

**HIGHWEALTH CONSTRUCTION CORP. AND  
SUBSIDIARIES**

**Consolidated Financial Statements and Independent Auditors'  
Review Report**

**For the Three Months Ended March 31, 2024 and 2023**

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(R.O.C.)**

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## **Independent Auditors' Review Report**

To the Board of Directors of Highwealth Construction Corp.

### **Introduction**

We have audited the consolidated financial statements of Highwealth Construction Corp. and its subsidiaries, which comprise the consolidated balance sheet as of March 31, 2024 and 2023, the consolidated statement of comprehensive income, changes in equity and cash flows for the periods then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard (IAS) 34 "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission (FSC). Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope**

We conducted the review in accordance with the "Review of Financial Statements" of the Auditing Standard No. 2410. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. Since a review is substantially less in scope than an audit, we might not be fully aware of all material matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

We did not discover matters which would lead us to believe that the aforementioned consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Highwealth Construction Corp. and its subsidiaries as of March 31, 2024 and 2023, and their consolidated financial performance and cash flows for the three months ended March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards 34, "Interim Financial Reporting," endorsed and issued into effect by the Financial Supervisory Commission.

KPMG

CPAs:

Document number of the securities regulatory authority approving the assurance May 14, 2024	:	Jin-Guan-Zheng-Shen-Zi No. 1090332798 Jin-Guan-Zheng-Six-Zi No. 0940129108
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# HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES

## Consolidated Balance Sheets

March 31, 2024, December 31, 2023 and March 31, 2023

(Expressed in Thousand of New Taiwan Dollars)

		2024.3.31		2023.12.31		2023.3.31				2024.3.31		2023.12.31		2023.3.31	
Assets		Total Amount	%	Total Amount	%	Total Amount	%	Liabilities and Equity		Total amount	%	Total amount	%	Total amount	%
<b>Current assets:</b>								<b>Current liabilities:</b>							
1100	Cash and cash equivalents (Note 6(a))	\$ 13,807,998	6	14,702,019	6	12,154,031	5	2100	Short term borrowings (Note 6(n))	\$ 101,330,233	44	98,684,698	44	108,689,773	48
1110	Financial assets at fair value through profit or loss - current (Notes 6(b) and 8)	391,404	-	327,895	-	285,399	-	2110	Short-term transaction instrument payables (Note 6(o))	9,710,222	4	8,267,808	4	8,305,075	4
1140	Current contract assets (Note 6(y))	28	-	27,475	-	12,801	-	2130	Current contract liabilities (Notes 6(y) and 7)	16,658,566	7	14,448,169	6	13,383,092	6
1150	Notes receivable, net (Notes 6(e) and 8)	1,809,870	1	2,019,389	1	2,117,436	1	2150	Notes payable	10,902	-	8,043	-	50,893	-
1170	Accounts receivable, net (Notes 6(e) and 7)	997,561	-	146,930	-	1,791,231	1	2170	Accounts payable (Note 7)	8,037,651	3	9,608,068	4	5,127,004	2
130X	Inventory (Notes 6(f) and 8)	168,235,224	73	165,501,944	73	167,097,199	74	2200	Other payables (Note 7)	3,845,907	2	6,598,045	3	2,860,005	2
1410	Prepayment	1,409,558	1	1,342,244	1	1,312,301	1	2216	Dividends payable (Note 6(w))	2,052,846	1	-	-	239,046	-
1476	Other financial assets - current (Notes 6(m) 、8 and 9(b))	20,010,227	9	20,508,024	9	14,629,887	6	2230	Current tax liabilities	1,759,802	1	1,576,285	1	1,099,832	-
1479	Other current assets - others	667,149	-	387,547	-	178,696	-	2250	Provisions - current (Notes 6(s) and (u))	309,277	-	286,133	-	268,116	-
1480	Incremental costs to obtain contract with customers (Note 6(m))	4,773,559	2	4,039,075	2	3,659,820	2	2280	Lease liabilities - current (Note 6(r))	120,927	-	125,962	-	113,453	-
		212,102,578	92	209,002,542	92	203,238,801	90	2305	Other financial liabilities - current	89,195	-	88,921	-	87,937	-
								2321	Current Portion of reverse bonds (Note 6(q))	5,882,647	3	7,870,725	4	4,476,476	2
								2322	Current portion of long-term borrowings (Note 6(p))	2,361,341	1	2,846,057	1	1,221,372	1
								2399	Other current liabilities - others	893,974	-	690,541	-	889,328	-
										153,063,490	66	151,099,455	67	146,811,402	65
<b>Non-current assets:</b>								<b>Non-Current liabilities:</b>							
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6(c))	5,000	-	5,000	-	5,000	-	2530	Bonds payable (Note 6(q))	17,966,747	8	14,375,478	6	21,774,835	10
1535	Financial assets at amortized cost - non-current (Notes 6(d))	30,000	-	30,000	-	-	-	2540	Long term borrowings (Note 6(p))	4,048,493	2	3,681,990	2	5,168,980	2
1550	Investments accounted for under the equity method (Note 6(g))	117,293	-	114,034	-	110,763	-	2570	Deferred tax liabilities	191,553	-	191,553	-	191,553	-
1600	Property, plant and equipment (Notes 6(j) and 8)	7,739,372	3	7,393,698	3	6,073,417	3	2580	Lease liabilities - non current (Note 6(r))	146,966	-	171,421	-	238,421	-
1755	Right-of-use assets (Note 6(k))	125,037	-	145,466	-	161,142	-	2640	Net defined benefit liability - non-current	19,224	-	19,483	-	27,594	-
1760	Investment property, net (Notes 6(l) and 8)	5,618,745	3	5,554,332	3	5,420,027	3			22,372,983	10	18,439,925	8	27,401,383	12
1780	Intangible assets	27,258	-	31,151	-	28,279	-	<b>Total liabilities</b>		175,436,473	76	169,539,380	75	174,212,785	77
1840	Deferred tax assets	69,541	-	68,479	-	67,120	-	<b>Equity attributable to owners of parent:</b>							
1980	Other financial assets - non-current (Notes 6(m) and 8)	5,243,527	2	4,149,448	2	9,306,326	4	3100	Common stock (Note 6(w))	18,841,415	8	18,841,415	8	17,146,741	7
1990	Other non-current assets - other (Notes 6(bb))	515,981	-	380,591	-	336,758	-	3200	Capital surplus (Note 6(w))	8,847,873	4	8,836,578	4	8,407,180	4
		19,491,754	8	17,872,199	8	21,508,832	10		Retained earnings (Note 6(w)):						
								3310	Legal reserve	8,773,652	3	8,773,652	4	8,363,751	4
								3350	Unappropriated retained earnings	10,756,142	5	11,094,585	5	12,651,990	6
								3400	Other equity (Note 6(w))	393	-	214	-	282	-
								3500	Treasury stock (Note 6(w))	( 971,876 )	-	( 971,876 )	-	( 977,581 )	-
									Total equity attributable to owners of parent:	46,247,599	20	46,574,568	21	45,592,363	21
								36XX	<b>Non-controlling interests (Note 6(i))</b>	9,910,260	4	10,760,793	4	4,942,485	2
									<b>Total equity</b>	56,157,859	24	57,335,361	25	50,534,848	23
<b>Total assets</b>		<b>\$ 231,594,332</b>	<b>100</b>	<b>226,874,741</b>	<b>100</b>	<b>224,747,633</b>	<b>100</b>		<b>Total liabilities and equity</b>	<b>\$ 231,594,332</b>	<b>100</b>	<b>226,874,741</b>	<b>100</b>	<b>224,747,633</b>	<b>100</b>

(See the attached notes to consolidated financial statements)

Chairman: Tsao, Yuan-Bo

President: Fan, Hua-Chun

Accounting Manager: Li, Hsiu-Tai

# HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES

## Consolidated Statements of Comprehensive Income

For the Three Months Ended March 31, 2024 and 2023

(Expressed in Thousand of New Taiwan Dollars)

		January to March, 2024		January to March, 2023	
		Total Amount	%	Total Amount	%
4000	<b>Operating Revenue (Notes 6(Y) And 7)</b>	\$ 5,210,156	100	9,104,983	100
5000	<b>Operating Cost (Note 6(F))</b>	3,496,718	67	6,015,584	66
	<b>Gross Profit From Operations</b>	1,713,438	33	3,089,399	34
	<b>Operating Expenses:</b>				
6100	Selling Expenses (Note 6(M))	437,351	8	545,861	6
6200	Administrative Expenses (Note 7)	291,275	6	284,408	3
		728,626	14	830,269	9
	<b>Net Operating Income</b>	984,812	19	2,259,130	25
	<b>Non-Operating Income And Expenses:</b>				
7100	Interest Income (Note 6(Aa))	9,984	-	2,775	-
7010	Other Income (Notes 6(Aa) And 7)	262,180	5	22,068	-
7020	Other Gains And Losses (Note 6(Aa))	30,474	1	20,007	-
7050	Finance Costs (Note 6(Aa))	( 164,389 )	( 3 )	( 268,914 )	( 3 )
7070	Share Of Profit (Loss) Of Associates And Joint Ventures Accounted For Using Equity Method (Note 6(G))	3,259	-	1,636	-
	<b>Total Non-Operating Income And Expenses</b>	141,508	3	( 222,428 )	( 3 )
	<b>Profit From Continuing Operations Before Tax</b>	1,126,320	22	2,036,702	22
7950	<b>Less: Income Tax Expenses (Note 6(V))</b>	257,435	5	303,593	3
	<b>Net Income</b>	868,885	17	1,733,109	19
8300	<b>Other Comprehensive Income:</b>				
8360	<b>Components Of Other Comprehensive Income That Will Be Reclassified To Profit Or Loss</b>				
8361	Exchange Differences On Translation Of Foreign Financial Statements	56	-	14	-
8399	Less: Income Tax Related To Components Of Other Comprehensive Income That Will Be Reclassified To Profit Or Loss	-	-	-	-
	<b>Components Of Other Comprehensive Income That Will Be Reclassified To Profit Or Loss</b>	56	-	14	-
8300	<b>Other Comprehensive Income</b>	56	-	14	-
	<b>Total Comprehensive Income</b>	<b>\$ 868,941</b>	<b>17</b>	<b>1,733,123</b>	<b>19</b>
	<b>Net Profit Attributable To:</b>				
8610	Owners Of Parent Company	\$ 593,628	12	1,030,371	11
8620	Non-Controlling Interests	275,257	5	702,738	8
		<b>\$ 868,885</b>	<b>17</b>	<b>1,733,109</b>	<b>19</b>
	<b>Comprehensive Income Attributable To:</b>				
8710	Owners Of Parent Company	\$ 593,684	12	1,030,385	11
8720	Non-Controlling Interests	275,257	5	702,738	8
		<b>\$ 868,941</b>	<b>17</b>	<b>1,733,123</b>	<b>19</b>
	<b>Earnings Per Share (NT\$) (Note 6(X))</b>				
9750	<b>Basic Earnings Per Share (Unit: NT\$)</b>	<b>\$ 0.32</b>		<b>0.56</b>	
9850	<b>Diluted Earnings Per Share (Unit: NT\$)</b>	<b>\$ 0.32</b>		<b>0.56</b>	

# HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES

## Consolidated Statements of Changes in Equity

For the Three Months Ended March 31, 2024 and 2023

(Expressed in Thousand of New Taiwan Dollars)

