7) Companies that are engaged in joint and several guarantees for the performance of a pre-sale property contract in accordance with the Consumer Protection Act.

Note 3: According to the Company's Operating Procedure for Making of Endorsements/Guarantees, the maximum amount of the endorsement/guarantee to a single enterprise shall not exceed 100% of the net worth as in the Company's most recent financial statements audited or certified by external auditors.

According to the Company's Operating Procedure for Making of Endorsements/Guarantees, the maximum amount of all endorsements/guarantees shall not exceed 150% of the net worth as in the Company's most recent financial statements audited or certified by external auditors.

The Company's Operational Procedures for Making Endorsement/Guarantee stipulate that the amount of joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act provided to one single company, shall not exceed four times the Company's net worth indicated in the latest financial statement audited, attested, or reviewed by the

The Company's Operational Procedures for Making Endorsement/Guarantee stipulate that the amount of joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act provided for each other, shall not exceed four times the Company's net worth indicated in the latest financial statement audited, attested, or reviewed by the CPAs.

Tacheng Real Estate Co., Ltd.

The purchase and sales conducted with the related parties for an amount are over NT$100 million or 20% of paid-in capital

2023

Table 2

Unit: NT$ Thousand

Purchaser/ seller	Trading counterpart	Relationship	Transaction				The circumstances of and reasons for the trading conditions different from general transactions		Accounts/notes receivable (payable)		Remark
			Purchase (sale)	Amount	Percentage in total purchase (sale) amount	Credit period	Unit price	Credit period	Balance	Percentage in total accounts/notes receivable (payable) %	
The Company	Ta Sheng Construction Co., Ltd.	Note 1	Purchase of goods	$ 752,895	81.2	Paid in installments per the contract	-	-	($ 183,370)	(79.3)	

Note 1: An entity controlled by the key management

Tacheng Real Estate Co., Ltd.
Information on major shareholders
2023

Table 3

Shares / Name of Major Shareholder	Number of shares held (thousand shares)	Shareholding
Lai, Yuan-Chao	34,626	34.63%
Ta Cheng Construction Co., Ltd.	15,660	15.66%
Jin Cheng Investment Co., Ltd.	6,503	6.50%
Ta Sheng Investment Co., Ltd.	6,370	6.37%
Ta Song Investment Co., Ltd.	6,370	6.37%

Note: If the Company applies with Taiwan Depository & Clearing Corporation (TDCC), please specify the following in the notes to the Table:

(1) The information about major shareholders herein is generated based on TDCC's calculation of the number of ordinary shares and preferred shares already registered and delivered by the shareholders (including treasury stock), totaling 5% or more, in an intangible form at the last business day of each quarter.

The share capital referred to the Company's financial report and the number of shares already registered and delivered by the Company in an intangible form might vary or be different due to the basis of calculation.

(2) If the shareholder puts the shares held by it under trust, said information shall be disclosed by the individual client of the trust account opened by the trustee. If the shareholder completes the insider equity presentation for shareholdings more than 12% pursuant to the Securities and Exchange Act, the shares held shall include the shares held by the shareholder per se, plus the shares he puts under trust and with the right to decide and utilize the trust property. For insider equity presentation information, please refer to the MOPS.

V. Parent company only financial statements audited and certified by the external auditors in the most recent year: None.

VI. If the Company or its affiliates have experienced financial difficulties in the most recent 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: None.

Seven. Review and Analysis on Financial Position and Business Performance, and Risk Management

I. Financial position

Statement of Financial Position

Unit: NT$ Thousand

Item / Year	2023	2022	Variance	
			Amount	%
Current assets	3,246,768	3,222,415	(24,353)	0.76
Non-current assets	14,056	10,445	(3,611)	34.57
Total assets	3,260,824	3,232,860	27,964	0.86
Current liabilities	1,279,585	1,399,456	(119,871)	(8.57)
Other liabilities	0	0	0	0.00
Total liabilities	1,279,585	1,399,456	(119,871)	(8.57)
Share capital	1,000,000	1,000,000	0	0.00
Capital surplus	201,784	201,784	0	0.00
Retained earnings	779,455	631,620	147,835	23.41
Total shareholders' equity	1,981,239	1,833,404	147,835	8.06

Explanation on the significant changes:

1. Increase in Non-current assets: Due to the increase in the amount of performance b bonds in 2023
2. Decrease in Current liabilities l: Due to the repayment of loan after the completion and delivery of "大城 11 月"
3. The increase in retained earnings is primarily a result of the completion and settlement of the projects, 「大城11月」, in 2023.