	Equity Attributable To Owners Of Parent									
	Share capital		Retained Earnings			Total Other Equity Interest		Total Equity Attributable To Owners Of		
	Common Stock	Capital Surplus	Legal Reserve	Unappropriated Retained Earnings		Exchange Differences On Translation Of Foreign Financial Statements	Treasury Shares	Parent Company	Non-Controlling Interests	Total Equity
<b>Balance On January 1, 2023</b>	\$ 17,146,741	8,408,194	8,363,751	11,642,373	20,006,124	268	( 977,220)	44,584,107	4,464,646	49,048,753
Net Income	-	-	-	1,030,371	1,030,371	-	-	1,030,371	702,738	1,733,109
Other Comprehensive Income	-	-	-	-	-	14	-	14	-	14
Total Comprehensive Income	-	-	-	1,030,371	1,030,371	14	-	1,030,385	702,738	1,733,123
Difference Between Consideration And Carrying Amount Of Subsidiaries Acquired Or Disposed	-	-	-	( 20,754 )	( 20,754 )	-	-	( 20,754 )	-	( 20,754 )
Changes In Ownership Interests In Subsidiaries	-	( 1,014)	-	-	-	-	( 361 )	( 1,375 )	-	( 1,375 )
Changes In Non-Controlling Interests	-	-	-	-	-	-	-	-	( 224,899 )	( 224,899 )
<b>Balance As Of March 31, 2023</b>	<b>\$ 17,146,741</b>	<b>8,407,180</b>	<b>8,363,751</b>	<b>12,651,990</b>	<b>21,015,741</b>	<b>282</b>	<b>( 977,581)</b>	<b>45,592,363</b>	<b>4,942,485</b>	<b>50,534,848</b>
<b>Balance On January 1, 2024</b>	\$ 18,841,415	8,836,578	8,773,652	11,094,585	19,868,237	214	( 971,876)	46,574,568	10,760,793	57,335,361
Net Income	-	-	-	593,628	593,628	-	-	593,628	275,257	868,885
Other Comprehensive Income	-	-	-	-	-	56	-	56	-	56
Total Comprehensive Income	-	-	-	593,628	593,628	56	-	593,684	275,257	868,941
Cash Dividends Of Ordinary Share	-	-	-	( 932,071 )	( 932,071 )	-	-	( 932,071 )	-	( 932,071 )
Adjustments Of Capital Surplus For Company's Cash Dividends Received By Subsidiaries	-	11,089	-	-	-	-	-	11,089	-	11,089
Disposal Of Subsidiary	-	-	-	-	-	123	-	123	-	123
Changes In Ownership Interests In Subsidiaries	-	206	-	-	-	-	-	206	-	206
Changes In Non-Controlling Interests	-	-	-	-	-	-	-	-	( 1,125,790 )	( 1,125,790 )
<b>Balance As Of March 31, 2024</b>	<b>\$ 18,841,415</b>	<b>8,847,873</b>	<b>8,773,652</b>	<b>10,756,142</b>	<b>19,529,794</b>	<b>393</b>	<b>( 971,876)</b>	<b>46,247,599</b>	<b>9,910,260</b>	<b>56,157,859</b>

(See the attached notes to consolidated financial statements)

Chairman: Tsao, Yuan-Bo

President: Fan, Hua-Chun

Accounting Manager: Li, Hsiu-Tai

# HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES

## Consolidated Statements of Cash Flows

For the Three Months Ended March 31, 2024 and 2023

(Expressed in Thousand of New Taiwan Dollars)

	January to March, 2024	January to March, 2023
<b>Cash Flows From (Used In) Operating Activities:</b>		
Profit Before Tax	\$ 1,126,320	2,036,702
Adjustments:		
Adjustments To Reconcile Profit (Loss):		
Depreciation Expense	51,773	48,956
Amortization	23,540	5,036
Net Gain On Financial Assets And Liabilities At Fair Value		
Through Profit Or Loss	( 63,509 )	( 20,162 )
Interest Expenses	164,389	268,914
Interest Income	( 9,984 )	( 2,775 )
Share Of Profit Of Associates And Joint Ventures Accounted		
For Using Equity Method	( 3,259 )	( 1,636 )
Loss On Disposal And Obsolescence Of Property, Plant And		
Equipment	29	-
Gain On Disposal Of Investment Properties	( 725 )	-
Loss On Disposal Of Investments Accounted For Using The		
Equity Method	123	-
Gain On Lease Modifications	( 8 )	-
Other Income	( 226,087 )	-
Total Adjustments To Reconcile Profit (Loss)	( 63,718 )	298,333
Changes In Operating Assets And Liabilities:		
Net Changes In Operating Assets:		
Decrease In Contract Assets	27,447	36,312
Decrease In Notes Receivable	209,519	113,230
Increase In Accounts Receivable	( 850,631 )	( 577,261 )
(Increase) Decrease In Inventories	( 2,168,688 )	1,542,043
(Increase) Decrease In Prepayments	( 67,503 )	20,818
(Increase) Decrease In Other Current And Non-Current		
Assets	132,242	51,602
(Increase) Decrease In Other Financial Liabilities (Including (		
Non-Current)	716,440	76,122
(Increase) Decrease In Assets Recognized As Incremental		
Costs To Obtain Contract With Customers	734,484	111,708
Total Net Changes In Operating Assets	( 4,433,022 )	1,374,574
Net Changes In Operating Liabilities:		
Increase (Decrease) In Contract Liabilities	2,210,397	( 516,573 )
Increase In Notes Payable	2,859	48,471
Decrease In Accounts Payable	( 1,570,417 )	( 2,887,106 )
Increase (Decrease) In Other Payables	453,027	( 343,102 )
Increase (Decrease) In Provisions	23,144	( 1,115 )
Increase (Decrease) In Other Financial Liabilities	274	( 4 )
Increase In Other Current Liabilities	203,433	277,633
Decrease In Net Defined Benefit Liability	( 259 )	( 120 )
Total Net Changes In Operating Liabilities	1,322,458	( 3,421,916 )
Total Net Changes In Operating Assets And Liabilities	( 3,110,564 )	( 2,047,342 )
Total Adjustments	( 3,174,282 )	( 1,749,009 )
Cash Inflow Generated From (Used In) Operations	( 2,047,962 )	287,693
Income Taxes Paid	( 74,784 )	( 62,803 )
<b>Net Cash Flows From (Used In) Operating Activities</b>	( 2,122,746 )	224,890

# HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES

## Consolidated Statements of Cash Flows (continued)

For the Three Months Ended March 31, 2024 and 2023

Unit: NT\$ thousands

	<u>January to March, 2024</u>	<u>January to March, 2023</u>
<b>Cash Flows From (Used In) Investing Activities:</b>		
Acquisition Of Property, Plant And Equipment	( 327,524 )	( 152,414 )
Proceeds From Disposal Of Property, Plant And Equipment	5	-
Acquisition Of Intangible Assets	( 1,530 )	( 1,950 )
Proceeds From Disposal Of Investment Properties	1,046	-
Increase In Other Non-Current Assets	( 74,780 )	( 1,145 )
Interest Received	10,036	3,390
<b>Net Cash Flows Used In Investing Activities</b>	<u>( 392,747 )</u>	<u>( 152,119 )</u>
<b>Cash Flows From (Used In) Financing Activities:</b>		
Increase In Short-Term Borrowings	6,753,900	5,199,450
Decrease In Short-Term Borrowings	( 4,105,062 )	( 6,846,519 )
Increase In Short-Term Notes And Bills Payable	1,443,700	743,468
Proceeds From Issuing Bonds	3,600,000	-
Repayments Of Bonds	( 5,000,000 )	-
Proceeds From Long-Term Borrowings	6,000	1,980,000
Repayments Of Long-Term Borrowings	( 124,213 )	( 24,074 )
Payment Of Lease Liabilities	( 31,842 )	( 27,627 )
(Increase) Decrease In Other Financial Liabilities (Including Non-Current)	( 105,988 )	( 2,238,954 )
Interest Paid	( 815,079 )	( 837,843 )
Changes In Non-Controlling Interests	-	( 25,609 )
<b>Net Cash Flows Generated From (Used In) Financing Activities</b>	<u>1,621,416</u>	<u>( 2,077,708 )</u>
<b>Effect Of Exchange Rate Changes On Cash And Cash Equivalents</b>	<u>56</u>	<u>14</u>
<b>Decrease In Cash And Cash Equivalents</b>	<u>( 894,021 )</u>	<u>( 2,004,923 )</u>
<b>Cash And Cash Equivalents At Beginning Of The Year</b>	<u>14,702,019</u>	<u>14,158,954</u>
<b>Cash And Cash Equivalents At End Of The Year</b>	<u><b>\$ 13,807,998</b></u>	<u><b>12,154,031</b></u>



**HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**  
**For the Three Months Ended March 31, 2024 and 2023**  
**(Expressed in Thousand of New Taiwan Dollars, Unless Otherwise Specified)**

**(1) Company history**

Highwealth Construction Corp. (the "Company") was incorporated in January 23, 1980 as a company limited by shares under the Company Act of the Republic of China (R.O.C.). The Company's registered address is 10F, No.267, Lequn 2nd Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.) The Company and its subsidiaries (together referred to as the "Group") primarily engages in the business of construction, sales, and leasing of residential and commercial buildings, please refer to Note 14 for the Group's main business activities.

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

The consolidated financial statements were authorized for issuance by the Board of Directors on May 14, 2024.

**(3) New standards, amendments and interpretations adopted**

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

The Group has adopted below newly amended IFRSs and the Accounting Standards which does not have a material impact on the consolidated financial statements since January 1, 2024.

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

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

The standards and interpretations released and amended by the International Accounting Standards Board (hereinafter referred to as "IASB") but not yet endorsed by FSC with potential impact to the Group are as follows:

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
Subsidiaries (continued)**

<b>New or amended standards</b>	<b>Major amendments</b>	<b>Effective Date Issued by IASB</b>
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expense, two subtotals of income statement and one single note on management's performance measurement. These three guidelines amend and enhance how information is segmented in financial statements as well as provide users with a foundation for better and more consistent information and will impact all companies.</p> <ul style="list-style-type: none"> <li>• Income statements with more structuration: Companies use different formats to express their operating results under current standards, making it difficult for investors to compare financial performance across companies. The new standard adopts a more structured income statement and introduces a new definition of the "operating income" subtotal. In addition, it stipulates that all income and expenses shall be classified into three new different categories based on the Company's main business activities.</li> </ul>	January 1, 2027
IFRS 18 “Presentation and Disclosure in Financial Statements”	<ul style="list-style-type: none"> <li>• Management Performance Measurement (MPM): The new standard introduces the definition of management performance measurement. Also, it requires the company to provide useful information, ie. how to calculate and reconcile the measures to the amounts recognized in accordance with IFRS accounting standards, to explain why each measure is included in a single note to the financial statements.</li> <li>• More disaggregated information: The new standard includes guidance on how companies can enhance the grouping of information in their financial statements. It includes guidance on whether information should be included in the main financial statements or further broken down in the notes.</li> </ul>	January 1, 2027

## **Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its Subsidiaries (continued)**

The Group is in the process of evaluating the impact on its financial position and performance by adopting the standards and interpretations mentioned above, and will disclose relevant impacts when the evaluation is completed.

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

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

### **(4) Summary of material accounting policies**

#### **(a) Statement of compliance**

The consolidated financial statements have been prepared in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" (hereinafter referred to as the "Preparation Regulations" and IAS 34 "Interim Financial Reporting" endorsed and issued into effect by the FSC. These consolidated financial statements does not included all necessary information that should be disclosed in the entire annual consolidated financial report prepared in accordance with the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C. (hereinafter referred to as "IFRS endorsed by the FSC").

Except for the following descriptions, the consolidated financial statements adopt the same accounting policies as the ones used in the consolidated financial statements for the year ended December 31, 2023. Please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2023 for details.

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
Subsidiaries (continued)**

(b) Basis of consolidation

(i) Subsidiaries included in the consolidated financial statements

List of subsidiaries in the consolidated financial statements:

Name Of Investor	Subsidiary	Principal Activity	Shareholding			Description
			2024.3.31	2023.12.31	2023.3.31	
The Company	CHYI YUH CONSTRUCTION CO., LTD.	Construction, residential and building development, rental and sales etc.	100.00%	100.00%	100.00%	The Company hold more than 50% interest of the subsidiary directly
The Company	Ju Feng Hotel Management Consultant Co., Ltd.	Real estate brokerage, residential and building development, rental and sales etc.	100.00%	100.00%	100.00%	The Company hold more than 50% interest of the subsidiary directly
The Company	HIGHWEALTH PROPERTY MANAGEMENT CO., LTD.	Real estate brokerage, real estate trading	100.00%	100.00%	100.00%	The Company hold more than 50% interest of the subsidiary directly
The Company	XINGFUYU TRADING (XIAMEN) CO., LTD.	Construction material wholesale	- % (Note 2)	100.00%	100.00%	The Company hold more than 50% interest of the subsidiary directly
The Company	QUANXIANG TRADING (SHANGHAI) CO., LTD.	Construction material wholesale	100.00%	100.00%	100.00%	The Company hold more than 50% interest of the subsidiary directly
The Company	Run Long Construction Co., Ltd.	Residential and building development, rental and sales	5.25% (Note 1)	5.25% (Note 1)	6.05% (Note 1)	The Company doesn't hold more than 50% of interest directly and indirectly but have substantial controlling power and considered as subsidiary

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
Subsidiaries (continued)**

The Company	Bo-yuan Construction Co., Ltd	Residential and building development, rental and sales and department stores, etc.	100.00%	100.00%	100.00%	The Company hold more than 50% interest of the subsidiary directly
The Company	YEH KEE ENTERPRISE CO., LTD.	Residential and building development, rental and sales etc.	100.00%	100.00%	100.00%	The Company hold more than 50% interest of the subsidiary directly
The Company	Bi Jiang Enterprise Co., Ltd.	Residential and building development, rental and sales etc.	100.00%	100.00%	100.00%	The Company hold more than 50% interest of the subsidiary directly
The Company	Shing Fu Fa Construction Co., Ltd.	Construction, residential and building development, rental and sales etc.	100.00%	100.00%	100.00%	The Company hold more than 50% interest of the subsidiary directly
The Company	WELL RICH INTERNATIONAL CO., LTD.	Wholesale of construction material and motels etc.	100.00%	100.00%	100.00%	The Company hold more than 50% interest of the subsidiary directly
Chyi Yuh Construction Co., Ltd.	GUANGYANG INVESTMENT CONSTRUCTION CO., LTD.	Investment industry	100.00%	100.00%	100.00%	CHYI YUH hold more than 50% interest of the subsidiary directly
Chyi Yuh Construction Co., Ltd.	Run Long Construction Co., Ltd.	Residential and building development, rental and sales	4.62% (Note 1)	4.62% (Note 1)	5.29% (Note 1)	CHYI YUH doesn't hold more than 50% of interest directly and indirectly but have substantial controlling power and considered as subsidiary

## Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its Subsidiaries (continued)

GUANGYANG INVESTMENT CONSTRUCTION CO., LTD.	Run Long Construction Co., Ltd.	Residential and building development, rental and sales	6.37%	6.37%	6.37%	Guang Yang doesn't hold more than 50% of interest directly and indirectly but have substantial controlling power and considered as subsidiary
Run Long Construction Co., Ltd.	Jin Jyun Construction Co., Ltd.	Construction , residential and building development, rental and sales etc.	100.00%	100.00%	100.00%	Run Long hold more than 50% interest of the subsidiary directly

Note 1: The Group's shareholdings change because the Group invested or disposed of shareholdings of Run Long Construction during 2023.

Note 2: XINGFUYU Trading has been deregistered with the approval of the Supervision and Administration Bureau on March 21, 2024.

(ii) List of subsidiaries which are not included in the consolidated financial statements:  
None

### (c) Current and non-current distinction

Assets that meet one of the following criteria are classified as current assets by the Group; otherwise, they are classified as non-current assets:

- (i) The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- (ii) The Group holds the asset primarily for the purpose of trading;
- (iii) The assets that are realized within twelve months after the reporting period; or
- (iv) The asset is cash or cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Liabilities that meet one of the following criteria are classified as current liabilities by the Group; otherwise, they are classified as non-current liabilities:

- (i) The Group expects to settle the liability in its normal operating cycle;
- (ii) The Group holds the liability primarily for the purpose of trading;
- (iii) The liability is due to be settled within twelve months after the reporting period; or

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
Subsidiaries (continued)**

- (iv) It does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(d) Income tax

The Group measured and disclosed the income tax expenses of the interim period pursuant to Paragraph B12, IAS 34 “Interim Financial Reporting.”

Income tax expenses were accrued by applying management's best estimate of tax rate applicable based on estimated average total annual earnings to the pre-tax income of the interim period.

Income tax expenses recognized directly in equity or other comprehensive income were measured using the applicable tax rates at the time of expected realization or settlement of the temporary differences between the carrying amount of related assets and liabilities for financial reporting purposes and their tax bases.

(e) Employee benefits

The pension cost rate for defined benefit plans during the interim period is determined by actuarial calculations based on the reporting date of the previous year. It is calculated based on the beginning of the year to the end of the current period. In addition, it is adjusted to account for major market fluctuations in the future, as well as major downsizing, liquidation or other major one-time events.

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
Subsidiaries (continued)**

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

When preparing the consolidated financial statements according to Preparation Regulations and IAS 34 "Interim Financial Reporting" endorsed by the FSC, the management has to make judgments, estimates and assumptions, which may influence the adoption of accounting policies, and the reporting amount of assets, liabilities, incomes and expenses. There may be differences between actual results and estimates.

When preparing the consolidated financial statements, significant accounting judgments, estimates and key sources of uncertainty made by the management for the adoption of the Group's accounting policies are consistent with Note 5 of the consolidated financial statements for the year ended December 31, 2023.

**(6) Explanation of significant accounts**

Except for the following descriptions, the details of significant accounts in the consolidated financial statements are not materially different from the consolidated financial statements for the year ended December 31, 2023. Please refer to Note 6 of the consolidated financial statements for the year ended December 31, 2023 for relevant information.

**(a) Cash and cash equivalents**

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Cash on hand and working capital	\$ 9,139	9,295	4,835
Demand and check deposits	13,768,859	14,632,724	11,869,612
Time Deposits	30,000	60,000	279,584
Cash and cash equivalents	<u><u>\$ 13,807,998</u></u>	<u><u>14,702,019</u></u>	<u><u>12,154,031</u></u>

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

**(b) Financial assets at fair value through profit or loss — current**

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Mandatorily measured at fair value through profit or loss:			
Stocks listed on domestic markets	<u><u>\$ 391,404</u></u>	<u><u>327,895</u></u>	<u><u>285,399</u></u>

- (i) For the net gain or loss on fair value on financial instruments at FVTPL, please refer to Note 6(aa).
- (ii) For credit risk and market risk, please refer to Note 6(bb).
- (iii) Please refer to Note 8 for the financial sets that had been pledged as collateral for bank borrowings as of March 31, 2024, December 31, 2023 and March 31, 2023.



**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
Subsidiaries (continued)**

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

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Equity investments at fair value through other comprehensive income:			
Stocks in unlisted company	\$ 5,000	5,000	5,000

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

The Group designated the investments shown above as equity investment at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term for strategic purposes and not hold for sale.

(ii) For credit risk and market risk, please refer to Note 6(bb).

(d) As of March 31, 2024, December 31, 2023 and March 31, 2023, the financial assets at fair value through other comprehensive income of the Group hadn't pledged as collateral for bank borrowings. Financial assets measured at amortized cost

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Bonds payable	\$ 30,000	30,000	-

The Group assesses holding these assets until maturity to collect contractual cash flows, and its contractual cash flows are solely payments of principal and interest on the principle amount outstanding, which has been recognized as financial assets measured at amortized cost.

(i) For credit risk; please refer to Note 6(bb).

(ii) The financial assets measured at amortized cost of the Group hadn't pledged as collateral for bank borrowings.

(e) Note and account receivables

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Note receivables	\$ 1,809,870	2,019,389	2,122,416
Accounts receivables	1,003,903	153,272	1,793,930
Less: Loss allowance	6,342	6,342	7,679
	<u>\$ 2,807,431</u>	<u>2,166,319</u>	<u>3,908,667</u>

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
Subsidiaries (continued)**

(i) The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all notes and accounts measured at amortized cost. To measure the expected credit losses, the notes and accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward looking information.

(ii) The analysis in the allowance for notes and accounts receivable was as follows:

	<b>2024.3.31</b>		
	<b>Gross Carrying Amount</b>	<b>Weighted-Ave rage Loss Rate</b>	<b>Loss Allowance Provision</b>
Current	\$ 2,807,432	-	1
More than 365 days past due	6,341	100%	6,341
	<b><u>\$ 2,813,773</u></b>		<b><u>6,342</u></b>

	<b>2023.12.31</b>		
	<b>Gross Carrying Amount</b>	<b>Weighted-Ave rage Loss Rate</b>	<b>Loss Allowance Provision</b>
Current	\$ 2,166,320	-	1
More than 365 days past due	6,341	100%	6,341
	<b><u>\$ 2,172,661</u></b>		<b><u>6,342</u></b>

	<b>2023.3.31</b>		
	<b>Gross Carrying Amount</b>	<b>Weighted-Ave rage Loss Rate</b>	<b>Loss Allowance Provision</b>
Current	\$ 3,908,674	-	7
More than 365 days past due	7,672	100%	7,672
	<b><u>\$ 3,916,346</u></b>		<b><u>7,679</u></b>

(iii) The movement in the allowance for notes and accounts receivable was as follows:

	<b>January to March, 2024</b>	<b>January to March, 2023</b>
Ending balance (also beginning balance)	<b><u>\$ 6,342</u></b>	<b><u>7,679</u></b>

(iv) As of March 31, 2024, December 31, 2023 and March 31, 2023, note receivable had been pledged as collateral; please refer to Note 8.

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
Subsidiaries (continued)**

(f) Inventory

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Raw Materials And Consumables	\$ 471	444	486
Finished Goods	1,973	1,993	1,582
Subtotal	<u>2,444</u>	<u>2,437</u>	<u>2,068</u>
Properties And Land Held For Sale	\$ 15,931,776	9,317,359	8,759,428
Land Held For Construction Sites	12,834,037	12,359,414	28,906,817
Construction In Progress	139,022,278	143,822,734	129,428,886
Prepayments For Land	444,689	-	-
Subtotal	<u>168,232,780</u>	<u>165,499,507</u>	<u>167,095,131</u>
Total	<u><b>\$ 168,235,224</b></u>	<u><b>165,501,944</b></u>	<u><b>167,097,199</b></u>

- (i) From January 1 to March 31, 2024 and 2023, the inventory costs recognized as cost of goods sold and expenses were \$3,381,125 thousand and \$5,944,002 thousand, respectively. From January 1 to March 31, 2024 and 2023, there is no loss on inventory write-down and inventory write-down reversal recognized.
- (ii) From January 1 to March 31, 2024, the Group classified construction in progress and land held for sale that meet the definition of investment property as investment property due to the change in use of certain assets, please refer to Note 6(l).
- (iii) From January 1 to March 31, 2024 and 2023, construction in progress of the Group is calculated using a capitalization rate 2.23% ~ 2.64% and 2.24% ~ 2.42%, respectively. For the amount of capitalized interest, please refer to Note 6(aa).
- (iv) As of March 31, 2024, December 31, 2023 and March 31, 2023, the inventories of the Group had been pledged as collateral for bank borrowings, please refer to Note 8.

(g) Investments accounted for using equity method

- (i) The components of investments accounted for using the equity method at the reporting date were as follows:

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Joint Ventures	<u><b>\$ 117,293</b></u>	<u><b>114,034</b></u>	<u><b>110,763</b></u>

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
Subsidiaries (continued)**

- (ii) The Group's financial information for investments accounted for using the equity method that are individually insignificant was as follows:

	<b>2024.3.31</b>	<b>2023.12.31</b>	<b>2023.3.31</b>
Carrying Amount Of Individually Insignificant Associates' Equity	<u>\$ 117,293</u>	<u>114,034</u>	<u>110,763</u>

	<b>January to March, 2024</b>	<b>January to March, 2023</b>
Attributable To The Group:		
Profit (Loss) From Continuing Operations	\$ 3,259	1,636
Comprehensive Income	<u>\$ 3,259</u>	<u>1,636</u>

- (h) Changes in a parent's ownership interest in a subsidiary

- (i) The Group acquired equity interests in Run Long Construction Co., Ltd. by increasing cash from January 1 to March 31, 2023.

- (ii) The effects of total equity attributable to owners of parent company from the changes in shareholdings were as follows:

	<b>January to March, 2023</b>
Carrying Amount Of Non-Controlling Interest On Acquisition	\$ 4,855
Consideration Paid To Non-Controlling Interests	<u>(25,609)</u>
Retained Earnings	<u>\$ (20,754)</u>

- (i) Material non-controlling interests of subsidiaries

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

<b>Subsidiary</b>	<b>Main Operation Place / Company Registration Country</b>	<b>Percentage Of Equity And Voting Rights For Non- Controlling Interests</b>		
		<b>2024.3.31</b>	<b>2023.12.31</b>	<b>2023.3.31</b>
Run Long Construction Co., Ltd	Taiwan	83.76%	83.76%	82.29%

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
Subsidiaries (continued)**

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

Financial information summary of Run Long Construction Co., Ltd was as follows:

	<b>2024.3.31</b>	<b>2023.12.31</b>	<b>2023.3.31</b>
Current Asset	\$ 43,731,031	40,001,737	44,833,174
Non Current Asset	3,277,562	2,537,023	5,256,631
Current Liability	(28,220,518)	(24,715,390)	(33,261,722)
Non Current Liability	(6,291,147)	(4,312,747)	(10,207,143)
Net Assets	<b><u>\$ 12,496,928</u></b>	<b><u>13,510,623</u></b>	<b><u>6,620,940</u></b>
Non-Controlling Interests	<b><u>\$ 9,910,260</u></b>	<b><u>10,760,793</u></b>	<b><u>4,942,485</u></b>

	<b>January to March, 2024</b>	<b>January to March, 2023</b>
Operating Revenue	<b><u>\$ 1,348,119</u></b>	<b><u>3,065,872</u></b>
Net Income	\$ 337,698	854,685
Other Comprehensive Income	802	12,292
Comprehensive Income	<b><u>\$ 338,500</u></b>	<b><u>866,977</u></b>
Net Profit, Attributable To Non-Controlling Interests	<b><u>\$ 275,257</u></b>	<b><u>702,738</u></b>
Comprehensive Income, Attributable To Non-Controlling Interests	<b><u>\$ 275,257</u></b>	<b><u>702,738</u></b>
Cash Flows From Operating Activities	\$ (1,908,615)	851,014
Cash Flows From Investing Activities	4,719	20
Cash Flows From Financing Activities	3,032,836	(600,643)
Net Cash Flows	<b><u>\$ 1,128,940</u></b>	<b><u>250,391</u></b>