II. Financial performance

Comparative and analysis of financial performance

Unit: NT$ Thousand

Item / Year	2023	2022	Increase (decrease) in amount	Percentage of change (%)
Operating revenue, net	1,382,349	1,943,504	(561,155)	(28.87)
Operating costs	1,022,724	1,422,083	(399,359)	(28.08)
Gross profit	359,625	521,421	(161,796)	(31.03)
Operating expenses	74,907	95,309	(20,402)	(21.41)
Net operating profit (loss)	284,718	426,112	(141,394)	(33.18)
Non-operating revenue and expenditure	5,433	3,065	2,368	77.27
Profit (loss) before tax	290,151	429,177	(139,026)	(32.39)
Less: Income tax gains (expenses)	42,316	83,140	(40,824)	(49.10)
Net income (loss)	247,835	346,037	(98,202)	(28.38)

Analysis and explanation on ratio changes:

1. The decrease in the number of units delivered in 2023 from 2022, resulted in a decrease in revenue, cost, and gross profit comparing to last year.
2. The decrease in operating expenses from 2022 was mainly due to the decrease in selling expenses.
3. The increase in non-operating income and expenses was mainly due to the increase in interest income.
4. The decrease in income tax expense was mainly due to the decrease in net profit before tax.

III. Cash flow

(1) Cash flow in 2023

Unit: NT$ Thousand

Balance of cash, beginning	Net cash flow from operating activities for the year	Net cash flow from investing and financing activities for the year	Expected cash surplus (deficit)	Responsive measures against cash deficit	
				Investment plan	Wealth management plan
227,973	397,404	(71,639)	553,738	-	-

(2) Analysis on changes of cash flow in 2023

Unit: NT$ Thousand

Item \ Year	2023	2022	Increase (decrease)
Cash flow from operating activities	397,404	433,328	(35,924)
Cash flow from investing activities	213,731	(144,250)	357,981
Cash flow from financing activities	(285,370)	(267,468)	(17,902)
Analysis and explanation on ratio changes 1. Decrease in cash flow from operating activities: mainly due to an decrease in cash inflows from the completion and delivery of real estate pending sales . 2. Increase in cash flow from investing activities: mainly due to an decrease in other financial assets. 3. Decrease in cash flow from financing activities: mainly due to the repayment of loans.			

(3)Analysis on the liquidity of cash for the next year

Unit：NT$ Thousand

Balance of cash, beginning	Forecast net cash flow from operating activities for the year	Forecast net cash flow from investing and financing activities for the year	Forecast cash surplus (deficit)	Responsive measures against cash deficit	
				Investment plan	Wealth management plan
553,738	(216,093)	(162,500)	175,145	-	-

1. Analysis of cash flow changes in the coming year:

(1) Increase in cash flow from operating activities: There was a net outflow of NT$216,093 thousand, mainly due to increased cash outflow resulted from the projects in progress of construction.

(2) Net cash flow from investing and financing activities: There was a net outflow of NT$162,500 thousand, mainly due to the payment of land purchase prices and repayment of financing amounts.

2. Expected remedial measures for cash shortage and analysis of forehead flow:None.

IV. Impact posed by material capital expenditures to business/finance performance: None.

V. The most recent investment policy, major causes for profits or losses thereof, improvement plan, and investment plan for next year: None.