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
Subsidiaries (continued)**

(j) Property, plant and equipment

(i) The cost, depreciation, and impairment of the property, plant and equipment of the Group were as follows:

	<u>Land</u>	<u>Buildings And Construction</u>	<u>Machinery And Equipment</u>	<u>Transportation/Office/Other Equipment And Leasehold Improvements</u>	<u>Construction In Progress</u>	<u>Total</u>
Cost or deemed cost:						
Balance on January 1, 2024\$	2,140,332	1,022,762	6,175	387,064	4,256,175	7,812,508
Additions	-	-	-	4,918	359,337	364,255
Disposals	-	-	-	(3,378)	-	(3,378)
Reclassifications	-	(12,575)	-	12,575	-	-
Balance as of March 31,	<u>\$ 2,140,332</u>	<u>1,010,187</u>	<u>6,175</u>	<u>401,179</u>	<u>4,615,512</u>	<u>8,173,385</u>
2024						
Balance on January 1, 2023\$	2,140,332	1,018,901	5,333	294,780	2,794,137	6,253,483
Additions	-	-	-	21,355	158,989	180,344
Disposals	-	-	-	(329)	-	(329)
Effect of changes in foreign exchange rates	-	-	-	3	-	3
Balance as of March 31,	<u>\$ 2,140,332</u>	<u>1,018,901</u>	<u>5,333</u>	<u>315,809</u>	<u>2,953,126</u>	<u>6,433,501</u>
2023						
Depreciation and Impairment losses:						
Balance on January 1, 2024\$	5,703	170,093	5,750	237,264	-	418,810
Depreciation	47	4,338	36	14,126	-	18,547
Disposals	-	-	-	(3,344)	-	(3,344)
Reclassifications	-	(8,137)	-	8,137	-	-
Balance as of March 31,	<u>\$ 5,750</u>	<u>166,294</u>	<u>5,786</u>	<u>256,183</u>	<u>-</u>	<u>434,013</u>
2024						
Balance on January 1, 2023\$	5,561	155,138	4,661	177,795	-	343,155
Depreciation	142	4,219	106	12,788	-	17,255
Disposals	-	-	-	(329)	-	(329)
Effect of changes in foreign exchange rates	-	-	-	3	-	3
Balance as of March 31,	<u>\$ 5,703</u>	<u>159,357</u>	<u>4,767</u>	<u>190,257</u>	<u>-</u>	<u>360,084</u>
2023						
Carrying amounts:						
January 1, 2024	<u>\$ 2,134,629</u>	<u>852,669</u>	<u>425</u>	<u>149,800</u>	<u>4,256,175</u>	<u>7,393,698</u>
March 31, 2024	<u>\$ 2,134,582</u>	<u>843,893</u>	<u>389</u>	<u>144,996</u>	<u>4,615,512</u>	<u>7,739,372</u>
January 1, 2023	<u>\$ 2,134,771</u>	<u>863,763</u>	<u>672</u>	<u>116,985</u>	<u>2,794,137</u>	<u>5,910,328</u>
March 31, 2023	<u>\$ 2,134,629</u>	<u>859,544</u>	<u>566</u>	<u>125,552</u>	<u>2,953,126</u>	<u>6,073,417</u>

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
Subsidiaries (continued)**

- (ii) The construction of houses and buildings in progress are mainly hotel construction projects. From January 1 to March 31, 2024 and 2023, the capitalized amount were calculated based on interest rates of 2.23%~2.64% and 2.24%~2.42%, respectively.
- (iii) As of March 31, 2024, December 31, 2023 and March 31, 2023, the above-mentioned real estate, plants and equipment of the Group have been used as guarantees for long-term borrowings, corporate bonds payable and financing lines and please refer to Note 8 for details.

(k) Right-of-use assets

- (i) The Group leases assets including land and transportation equipment. Information about leases for which the Group as a lessee was presented below:

	<b>Land</b>	<b>Buildings and construction</b>	<b>Transportation equipment</b>	<b>Total</b>
Carrying amounts:				
January 1, 2024	\$ 26,916	118,550	-	145,466
March 31, 2024	\$ 19,397	101,293	4,347	125,037
January 1, 2023	\$ 10,574	158,233	-	168,807
March 31, 2023	\$ 13,695	147,447	-	161,142

- (ii) The Group's recognized right-of-use assets such as land, buildings, construction and transportation equipment leased from January 1 to March 31, 2024 and 2023 have no significant additions, impairments, or reversals. For other relevant information, please refer to Note 6(k) of the 2023 consolidated financial statements.

(l) Investment Property

- (i) The details of the Group's investment properties are as follows:

	<b>Self-owned property</b>			
	<b>Land</b>	<b>Buildings and construction</b>	<b>Right-of-use assets</b>	<b>Total</b>
Carrying amounts:				
January 1, 2024	\$ 3,085,277	2,469,055	-	5,554,332
March 31, 2024	\$ 3,128,438	2,485,652	4,655	5,618,745
January 1, 2023	\$ 2,971,706	2,465,110	55	5,436,871
March 31, 2023	\$ 2,971,706	2,448,269	52	5,420,027

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
Subsidiaries (continued)**

- (ii) Investment properties include several commercial properties leased to others and right-of-use assets representing leasehold rights. For other relevant information, please refer to Note 6(t).
- (iii) There were no material additions, disposals, provision or reversal of impairment where the Group's investment properties were concerned from January 1 to March 31, 2024 and 2023. Please refer to Note 12(a) for depreciation amount for the period and Note 6(l) of the consolidated financial statements for the year ended December 31, 2023 for other relevant information.
- (iv) There is no significant difference between the fair value of the Group's investment properties and the information disclosed in Note 6(l) of the 2023 consolidated financial statements.
- (v) As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group's investment property had been pledged as collateral for bank borrowings, please refer to Note 8.

(m) Other financial assets and current incremental cost of obtaining a contract

	<b>2024.3.31</b>	<b>2023.12.31</b>	<b>2023.3.31</b>
Other financial assets — current	\$ 20,010,227	20,508,024	14,629,887
Incremental costs to obtain contract with customers	4,773,559	4,039,075	3,659,820
Other financial assets — non-current	<u>5,243,527</u>	<u>4,149,448</u>	<u>9,306,326</u>
	<b><u>\$ 30,027,313</u></b>	<b><u>28,696,547</u></b>	<b><u>27,596,033</u></b>

(i) Other financial assets — current and non-current

Other financial assets include trust account for presale of properties and land, restricted deposit, performance guarantee, reserve account for corporation bonds and construction deposit.

(ii) Incremental costs to obtain contract with customers

The Group expects that incremental commission fees paid to intermediaries, and the bonus for the internal sales department are recoverable. The Group has therefore capitalized them as contract costs. Capitalized commission fees are amortized when the related revenues are recognized. From January 1 to March 31, 2024 and 2023, the Group recognized \$240,303 thousand and \$417,700 thousand of selling expense.



**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
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(iii) Guarantee

As of March 31, 2024, December 31, 2023 and March 31, 2023, the other financial assets of the Group had pledged as collateral for bank borrowings, please refer to Note 8.

(n) Short-term borrowings

	<b>2024.3.31</b>	<b>2023.12.31</b>	<b>2023.3.31</b>
Unsecured bank loans	\$ 7,112,633	6,840,633	10,859,612
Secured bank loans	94,241,247	91,864,409	97,850,689
Less: Syndicated loan expense	(23,647)	(20,344)	(20,528)
Total	<b><u>\$ 101,330,233</u></b>	<b><u>98,684,698</u></b>	<b><u>108,689,773</u></b>
Range of interest rates	<b><u>2.04%~3.14%</u></b>	<b><u>1.915%~3.165%</u></b>	<b><u>1.77%~3.80%</u></b>

(i) The issue of bank loan and repayment

From January 1 to March 31, 2024 and 2023, the incremental amounts are \$6,753,900 thousand and \$5,199,450 thousand, respectively; the repayment amounts are \$4,105,062 thousand and \$6,846,519 thousand, respectively. Please refer to Note 6(aa).

(ii) Collateral for bank loans

The Group had pledged as collateral for bank loans, please refer to Note 8.

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
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(o) Short-term notes and bills payable

	<b>2024.3.31</b>		
	<b>Guarantee Or Acceptance Institute</b>	<b>Range Of Interest Rates</b>	<b>Total Amount</b>
Commercial paper payable	Financial institute	1.458%~2.9%	\$ 9,734,200
Less: Discount on short-term notes and bills payable			(23,978)
Total			<b><u>\$ 9,710,222</u></b>

	<b>2023.12.31</b>		
	<b>Guarantee Or Acceptance Institute</b>	<b>Range Of Interest Rates</b>	<b>Total Amount</b>
Commercial paper payable	Financial institute	1.498%~2.838%	\$ 8,290,500
Less: Discount on short-term notes and bills payable			(22,692)
Total			<b><u>\$ 8,267,808</u></b>

	<b>2023.3.31</b>		
	<b>Guarantee Or Acceptance Institute</b>	<b>Range Of Interest Rates</b>	<b>Total Amount</b>
Commercial paper payable	Financial institute	1.34%~2.84%	\$ 8,322,400
Less: Discount on short-term notes and bills payable			(17,325)
Total			<b><u>\$ 8,305,075</u></b>

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

(p) Long-term borrowings

The Group's long-term borrowings details were as follows:

	<b>2024.3.31</b>	<b>2023.12.31</b>	<b>2023.3.31</b>
Unsecured bank loans	\$ 200,000	250,000	300,000
Secured bank loans	6,209,834	6,278,047	6,090,352
Less: Portion due within one year	(2,361,341)	(2,846,057)	(1,221,372)
Total	<b><u>\$ 4,048,493</u></b>	<b><u>3,681,990</u></b>	<b><u>5,168,980</u></b>
Range of interest rates	<b><u>2.42%~3.07%</u></b>	<b><u>2.29%~2.82%</u></b>	<b><u>2.17%~2.69%</u></b>

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
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(i) The issue of borrowings and repayment

From January 1 to March 31, 2024 and 2023, the incremental amounts are \$6,000 thousand and \$1,980,000 thousand, respectively; the repayment amounts are \$124,213 thousand and \$24,074 thousand, respectively, from January 1 to March 31, 2024 and 2023. Please refer to Note 6(aa).

(ii) Collateral for bank loans

The Group had pledged as collateral for bank loans, please refer to Note 8.

(q) Bonds payable /current portion of reverse bonds

The details of the Group's bonds payable were as follows:

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Total ordinary corporate bonds issued	\$ 23,950,000	22,350,000	26,400,000
Unamortized discounted corporate bonds payable	(100,606)	(103,797)	(148,689)
Corporate bonds issued balance at year-end	<u>\$ 23,849,394</u>	<u>22,246,203</u>	<u>26,251,311</u>
Secured ordinary corporate bonds-current	5,882,647	7,870,725	4,476,476
Secured ordinary corporate bonds-non-current	17,966,747	14,375,478	21,774,835
Total	<u>\$ 23,849,394</u>	<u>22,246,203</u>	<u>26,251,311</u>

- (i) The Company issued the secured ordinary corporate bonds amounting to \$1,600,000 thousand, \$1,450,000 thousand, \$2,000,000 thousand, \$3,000,000 thousand, \$4,000,000 thousand, and \$2,000,000 thousand, with an interest rate of 1.80%, 1.70%, 0.90%, 0.55%, 0.50%~0.52%, and 0.53%, respectively, and in January 2024, December 2023, April 2022, September 2021, January 2021, and December 2020. The secured ordinary corporate bonds were issued for 3 to 5 years, interest paid annually, repayment of principal at maturity. The repayment amounts from January 1 to March 31, 2024 are \$2,000,000 thousand. In addition, the amount of ordinary corporate bonds repaid in 2023 of \$3,000,000 thousand (other payables accounted for on December 31, 2023) was paid on January 2, 2024.

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
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- (ii) The subsidiary issued the secured ordinary corporate bond amounting to \$2,000,000 thousand, \$2,000,000 thousand, \$2,000,000 thousand, and \$5,900,000 thousand with an interest rate of 1.70%, 0.85%, 0.57% and 0.78% ~ 0.85% in March 2024, April 2022, November 2021, and April 2019, respectively. The issuance periods are 5 years, interest paid annually, repayment of principal at maturity.
- (iii) Please refer to Note 6(aa) for the interest expense from January 1 to March 31, 2024 and 2023.
- (iv) For the details of collateral of secured ordinary corporate bonds payable, please refer to Note 8.

(r) Lease liabilities

The carrying amount of lease liabilities were as follows:

	<b>2024.3.31</b>	<b>2023.12.31</b>	<b>2023.3.31</b>
Current	<u>\$ 120,927</u>	<u>125,962</u>	<u>113,453</u>
Non-current	<u>\$ 146,966</u>	<u>171,421</u>	<u>238,421</u>

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

The amounts recognized in profit or loss were as follows:

	<b>January to March, 2024</b>	<b>January to March, 2023</b>
Interest on lease liabilities	<u>\$ 1,405</u>	<u>1,788</u>
Expenses relating to short-term and low-value leases	<u>\$ 16,351</u>	<u>15,577</u>

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

	<b>January to March, 2024</b>	<b>January to March, 2023</b>
Total cash outflow for leases	<u>\$ 49,598</u>	<u>44,992</u>

(i) Real estate leases

As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group leases land and buildings for its office, reception center and parking lot. The leases of reception center typically run for a period of 1 and a half years to 3 years, of 5 years to 5 and a half years for office space and of 20 years for parking lot.

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
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(ii) Other leases

The Group leases the transport equipment for a rent period of 3 years.

The Group also leases office equipment, short-term reception center, and Outdoor advertising. These leases are short-term and leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(s) Provisions

	<b>2024.3.31</b>	<b>2023.12.31</b>	<b>2023.3.31</b>
Warranty	<b>\$ 287,367</b>	<b>261,257</b>	<b>251,085</b>

(i) The Group's warranty provision is related to construction contract. The warranty measured by the historical record, the Group expects most of the liabilities will realize within 1-3 years after construction completion.

(ii) From January 1 to March 31, 2024 and 2023, there were no significant changes in the above-mentioned liability provisions of the Group. For relevant information, please refer to Note 6(s) of the 2023 consolidated financial statements.

(t) Operating lease

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

(ii) A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date are as follows:

	<b>2024.3.31</b>	<b>2023.12.31</b>	<b>2023.3.31</b>
Less than one year	\$ 123,585	118,114	111,866
One to two years	95,127	92,199	73,675
Two to three years	86,697	76,926	60,036
Three to four years	69,965	64,382	47,730
Four to five years	55,873	54,850	36,886
More than five years	89,471	93,957	137,497
Total undiscounted lease payments	<b>\$ 520,718</b>	<b>500,428</b>	<b>467,690</b>

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
Subsidiaries (continued)**

- (iii) The rental income from investment property from January 1 to March 31, 2024 and 2023 are \$55,090 thousand and \$32,215 thousand.

(u) Employee benefits

(i) Defined benefit plans

Since there have been no major market fluctuations, major drawdowns, liquidations or other major one-time events since the previous year's reporting date, the Group uses the pension costs determined by the actuarial decisions of December 31, 2023 and 2022 to measure and disclose the pension costs for the interim period.

The details reported as expenses by the Group were as follows:

	<b>January to March, 2024</b>	<b>January to March, 2023</b>
Administration expense	<u>\$ 64</u>	<u>82</u>

(ii) Defined contribution plans

The pension costs incurred from the contributions to the Bureau of the Labor Insurance were as below:

	<b>January to March, 2024</b>	<b>January to March, 2023</b>
Operating cost	<u>\$ 3,910</u>	<u>3,483</u>
Operating expenses	<u>\$ 7,847</u>	<u>7,735</u>

(iii) Short-term employee benefits

The details of the Group's employee's benefit liability were as follows:

	<b>2024.3.31</b>	<b>2023.12.31</b>	<b>2023.3.31</b>
Short-term paid leave liability	<u>\$ 21,910</u>	<u>24,876</u>	<u>17,031</u>

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
Subsidiaries (continued)**

(v) Income tax

(i) The amount of the Group's income tax expenses was as follows:

	<b><u>January to March, 2024</u></b>	<b><u>January to March, 2023</u></b>
Current tax expense		
Occurred in current period		
Income tax	\$ 184,091	243,386
Land value increment tax	74,406	62,469
Adjustment for prior periods	<u>-</u>	<u>(379)</u>
	<u>258,497</u>	<u>305,476</u>
Deferred income tax benefit		
Origination of temporary differences	<u>(1,062)</u>	<u>(1,883)</u>
Tax expense	<b><u>\$ 257,435</u></b>	<b><u>303,593</u></b>

(ii) Except for 2019, which has not yet been approved, the Company's profit-making enterprise income tax settlement declaration has been approved by the tax collection authority until 2021. Except for Chyi Yuh Construction Co., Ltd., Bo-yuan Construction Co., Ltd., Ju Feng Hotel Management Consultant Co., Ltd. and Jin Jyun Construction Co., Ltd., which have been approved until 2021, the rest of the domestic subsidiaries have been approved until 2022.

(w) Capital and other equity

Except for the following descriptions, there was no significant change in the capital and other equity of the Company from January 1 to March 31, 2024 and 2023. Please refer to Note 6(w) of the consolidated financial statements for the year ended December 31, 2023 for details.

(i) Ordinary shares

A resolution was passed during the general meeting of shareholders held on June 13, 2023, for the issuance new shares by retained earnings, amounting to \$1,694,674 thousand. The Company had received approval from the Financial Supervisory Commission for this capital increase on July 27, 2023. Also, a resolution was passed during the board meeting, to set October 2, 2023 as the base date for the capital increase, and the registration was completed on October 17, 2023.

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
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(ii) Capital surplus

The balance of the Company's capital surplus is as follows:

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Treasury share transactions	\$ 629,749	618,660	608,590
Difference arising from subsidiary's equity	33,779	33,573	33,661
Difference arising from subsidiary's share price and its carrying value	419,416	419,416	-
Conversion Premium of convertible bonds	7,747,840	7,747,840	7,747,840
Capital surplus-premium from merger	62	62	62
Donation from shareholders	3,284	3,284	3,284
Other	13,743	13,743	13,743
	<u><b>\$ 8,847,873</b></u>	<u><b>8,836,578</b></u>	<u><b>8,407,180</b></u>

In accordance with the Company Act, realized capital surplus can only be distributed as stocks or cash dividends in accordance with shareholders' original shareholding percentages after offsetting losses. The above-mentioned realized capital surplus includes amount in excess of the face amount during shares issuance and acceptance of bestowal. In accordance with the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the total of capital surplus appropriated for capital every year shall not exceed 10% of the paid-in capital.

(iii) Retained earnings

In accordance with the Company's articles of incorporation, after the paying the income taxes, the Company should first be used to offset the prior years' deficits. Of the remaining balance, 10% is to be appropriated as legal reserve, and in accordance with the regulations of the competent authority set up or reversal appropriated retained earnings; And then any remaining profit, together with any undistributed retained earnings, shall not be distributed below 20% as shareholders' dividends proposed by the Board of Directors to be submitted to the stockholders' meeting for approval. The cash dividends should not be below 10% of the total dividends.



**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
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As the Company distributes dividends or legal reserve and part or all of paid-in capital in cash, the Company should hold a Board meeting to pass the resolution by more than half of the directors present at the Board meeting, which meeting requires a quorum of two-thirds of all the directors. The resolution should be submitted to the Shareholder's meeting.

1) Legal reserve

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

2) Special reserve

According to FSC regulations, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as a special reserve during earnings distribution. The amount to be reclassified should be equal to the difference between the total net current-period reduction of special reserve and the carrying amount of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as a special reserve (which does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

The amounts of cash dividends on the appropriations of earnings for 2023 and 2022 had been approved in the board meeting on March 26, 2024 and April 11, 2023, while the other earnings distribution items for 2022 was resolved in the shareholder's meeting on June 13, 2023. The relevant details were as follows:

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
Subsidiaries (continued)**

	<b>2023</b>		<b>2022</b>	
	<b>Amount per share (dollars)</b>	<b>Total amount</b>	<b>Amount per share (dollars)</b>	<b>Total amount</b>
Dividends distributed to ordinary shareholders:				
Cash dividends	\$ 0.50	932,071	0.50	847,337
Stock (Note)	1.00	<u>1,864,142</u>	1.00	<u>1,694,674</u>
Total		<b><u>\$ 2,796,213</u></b>		<b><u>2,542,011</u></b>

Note: The amount of stock dividends in the above-mentioned 2023 earnings distribution proposal has yet to be approved by the shareholders' meeting.

(iv) Treasury shares

- 1) In accordance with the Securities and Exchange Act requirements as stated above, to encourage employees and improve their work performance, the board has decided to repurchase the treasury shares at the price ranging from \$40 to \$60 per share and transfer the shares to employees on April 23, 2021. During 2021, the total amount of repurchase shares were 20,000 thousand shares at the price of \$884,908 thousand.
- 2) Before the amendment of the Company Act at the end of 2001, the Company's subsidiaries, Ju Feng Hotel Management Consultant Co., Ltd., Highwealth Property Management Co., Ltd. (formerly Hongliang Entertainment) and Chyi Yuh Construction Co., Ltd. held the Company's partial shares for the purpose of investment. In addition, the Company has substantial control over its subsidiary, Run Long Construction Co., Ltd., which has successively purchased the Company's shares in the open market for investment purposes. As of March 31, 2024, December 31, 2023 and March 31, 2023, the Company's per share market prices were \$40.15, \$40.10 and \$41.15, respectively. The relevant information of the Company's stocks held by the above subsidiaries is as follows:

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
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Subsidiary	2024.3.31		2023.12.31		2023.3.31	
	No. of Shares Held (in Thousands)	Carrying value	No. of Shares Held (in Thousands)	Carrying value	No. of Shares Held (in Thousands)	Carrying value
Ju Feng Hotel Management Consultant Co., Ltd.	5,541	\$ 1,733	5,541	1,733	5,037	1,733
Highwealth Property Management Co., Ltd.	10,709	10,850	10,709	10,850	9,736	10,850
Chyi Yuh Construction Co., Ltd.	3,321	-	3,321	-	3,020	-
Run Long Construction Co., Ltd.	<u>16,053</u>	<u>74,385</u>	<u>16,053</u>	<u>74,385</u>	<u>14,462</u>	<u>80,090</u>
	<u><b>35,624</b></u>	<u><b>\$ 86,968</b></u>	<u><b>35,624</b></u>	<u><b>86,968</b></u>	<u><b>32,255</b></u>	<u><b>92,673</b></u>

(v) Other equity

	<b>Exchange differences on translation of foreign financial statements</b>
Balance on January 1, 2024	\$ 214
Exchange differences on foreign operations	56
Profit and loss from disposal of foreign operations reclassified to profit and loss	<u>123</u>
Balance as of March 31, 2024	<u><b>\$ 393</b></u>
Balance on January 1, 2023	\$ 268
Exchange differences on foreign operations	<u>14</u>
Balance as of March 31, 2023	<u><b>\$ 282</b></u>

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
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(x) Earnings per share

The Group's basic earnings per share and diluted earnings per share are calculated as follows:

	<u>January to March, 2024</u>	<u>January to March, 2023</u>
<b>Basic earnings per share</b>		
Profit attributable to ordinary shareholders of the Company	<u>\$ 593,628</u>	<u>1,030,371</u>
Weighted-average number of ordinary shares	<u>1,828,517</u>	<u>1,828,662</u>
	<u>January to March, 2024</u>	<u>January to March, 2023</u>
<b>Diluted earnings per share</b>		
Profit attributable to ordinary shareholders of the Company (diluted)	<u>\$ 593,628</u>	<u>1,030,371</u>
Weighted-average number of ordinary shares	1,828,517	1,828,662
Effect of Impact of employee stock-based compensation	<u>911</u>	<u>949</u>
Weighted-average number of ordinary shares (After adjusting for the impact of dilutive potential common shares)	<u>1,829,428</u>	<u>1,829,611</u>

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
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(y) Revenue from contracts with customers

(i) Disaggregation of revenue

		January to March, 2024		
	<u>Sales of real estate department</u>	<u>Construction contractor department</u>	<u>Hotel department and others</u>	<u>Total</u>
Primary geographical markets:				
Taiwan	<u>\$ 5,123,060</u>	<u>48,963</u>	<u>38,133</u>	<u>5,210,156</u>
Major products/services lines:				
Sales of real estate	\$ 5,055,634	-	-	5,055,634
Construction contracts	-	26,051	-	26,051
Accommodation and catering business	-	-	35,666	35,666
Sales revenue	-	-	2,143	2,143
Other income	67,426	22,912	324	90,662
	<u>\$ 5,123,060</u>	<u>48,963</u>	<u>38,133</u>	<u>5,210,156</u>
Timing of revenue recognition:				
Revenue transferred over time	\$ 32,178	48,963	26,297	107,438
Products and services transferred at a point in time	5,090,882	-	11,836	5,102,718
	<u>\$ 5,123,060</u>	<u>48,963</u>	<u>38,133</u>	<u>5,210,156</u>
		January to March, 2023		
	<u>Sales of real estate department</u>	<u>Construction contractor department</u>	<u>Hotel department and others</u>	<u>Total</u>
Primary geographical markets:				
Taiwan	<u>\$ 9,038,865</u>	<u>23,948</u>	<u>42,170</u>	<u>9,104,983</u>
Major products/services lines:				
Sales of real estate	\$ 9,005,467	-	-	9,005,467
Construction contracts	-	22,547	-	22,547
Accommodation and catering business	-	-	38,993	38,993
Sales revenue	-	-	2,955	2,955
Other income	33,398	1,401	222	35,021
	<u>\$ 9,038,865</u>	<u>23,948</u>	<u>42,170</u>	<u>9,104,983</u>
Timing of revenue recognition:				
Revenue transferred over time	\$ 30,814	23,948	30,377	85,139
Products and services transferred at a point in time	9,008,051	-	11,793	9,019,844
	<u>\$ 9,038,865</u>	<u>23,948</u>	<u>42,170</u>	<u>9,104,983</u>