VI. Evaluation on the following issues for the most recent year and until the date of publication of the annual report:

(1) Impact posed by interest rate, exchange rate, and inflation on the Company's earnings, and responsive measures:

1. The Company evaluates the bank lending interest rate and keeps in touch with banks to seek more favorable interest rates.
2. As the Company doesn't engage in import/export sales, the fluctuation in foreign exchange rate shall pose no direct impact to the Company.
3. In the recent years, the commodity price has risen as a result of the increasing raw materials & supplies and energy price. Notwithstanding, the overall economy and industry still remain stable. Therefore, the inflation is under control. Meanwhile, the Company uses the best effort to maintain the fair interaction with customers and suppliers, and adjust the selling price of products and inventory of raw materials and supplies timely in response to the fluctuation in commodity price, in order to mitigate the pressure from inflation.

(2) Policies on high-risk and highly leveraged investments, loans to third parties, endorsements/guarantees, and derivatives trading, main causes of profit or loss incurred and future responsive measures:

1. The Company doesn't engage in high-risk or highly leveraged investments. Each investment project is executed only upon the Company's careful evaluation.
2. By the date of publication of the annual report, the Company didn't loan any funds to others or engage in derivatives trading.
3. The endorsements/guarantees made by the Company until Q1 2024:

Endorsed/ guaranteed company name	Cause of endorsement/guarantee	Endorsement/guarantee amount (NT$ Thousand)	Drawdown (NT$ Thousand)
Ta Cheng Construction Co., Ltd.	Guarantee for land financing in the joint construction project	954,120	890,420
Yuan Cheng Development Co., Ltd.	Joint and several guarantees from businesses of the same trade	550,000	317,340

(3) Future R&D plans and expected R&D expenditure: Not applicable, as the Company orients

its business toward the real estate development and construction for the time being.

(4) Impact on the Company's business and finance due to changes in domestic or foreign policies and laws, and responsive measures:
The Company always acts in response to any amendments by the competent authority to related laws and regulations. For the time being, no material impact is posed to the Company's business or finance.

(5) Impact posed to the Company's business and finance, and response measures, in the event of technological changes (including cyber security risk) or industrial changes:
Not applicable, as the Company orients its business toward the real estate development and construction for the time being.

(6) Crisis management, impacts, and responsive measures in the event of a change in corporate identity:
For the time being, no material changes occur to the Company's corporate identity. Once any crisis that might impair the Company's corporate identity arises, it is necessary for the Company to protect employees and maintain the Company's assets and interests and rights of customers and the public through the operation of corporate crisis management mechanism, in order to prevent the Company's business from interruption or more losses.

(7) Expected benefits and possible risks of merger and acquisition, and responsive measures:
None.

(8) Expected benefits and possible risks of facilities expansion, and responsive measures:
None.

(9) Risks and responsive measures associated with concentrated purchases or sales: None.

(10) Impacts and risks associated with major transfer or exchange of shares by directors, supervisors, or major shareholders with more than 10% ownership interest, and responsive measures:
No major transfer of shares has been made by the Company's directors, supervisors, or major shareholders with more than 10% ownership interest in 2023. Therefore, no material effect was posed to the Company's operation.

(11) Impact and risks on the Company due to a change of the right of management, and responsive measures: None.

(12) Litigious and non-litigious matters: If there has been any material impact upon shareholders'equity or prices for the Company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving any of the Company's directors, supervisors, General Manager, de facto responsible person, or major shareholders with a stake of more than 10 percent, and the matter was finalized or remained pending, please disclose the facts in dispute, amount in dispute, commencement date, main parties involved, and current status of the case until the date of publication of the annual report:

1. Except the legal actions involving creditor's rights for the general business, the Company has no litigious and non-litigious matters.
2. There was no litigation, non-litigious proceeding, or administrative dispute involving

any of the Company's directors, supervisors, General Manager, de facto responsible person, or major shareholders with a stake of more than 10 percent, which was finalized or remained pending, in the latest 2 fiscal years and until the date of publication of the annual report.

(13)Other Major Risks and Responsive Measures: None.