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
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(ii) Contract balances

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Contract assets- Construction	\$ 28	27,475	12,801
Less: Loss allowance	-	-	-
Total	<u><b>\$ 28</b></u>	<u><b>27,475</b></u>	<u><b>12,801</b></u>
Contract liabilities - Construction	\$ -	-	1
Contract liabilities-Sales of real estate	16,613,465	14,417,958	13,370,068
Contract liabilities-Advance receipt	15,708	4,186	4,187
Contract liabilities-Gift certificates	<u>29,393</u>	<u>26,025</u>	<u>8,836</u>
Total	<u><b>\$ 16,658,566</b></u>	<u><b>14,448,169</b></u>	<u><b>13,383,092</b></u>

- 1) For details on accounts receivable and allowance for impairment, please refer to Note 6(e).
- 2) As of January 1, 2024 and 2023, the beginning balance of contract liabilities that were accounted from January 1 to March 31, 2024 and 2023, revenue amounts to \$947,136 thousand and \$2,106,697 thousand.
- 3) The major change in the balance of contract assets and liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received. There were no other significant changes from January 1 to March 31, 2024 and 2023.

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

- (i) The Company's Articles of Incorporation provide that if there is profit in the year, at least 0.1% of profit before tax shall be allocated for employee compensation, and no more than 1% shall be allocated for remunerations of the Directors. However, if the Company has accumulated losses, it shall reserve a portion of the profit to offset the losses in advance. Parties eligible to receive the said compensation in the form of stock or cash shall include employees in affiliated companies who met certain conditions.

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
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- (ii) The Company accrued NT\$5,810 thousand and NT\$9,130 thousand as employee compensation and NT\$1,190 thousand and NT\$1,870 thousand as remuneration for Directors from January 1 to March 31, 2024 and 2023, respectively. These amounts were calculated using the Company's income before income tax before deducting for employee compensation and remuneration for Directors multiplied by the percentages which are stated under the Company's Article of Incorporation. The amounts were recognized as operating costs or operating expenses for the periods. If there is a difference between the actual distribution amount in the next year and the accrued amount, it shall be treated as a change in accounting estimates and the difference shall be recognized as profit or loss in the next year.
- (iii) The Company's employee remuneration provisions for 2023 and 2022 were both \$38,000 thousand, and the directors' remuneration provisions are both \$8,000 thousand. There was no difference from the actual distribution situation. Relevant information shall be found the MOPS.

(aa) Other operating income and expense

(i) Interest income

Details of the Group's interest income were as follows:

	<b>January to March, 2024</b>	<b>January to March, 2023</b>
Interest income		
Bank deposits and Notes interest	\$ 9,979	2,761
Other	5	14
	<b><u>\$ 9,984</u></b>	<b><u>2,775</u></b>

(ii) Other income

Details of the Group's other income were as follows:

	<b>January to March, 2024</b>	<b>January to March, 2023</b>
Contract termination income	\$ 2,575	1,143
Other income	259,605	20,925
	<b><u>\$ 262,180</u></b>	<b><u>22,068</u></b>

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
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(iii) Other gains and losses

Details of the Group's other gains and losses were as follows:

	<b>January to March, 2024</b>	<b>January to March, 2023</b>
Foreign exchange losses	\$ (19)	(146)
Net gain on financial assets or liabilities at fair value through profit or loss	63,509	20,162
Loss on disposal and obsolescence of property, plant and equipment	(29)	-
Gain on disposal of investment properties	725	-
Gain on lease modifications	8	-
Loss on disposal of investments accounted for using the equity method	(123)	-
Miscellaneous expenditure	(33,597)	(9)
	<b><u>\$ 30,474</u></b>	<b><u>20,007</u></b>

(iv) Finance costs

Details of the Group's finance costs were as follows:

	<b>January to March, 2024</b>	<b>January to March, 2023</b>
Interest expenses		
Bank loans and collateral	\$ 732,941	737,526
Interest and fee on corporate bond	106,537	114,433
Other financial expenses	1,405	1,788
Less: capitalized interest	(676,494)	(584,833)
	<b><u>\$ 164,389</u></b>	<b><u>268,914</u></b>



**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
Subsidiaries (continued)**

(ab) Financial instruments

Except for the following descriptions, there has been no significant changes in the fair value of the Group's financial instruments and the exposure to credit risk and market risk arising from the financial instruments. Please refer to Note 6(bb) of consolidated financial statements for the year ended December 31, 2023 for relevant information.

(i) Credit risk

1) Credit risk exposure

The financial instrument's biggest credit risk exposure is same as the carrying amount of the financial assets.

2) Concentration of credit risk

The Group has a vast client base that is not connected; thus, the ability to concentrate the credit risk is limited.

3) Receivables and debt securities

For credit risk exposure of note and account receivables and other non-current financial assets, please refer to Note 6(e). Other financial assets measured at amortized cost refer to other receivables (recorded as other current financial assets), which are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. From January 1 to March 31, 2024 and 2023, the changes in loss allowances were as follows:

	<b>Other receivables</b>
Balance on March 31, 2024 (as opening balance)	<u><u>\$ 8,235</u></u>
Balance on March 31, 2023 (as opening balance)	<u><u>\$ 8,235</u></u>

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
Subsidiaries (continued)**

(ii) Liquidity risk

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

	<b>Contractual cash flows</b>	<b>Within 1 year</b>	<b>1-5 years</b>	<b>Over 5 years</b>
<b>March 31, 2024</b>				
Non derivative financial liabilities:				
Secured bank loans	\$ 107,895,476	19,541,779	74,316,331	14,037,366
Unsecured bank loans	7,674,560	4,351,602	2,942,295	380,663
Short-term notes and bills payable	9,734,200	9,734,200	-	-
Other financial liabilities - current	89,195	89,195	-	-
Notes payable, accounts payable and other payables	13,947,306	13,947,306	-	-
Ordinary corporate bonds (including less than 1 year)	24,568,419	6,120,170	18,448,249	-
Lease liabilities	274,510	121,883	151,904	723
	<b><u>\$ 164,183,666</u></b>	<b><u>53,906,135</u></b>	<b><u>95,858,779</u></b>	<b><u>14,418,752</u></b>
<b>December 31, 2023</b>				
Non derivative financial liabilities:				
Secured bank loans	\$ 104,241,717	24,662,217	61,899,376	17,680,124
Unsecured bank loans	7,392,417	4,616,537	1,479,915	1,295,965
Short-term notes and bills payable	8,290,500	8,290,500	-	-
Other financial liabilities - current	88,921	88,921	-	-
Notes payable, accounts payable and other payables	16,214,156	16,214,156	-	-
Ordinary corporate bonds (including less than 1 year)	22,696,912	8,033,076	14,663,836	-
Lease liabilities	305,426	127,011	177,692	723
	<b><u>\$ 159,230,049</u></b>	<b><u>62,032,418</u></b>	<b><u>78,220,819</u></b>	<b><u>18,976,812</u></b>
	<b>Contractual cash flows</b>	<b>Within 1 year</b>	<b>1-5 years</b>	<b>Over 5 years</b>
<b>March 31, 2023</b>				
Non derivative financial liabilities:				
Secured bank loans	\$ 111,424,304	15,842,525	78,395,015	17,186,764
Unsecured bank loans	11,555,157	7,768,882	2,468,118	1,318,157
Short-term notes and bills payable	8,322,400	8,322,400	-	-
Other financial liabilities - current	87,937	87,937	-	-
Notes payable, accounts payable and other payables	8,276,948	8,219,530	56,890	528
Ordinary corporate bonds (including less than 1 year)	26,871,643	4,660,113	22,211,530	-
Lease liabilities	366,363	114,372	248,389	3,602
	<b><u>\$ 166,904,752</u></b>	<b><u>45,015,759</u></b>	<b><u>103,379,942</u></b>	<b><u>18,509,051</u></b>

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

(Continued)

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
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(iii) Market risk

1) Exposure to foreign currency risk: None.

2) Interest rate risk

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

The following sensitivity analysis is determined by the interest rate risk exposure of derivative and non-derivative instruments on the reporting date. For liabilities with floating interest rates, the analysis is based on the assumption that the outstanding liabilities on the reporting date have been outstanding all year round. The rate of change used by the Group internally to report interest rate to key management is a 0.5% increase or decrease in interest rate and represents the management's assessment on the reasonable range of possible changes in interest rate.

If the interest rate had increased / decreased by 0.5% basis points, the Group's interest expense would have increased / decreased by \$146,813 thousand and \$154,232 thousand from January 1 to March 31, 2024 and 2023. Taking into account that capitalized interest of profit may decrease or increase by \$28,701 thousand and \$48,580 thousand. This is mainly due to the Group's borrowing at variable rates.

3) Other market price risk

The sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis and assuming that other changing factors remain unchanged for the profit and loss as illustrated below:

	<b>January to March, 2024</b>		<b>January to March, 2023</b>	
	<b>Other comprehensive income after tax</b>	<b>Net income</b>	<b>Other comprehensive income after tax</b>	<b>Net income</b>
<b>Price of securities at reporting date</b>				
Increase by 10%	<u>\$ 500</u>	<u>39,140</u>	<u>500</u>	<u>28,540</u>
Decrease by 10%	<u>\$ (500)</u>	<u>(39,140)</u>	<u>(500)</u>	<u>(28,540)</u>

(Continued)

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
Subsidiaries (continued)**

(iv) Information of fair value

1) Valuation techniques for financial instruments measured at fair value

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

	<b>2024.3.31</b>				
	<b>Carrying value</b>	<b>Fair value</b>			<b>Total</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	\$ 391,404	391,404	-	-	391,404
Financial assets at fair value through other comprehensive income					
Stocks in unlisted company	\$ 5,000	-	5,000	-	5,000
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 13,807,998	-	-	-	-
Notes and accounts receivable	2,807,431	-	-	-	-
Financial assets measured at amortized cost	30,000	-	-	-	-
Other financial assets — current	20,010,227	-	-	-	-
Other financial assets — non-current	5,243,527	-	-	-	-
Other non-current assets	71,725	-	-	-	-
Subtotal	\$ 41,970,908	-	-	-	-
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 101,330,233	-	-	-	-
Short-term notes and bills payable	9,710,222	-	-	-	-
Notes payable, accounts payable and other payables	13,947,306	-	-	-	-
Lease liabilities	267,893	-	-	-	-
Other financial liabilities - current	89,195	-	-	-	-
Corporate bonds payable (including less than 1 year)	23,849,394	-	-	-	-
Long-term borrowings (including less than 1 year)	6,409,834	-	-	-	-
Subtotal	\$ 155,604,077	-	-	-	-

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
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		<b>2023.12.31</b>			
		<b>Fair value</b>			
	<b>Carrying value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	\$ 327,895	327,895	-	-	327,895
Financial assets at fair value through other comprehensive income					
Stocks in unlisted company	\$ 5,000	-	5,000	-	5,000
		<b>2023.12.31</b>			
		<b>Fair value</b>			
	<b>Carrying value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 14,702,019	-	-	-	-
Notes and accounts receivable	2,166,319	-	-	-	-
Financial assets measured at amortized cost	30,000	-	-	-	-
Other financial assets — current	20,508,024	-	-	-	-
Other financial assets — non-current	4,149,448	-	-	-	-
Subtotal	\$ 41,555,810	-	-	-	-
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 98,684,698	-	-	-	-
Short-term notes and bills payable	8,267,808	-	-	-	-
Notes payable, accounts payable and other payables	16,214,156	-	-	-	-
Lease liabilities	297,383	-	-	-	-
Other financial liabilities - current	88,921	-	-	-	-
Corporate bonds payable (including less than 1 year)	22,246,203	-	-	-	-
Long-term borrowings (including less than 1 year)	6,528,047	-	-	-	-
Subtotal	\$ 152,327,216	-	-	-	-

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
Subsidiaries (continued)**

	<b>2023.3.31</b>				
	<b>Carrying value</b>	<b>Fair value</b>			<b>Total</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	\$ 285,399	285,399	-	-	285,399
Financial assets at fair value through other comprehensive income					
Stocks in unlisted company	\$ 5,000	-	5,000	-	5,000
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 12,154,031	-	-	-	-
Notes and accounts receivable	3,908,667	-	-	-	-
Other financial assets — current	14,629,887	-	-	-	-
Other financial assets — non-current	9,306,326	-	-	-	-
Subtotal	\$ 39,998,911	-	-	-	-
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 108,689,773	-	-	-	-
Short-term notes and bills payable	8,305,075	-	-	-	-
Notes payable, accounts payable and other payables	8,276,948	-	-	-	-
Lease liabilities	351,874	-	-	-	-
Other financial liabilities - current	87,937	-	-	-	-
Corporate bonds payable (including less than 1 year)	26,251,311	-	-	-	-
Long-term borrowings (including less than 1 year)	6,390,352	-	-	-	-
Subtotal	\$ 158,353,270	-	-	-	-

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

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

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

If transaction prices or quotes from market maker are available, the latest transaction price and quotes shall be the basis for fair value measurement. If market values are not available, valuation method would be adopted. Estimations and assumptions adopted in the valuation method are that to measure fair value at discounted cash flows.

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
Subsidiaries (continued)**

3) Valuation techniques for financial instruments measured at fair value

(3.1) Non-derivative financial instruments

If there is a public quotation in an active market, the fair value of the financial instrument shall be the public quotation in the active market. The market prices announced by major exchanges and the market price of central government bonds judged to be hot stocks announced by Taipei Exchange are based on the fair values of listed (over-the-counter) equity instruments and debt instruments with public quotations in active markets.

If public quotations for financial instruments can be obtained on a timely and regular basis from exchanges, brokers, underwriters, industry associations, pricing services or regulatory authorities, and the prices represent actual and regular fair market transactions, then the financial instrument has public quotations in active markets. If the above conditions are not met, the market is considered inactive. Generally speaking, indicators of an inactive market include a large bid-ask spread, a significant increase in the bid-ask spread, or very little trading volume.

The fair value of financial assets, which is regarded as being quoted in an active market, held by the Group is disclosed as follows sorted by character:

A financial instrument being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
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(3.2) Derivative financial instruments

It refers to valuation model evaluations that are widely accepted by market users, such as discount methods and option pricing models. Forward currency contracts are usually valued based on current forward exchange rates. Structured interest rate derivative financial instruments are based on appropriate option pricing models (such as Black-Scholes models) or other evaluation methods.

It refers to estimating fair value using the discounted cash flow method. The main assumptions refer to the probability of occurrence based on possible earnings before tax, interest, depreciation and amortization under various scenarios to estimate the price that needs to be paid, and estimate the present value after discounting it with a risk-adjusted discount rate.

4) Transfers between Each Level

Stock held by the Group quoted in an active market is sorted to Level 1. There is no difference regarding valuation techniques from January 1 to March 31, 2024 and 2023. There is no transfer between first and second level measured at fair value from January 1 to March 31, 2024 and 2023.

(ac) Financial risk management

It was aligned in the objectives and policies of the Group's financial risk management comparing to those disclosed in Note 6(cc) of the consolidated financial statements for the year ended December 31, 2023.

(ad) Capital management

The Group's capital management objectives, policies and procedures were consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2023. In addition, there were no significant changes in the aggregate quantitative information of capital management items comparing to the information disclosed in the consolidated financial statements for the year ended December 31, 2023. For relevant information, please refer to Note 6(dd) of the consolidated financial statements for the year ended December 31, 2023.

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

The Group's non-cash financing activities from January 1 to March 31, 2024 and 2023 were as follows:

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



**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
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**(7) Related-party transactions**

(a) Related-party transactions

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
Miao ○○ and 13 others	Key management personnel and their second immediate family of the Group
Da Li Investment Co., Ltd.	Corporate director of the subsidiary
Goyu Construction Co., Ltd.	The entity is a joint venture under the Group's joint arrangement
Hotel kingdom	The directors of Company are the same as those of the company
Liao ○○ Architects firm	Key management personnel of the Company is the person in charge of the company

(b) Significant transactions with related parties

(i) Operating revenue

- 1) From January 1 to March 31, 2024 and 2023, the Group entered into separate sales agreements with different related parties for the disposal of its real estates, at the amounts of \$0 and \$32,181 thousand (both including tax) in accordance with the employee purchase policy, resulting in the amounts of \$11,700 thousand, \$7,814 thousand and \$10,002 thousand to be recognized as sales revenue, as well as the advance real estate receipts of \$102,640 thousand, \$121,347 thousand and \$99,428 thousand as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively, as contract liabilities, with the approval of its board. There were no difference between the conditions for related parties stated in the contract mentioned and those of non-related parties.
- 2) The Group signed the labor contract for management consulting services with other related parties, and recognized income \$1,622 thousand and \$2,584 thousand from January 1 to March 31, 2024 and 2023, respectively. The transaction price and terms of collection do not have significant differences from those of unrelated parties.

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
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(ii) Purchase

The purchases price from related parties are summarized as follows:

	<b>January to March, 2024</b>	<b>January to March, 2023</b>
Other related parties	<u><u>\$ 8,791</u></u>	<u><u>3,961</u></u>

The terms and pricing of purchase transactions with related parties were not significantly different from those offered by other vendors.

(iii) Receivable from related parties

The receivables to related parties were as follow:

<b>Accounted items</b>	<b>Categories</b>	<b>2024.3.31</b>	<b>2023.12.31</b>	<b>2023.3.31</b>
Accounts receivables	Other related parties	<u><u>\$ 7,983</u></u>	<u><u>6,361</u></u>	<u><u>3,878</u></u>

(iv) Payables to related parties

The payables to related parties were as follows:

<b>Accounted items</b>	<b>Categories</b>	<b>2024.3.31</b>	<b>2023.12.31</b>	<b>2023.3.31</b>
Accounts payable	Other related parties	<u><u>\$ 7,719</u></u>	<u><u>3,965</u></u>	<u><u>2,462</u></u>

(v) Leases

The Group rented the staff dormitory from related parties were as follows:

	<b>Rent expense</b>	
	<b>January to March, 2024</b>	<b>January to March, 2023</b>
Other related parties	<b>\$ 105</b>	<b>105</b>

The Group leased offices to related parties were as follows:

	<b>Rent income</b>	
	<b>January to March, 2024</b>	<b>January to March, 2023</b>
Other related parties	<b>\$ 10</b>	<b>10</b>

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
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(vi) Other

In September 2008, due to land development operations, the Group sold part of the land to a related party, Tsai ○○, for a contract price of NT\$5,000 thousand. The original agreement was that if the integration of the base was not completed within three years, the Group would buy it back at the original price without interest. In addition, on October 20, 2011, the two parties made a supplementary agreement to unconditionally extend this period. As of March 31, 2024, December 31, 2023 and March 31, 2023, the amounts of other payables recorded due to the above transactions were all \$5,000 thousand.

(c) Key management personnel transaction

Key management personnel compensation comprised:

	<b>January to March, 2024</b>	<b>January to March, 2023</b>
Short-term employee benefits	<b><u>\$ 24,100</u></b>	<b><u>22,046</u></b>

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
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**(8) Pledged assets**

The carrying values of pledged assets were as follows:

<b>Pledged Assets</b>	<b>Object</b>	<b>2024.3.31</b>	<b>2023.12.31</b>	<b>2023.3.31</b>
Financial assets at fair value through profit or loss-current	Mortgage	\$ 249,600	209,100	191,100
Note receivables	Mortgage and issuing commercial paper	1,535,406	1,686,067	1,482,025
Inventories (construction)	Mortgage, issuing commercial paper and bonds payable	149,207,794	144,783,814	141,257,692
Other financial assets — current and non-current	Mortgage, issuing commercial paper, performance bond, real estate trust account and bonds payable	21,829,991	20,763,731	19,989,372
Property, plant and equipment	Mortgage and bonds payable	7,380,664	7,041,380	5,745,484
Investment property, net	Mortgage, issuing commercial paper and bonds payable	5,443,753	5,482,627	5,355,536
		<b><u>\$ 185,647,208</u></b>	<b><u>179,966,719</u></b>	<b><u>174,021,209</u></b>

As of March 31, 2024, December 31, 2023 and March 31, 2023, the book value of pledged assets providing undrawn guaranteed loan are \$5,138,503 thousand, \$6,596,839 thousand and \$2,109,610 thousand, respectively.

As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group provided \$4,264,186 thousand, \$4,438,590 thousand and \$4,113,800 thousand of notes receivable of presale cases 15,250 thousand, 15,250 thousand and 12,250 thousand of shares of its subsidiaries as collateral for the bank loans. During the aforementioned period, the subsidiaries provided 13,145 thousand shares of the Company's stocks as collateral for the borrowing limit.

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
Subsidiaries (continued)**

**(9) Significant Contingent Liabilities and Unrecognized Contract Commitments**

(a) Unrecognized contractual commitments

(i) Contract price signed with clients were as follows:

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Amount of signed contracts (construction)	<u>\$ 177,508,735</u>	<u>151,751,236</u>	<u>135,152,267</u>
Received amount from contracts	<u>\$ 16,613,465</u>	<u>14,417,958</u>	<u>13,370,068</u>
Outstanding checks received from presale cases	<u>\$ 12,146,012</u>	<u>9,763,757</u>	<u>8,404,652</u>

(ii) Due to the acquisition of construction land, capacity and equity, the Group entered into the purchase and sale contract with the following unrecognized commitments:

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Inventories obtained (construction)	<u>\$ 1,874,351</u>	<u>-</u>	<u>-</u>
Equity acquired	<u>\$ 30,028</u>	<u>-</u>	<u>-</u>

(iii) Construction contract price signed by subsidiaries is as follows:

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Amount of signed contracts	<u>\$ 457</u>	<u>188,992</u>	<u>154,764</u>
Received amount from contracts	<u>\$ 457</u>	<u>143,128</u>	<u>89,687</u>

(b) Others

- (i) As of March 31, 2024, December 31, 2023 and March 31, 2023, the refundable deposit paid for cooperation and urban renewal cases are \$12,505,386 thousand, \$12,825,386 thousand and \$9,221,766 thousand, respectively. For the partial above-mentioned joint construction projects, the company settles the settlement on the date agreed by both parties.

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
Subsidiaries (continued)**

- (ii) The Group signed an arbitration agreement with the Taichung City Government, Taichung MRT Co., Ltd. and certain professional manufacturers on July 20, 2023 due to the accident that occurred in one of the Taichung MRT Stations, whose project had been executed by a professional manufacturer on May 10, 2023. After the above incident, the Chinese Arbitration Association, Taipei, ordered the Group to pay for the damage of \$262,223 thousand, which was paid in advance by the subsidiary to the Taichung City Government. Furthermore, the Chinese Arbitration Association, Taipei, demanded the Group, as well as the aforesaid professional manufacturers, to jointly pay the compensation of \$224,819 thousand to the petitioner on January 16, 2024. On March 29, 2024, the Group signed a debt burden agreement with the aforementioned professional manufacturer. The professional manufacturer shall fully bear the aforementioned arbitration payment amount.
- (iii) As passed by the Group's board of directors on January 18, 2024, an amount not exceeding NT\$203,440 thousand was donated to the Taichung City HIGHWEALTH Culture and Arts Foundation for the purpose of promoting conference affairs.

**(10) Significant Disaster Loss: None**

**(11) Significant Subsequent Events: None**

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
Subsidiaries (continued)**

**(12) Other**

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

By Item	By Function	January To March, 2024			January To March, 2023		
		Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits							
Salary		\$ 110,560	154,732	265,292	97,620	156,253	253,873
Labor and health insurance		10,145	17,637	27,782	7,958	18,806	26,764
Pension		3,910	7,911	11,821	3,483	7,817	11,300
Others		3,317	6,311	9,628	2,922	6,663	9,585
Depreciation (Note)		23,193	27,500	50,693	31,464	17,492	48,956
Amortization		19,118	4,422	23,540	1,091	3,945	5,036

Note: The depreciation expense from January 1 to March 31, 2024 has been deducted from the landlord's shared expenses amounted to \$1,080 thousand.

- (b) Seasonality of operations:

The Group's operations are not affected by seasonal or cyclical factors.

- (c) Other

Regarding the fraud allegations against Tsai ○○, the chairman of the subsidiary, the Kuobin Dayuan case was filed by the prosecutor on January 5, 2023. The case is now being heard by the Taipei District Court, and it is believed that this event has no significant impact on the financial operations of the Group.