VII.Other material issues

(1) Responsive measures against information security: The Company's Procedures for Handling Material Inside Information and Prevention of Insider Trading are summarized as follows:

1. Confidentiality firewall - Personnel

The Company's directors, managers and employees shall perform their job duties in good faith with the due diligence and fiduciary duties as a good administrator. Any employee who is aware of the Company's material internal information shall not disclose the same information to others.

The Company's employees shall execute related the non-disclosure agreement.

2. Confidentiality firewall - Property

The Company's material internal information and files shall be protected adequately when they are communicating in writing. When they are sent via e-mail or in any other electronic form, they shall be encrypted or signed in an electronic form. The Company's important internal information shall be backed up and maintained in a safety place.

3. Operation of confidentiality firewall

The Company shall ensure the establishment of the firewall referred to in the preceding articles, and take the following actions:

(1) Adopt adequate firewall management control measures, and perform the test regularly.

(2) Strengthen the measures for custody and confidentiality with respect to the Company's undisclosed information.

4. Confidentiality of external institutions or personnel

When any institution or personnel other than the Company participates in the Company's merger & acquisition, important memorandum, strategic alliance, execution of the other business cooperation project or important contracts, the institution or personnel shall execute a non-disclosure agreement, and be prohibited from disclosing the Company's material internal information known by it or them.

5. Operating Procedure for Handling Material Inside Information

(1) Disclosure of information shall be grounded, and also correct, complete and timely.

(2) Unless otherwise provided by laws and regulations, the disclosure of the

Company's material internal information shall be made by the Company's Spokesperson or Deputy Supervisor.

(3) The Company's information disclosure shall record the following (including the personnel, date, time, method and contents of the information disclosure).

(II) The Company's risk management policy:

1. Capital risk management: The Company conducts the capital management to ensure the very premise of continued business operation to maximize the return to shareholders through optimal balances in liabilities and equity.

2. Financial risk management: The Company's financial department provides services to various sales units, and takes charge of the overall planning and coordination about the launch into domestic financial market, and supervise and manage the financial risk related to the Company's operations in accordance with the internal risk report explaining the risk level and extent analysis on exposure to the risk. The risk includes credit risk, liquidity risk and market risk (including foreign exchange rate risk, interest rate risk and other pricing risks).

(1) Credit risk: Credit risk is the risk of financial losses faced by the Company when the customer or the trading counterpart of financial instruments trade is unable to meet its contractual obligations. It is mainly from the Company's accounts receivables from customers, investment and guarantee. In order to mitigate the potential credit risk arising from receivables, the Company evaluates the possibility to recover receivables and provide the loss provision regularly. The Company also reviews the customers' operational ability, payment records and financial position to mitigate the credit risk until it is acceptable.

Meanwhile, the Company's trading counterparts and performing parties are reputable banks and financial institutions and corporate organizations of investment grade and above with no significant performance concerns. Therefore, there is no significant credit risk.

(2) Liquidity risk: The Company monitors the liquidity risk on its own, and maintains the cash and available facility at the level which the management considers adequate, in order to cover the need of the Company's business activities and mitigate the effect posed by the fluctuation of cash flows. Generally, the Company ensures that it retains the balance in cash and available facility enough to cover the short-term expected operating expenses and repayment of financial liabilities.

(3) Market risk: The market risk refers to the risk that affects the Company's income or value of the financial instruments held by the Company, due to changes in the market price, e.g. Changes in the foreign exchange rate, interest rate, and price of equity instruments. The market risk management aims to control the exposure to market risk until it is acceptable, and also optimize the return on investment.

Eight. Special remarks

I. Affiliated companies: None.

II. Private placement of securities in the most recent year and until the date of publication of the annual report: None.

III. Holding or disposal of the Company's shares by subsidiaries in the most recent year and until the date of publication of the annual report: None.

IV. Other supplementary information: None.

Nine. Any occurrences of events defined under Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act in the most recent year up till the date of publication of the annual report that significantly impacted shareholders' equity or security price: None.

TA CHENG REAL ESTATE CO.,LTD

Chairman of Board：Lai, Yuan-Chao