**(13) Other disclosures**

- (a) Information on significant transactions

From January 1 to March 31, 2024, in accordance with the provisions of the financial reporting standards for securities issuers, the Group should further disclose relevant information on major transaction events as follows:

- (i) Loans to other parties: None.

# Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its Subsidiaries (continued)

## (ii) Guarantees and endorsements for other parties:

No.	Name Of Guarantor	Subject Of Endorsements/Guarantees		Limitation On Amount Of Guarantees And Endorsements For A Specific Enterprise	Highest Balance For Guarantees And Endorsements During The Period	Balance Of Guarantees And Endorsements As Of Reporting Date	Actual Usage Amount During The Period	Property Pledged For Guarantees And Endorsements (Amount)	Ratio Of Accumulated Amounts Of Guarantees And Endorsements To Net Worth Of The Latest Financial Statements	Maximum Amount For Guarantees And Endorsements	Parent Company Endorsements / Guarantees To Third Parties On Behalf Of Subsidiary	Subsidiary Endorsements / Guarantees To Third Parties On Behalf Of Parent Company	Endorsements / Guarantees To Third Parties On Behalf Of Companies In Mainland China
		Name	Nature Of Relationship										
0	The Company	Chyi Yuh Construction Co., Ltd.	2	\$ 46,247,599	9,844,000	9,844,000	6,850,000	-	21.29%	92,495,198	Y	N	N
0	The Company	Bo-Yuan Construction Co., Ltd.	2	46,247,599	4,528,000	4,528,000	2,728,000	1,948,000	9.79%	92,495,198	Y	N	N
0	The Company	Well Rich International Co., Ltd.	2	46,247,599	540,000	340,000	-	-	0.74%	92,495,198	Y	N	N
0	The Company	Bi Jiang Enterprise Co., Ltd.	2	46,247,599	3,145,000	1,500,000	1,500,000	-	3.24%	92,495,198	Y	N	N
0	The Company	SHING FU FA CONSTRUCTION CO., LTD.	2	46,247,599	350,000	250,000	-	-	0.54%	92,495,198	Y	N	N
0	The Company	Yeh Kee Enterprise Co., Ltd.	2	46,247,599	1,450,000	1,450,000	-	-	3.14%	92,495,198	Y	N	N
1	Yeh Kee Enterprise Co., Ltd.	The Company	3	1,925,772	1,088,875	1,088,875	1,088,875	1,088,875	1,413.55%	2,310,930	N	Y	N
2	Bi Jiang Enterprise Co., Ltd.	The Company	3	2,362,341	64,875	64,875	64,875	64,875	5.49%	4,724,682	N	Y	N
2	Bi Jiang Enterprise Co., Ltd.	Bo-Yuan Construction Co., Ltd.	4	2,362,341	1,000,000	1,000,000	400,000	400,000	84.66%	4,724,682	N	N	N
3	Jin Jyun Construction Co., Ltd.	Run Long Construction Co., Ltd.	3	3,541,388	1,000,000	1,000,000	400,000	400,000	56.48%	7,082,776	N	Y	N
4	Run Long Construction Co., Ltd.	Jin Jyun Construction Co., Ltd.	2	2,499,386	100,000	100,000	-	-	0.80%	6,248,464	Y	N	N

Note 1: The numbering is as follows:

- 1: "0" represents the parent company.
- 2: Subsidiaries are sequentially numbered from 1 by company.

Note 2: The relationship between the guarantee and the guarantor are as follows:

- 1: Transactions between the companies.
- 2: The Company directly or indirectly holds more than 50% voting right.
- 3: When other companies directly or indirectly hold more than 50% voting rights of the Company.
- 4: The Company directly or indirectly holds more than 90% voting right.
- 5: A company that is mutually protected under contractual requirements based on the needs of the contractor.
- 6: A company that is endorsed by all the contributing shareholders in accordance with their shareholding ratio due to joint investment relationship.
- 7: Under the Consumer Protection Act, performance guarantees for pre-sale contracts for companies in the same industry.

Note 3: The Company endorsed the operation method for the total amount of guarantees and the limit for endorsement of a single enterprise:

- 1: The total amount of guarantee for external endorsement shall not exceed 200% of the net value of the company.
- 2: The guarantee amount for a single enterprise endorsement shall not exceed 100% of the current net value of the company.

Note 4: The Run Long Construction Co., Ltd. endorsed the operation method for the total amount of guarantee s and the limit for endorsement of a single enterprise;

- 1: The total amount of guarantee for external endorsement shall not exceed 50% of the net value of Run Long Construction Co., Ltd.
- 2: The guarantee amount for a single enterprise endorsement shall not exceed 20% of the current net value of Run Long Construction Co., Ltd.

Note 5: JIN JYUN CONSTRUCTION CO., LTD. and BI JIANG ENTERPRISE CO., LTD. endorsed the operation method for the total amount of guarantees and the limit for endorsement of a single enterprise;

- 1: The total amount of guarantee for external endorsement shall not exceed 400% of the net value of the company.
- 2: The guarantee amount for a single enterprise endorsement shall not exceed 200% of the current net value of the company.

Note 6: YEH KEE ENTERPRISE CO., LTD. endorsed the operation method for the total amount of guarantees and the limit for endorsement of a single enterprise;

- 1: The total amount of guarantee for external endorsement shall not exceed 3,000% of the net value of YEH KEE ENTERPRISE CO., LTD.
- 2: The guarantee amount for a single enterprise endorsement shall not exceed 2,500% of the current net value of YEH KEE ENTERPRISE CO., LTD.

Note 7: Eliminated in the preparation of consolidated statements.



## Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its Subsidiaries (continued)

(iii) Securities held at the end of period (excluding investment in subsidiaries, associates and joint ventures):

Name Of Security	Category And Name Of Security	Relationship With The Issuer Of The Securities	Account Name	Ending Balance				Note
				Number Of Shares	Carrying Value	Shareholding %	Fair Value	
The Company	Stock-Shin Kong Real Estate Management Co., Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	550,000	\$ 5,000	1.67 %	5,000	
"	Stock- Da-Li Development Co., Ltd.	—	Financial assets at fair value through profit or loss – current	9,408,745	391,404	2.31 %	391,404	
Ju Feng Hotel Management Consultant Co., Ltd.	Stock- HIGHWEALTH CONSTRUCTION CORP.	Ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	5,540,619	222,456	0.29 %	222,456	Note2
Highwealth Property Management Co., Ltd.	Stock- HIGHWEALTH CONSTRUCTION CORP.	Ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	10,709,224	429,975	0.57 %	429,975	Note2
Chyi Yuh Construction Co., Ltd.	Stock- HIGHWEALTH CONSTRUCTION CORP.	Ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	3,321,457	133,356	0.18 %	133,356	Note2
"	Corporate bond- China Rebar Co., Ltd.	—	Financial assets at amortized cost-current	3	-	- %	-	Note1
Run Long Construction Co., Ltd.	Stock- HIGHWEALTH CONSTRUCTION CORP.	Ultimate parent company	Financial assets at fair value through profit or loss-current	16,052,801	644,519	0.85 %	644,519	Note2
Well Rich International Co., Ltd.	Corporate bond- Shin Kong Life Insurance Co., Ltd.	—	Financial assets at amortized cost - non current	-	30,000	- %	30,000	

Note 1: Recognized as impairment loss.

Note 2: Eliminated in the preparation of consolidated statements.

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.

(v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Nature of relationship	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Other Matters Agreed
							Owner	Relationship with the Company	Date of transfer	Amount			
Run Long Construction Co., Ltd.	Jincheng Section, Anping District, Tainan City	2024/2/26	\$ 591,881	525,350	Mr./Ms. Guo and nine others	Non-related party	-	-	-	-	Appraisal	Construction	
Jin Jyun Construction Co., Ltd.	Guoan Section, Annan District, Tainan City	2024/3/29	2,265,750	453,150	Taibang Capital Construction (Co., Ltd.)	Non-related party				-	Appraisal	Construction	Note

Note 1: It includes volume transfer fee of \$125,470 thousand (tax included).

(vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:

Company disposing of real estate	Name of property	Transaction date	Acquisition date	Book value	Transaction amount (tax included)	Amount actually receivable	Gain (loss) on disposal	Counter-party	Nature of relationship	Purpose of disposal	References for determining price	Other terms
The Company	Properties and land held for sale	2024.01.08	N/A	N/A to the sale of inventory	\$ 1,058,880	105,820	N/A to the sale of inventory	Saint o co., Ltd.	Non-related party	Sale of inventory	Appraisal	None

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
Subsidiaries (continued)**

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

Company Name	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts Receivable or Payable		Note
			Purchases/sales	Amount	Ratio of total purchase (sales)	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Chyi Yuh Construction Co., Ltd.	Investee accounted for using equity method of the company	Contracting project	\$ 3,011,157	77.65 %	Pay by contract terms	-	-	(1,816,087)	(82.29)%	Note 2
Chyi Yuh Construction Co., Ltd.	The Company	Ultimate parent company	Contracted project	(1,702,353)	(79.88) %	Payment received by contract terms	-		1,816,087	84.29%	Note 1
"	Bo-Yuan Construction Co., Ltd.	The associate of the company	Contracted project	(423,867)	(19.89) %	Payment received by contract terms	-		326,174	15.14%	Note 1
Bo-Yuan Construction Co., Ltd.	Chyi Yuh Construction Co., Ltd.	The associate of the company	Contracting project	537,789	97.13 %	Pay by contract terms	-		(326,174)	(83.92)%	Note 2
Run Long Construction Co., Ltd.	Jin Jyun Construction Co., Ltd.	Investee accounted for using equity method of the company	Contracting project and administration fee	1,667,090	51.66 %	Pay by contract terms	-		(686,625)	(39.50)%	Note 2
Jin Jyun Construction Co., Ltd.	Run Long Construction Co., Ltd.	The ultimate parent of the company	Contracted projects and management commitments	(652,736)	96.16 %	Payment received by contract terms	-		686,625	97.41%	Note 1

Note 1: The contracted company recognizes its construction revenue through percentage of completion method, and the amount of sales included.

Note 2: The contracting company records its import price through estimates of amount of purchase through number of trials.

Note 3: Eliminated in the preparation of consolidated statements.

(viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
Chyi Yuh Construction Co., Ltd.	The Company	Ultimate parent company	\$ 1,816,087	3.76	-		1,065,410	-
"	Bo-Yuan Construction Co., Ltd.	The associate of the company	326,174	4.31	-		196,643	-
Jin Jyun Construction Co., Ltd.	Run Long Construction Co., Ltd.	The ultimate parent of the company	686,625	4.10	-		285,232	-
Run Long Construction Co., Ltd.	Jin Jyun Construction Co., Ltd.	A subsidiary of the Company	100,024	Note 1	-		-	-
Chyi Yuh Construction Co., Ltd.	GUANGYANG INVESTMENT CONSTRUCTION CO., LTD.	A subsidiary of the Company	394,900	"	-		-	-
The Company	Chyi Yuh Construction Co., Ltd.	A subsidiary of the Company	844,964	"	-		-	-

Note 1: It is mainly due to the dividend distribution in 2023, so the turnover rate calculation is not applicable.

Note 2: Eliminated in the preparation of consolidated statements.

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
Subsidiaries (continued)**

(ix) Trading in derivative instruments: None

(x) Business relationships and significant intercompany transactions:

No.	Name Of Company	Name Of Counter-Party	Nature Of Relationship	Intercompany Transactions			
				Account Name	Amount	Trading Terms	Percentage Of The Consolidated Net Revenue Or Total Assets
0	The Company	Chyi Yuh Construction Co., Ltd.	1	Accounts payable	\$ 1,816,087	Same with peer terms	0.78%
	"	"	1	Operating cost	3,011,157	Same with peer terms	57.79%
1	Chyi Yuh Construction Co., Ltd.	The Company	2	Accounts receivables	1,816,087	Same with peer terms	0.78%
	"	"	2	Operating revenue	1,702,353	Same with peer terms	32.67%
	"	Bo-Yuan Construction Co., Ltd.	3	Accounts receivables	326,174	Same with peer terms	0.14%
	"	"	3	Operating revenue	423,867	Same with peer terms	8.14%
2	Run Long Construction Co., Ltd.	Jin Jyun Construction Co., Ltd.	3	Accounts payable	686,625	Same with peer terms	0.30%
	"	"	3	Operating cost	1,667,090	Same with peer terms	32.00%
3	Jin Jyun Construction Co., Ltd.	Run Long Construction Co., Ltd.	3	Accounts receivables	686,625	Same with peer terms	0.30%
	"	"	3	Operating revenue	652,736	Same with peer terms	12.53%
4	Bo-Yuan Construction Co., Ltd.	Chyi Yuh Construction Co., Ltd.	3	Accounts payable	326,174	Same with peer terms	0.14%
	"	"	3	Operating cost	537,789	Same with peer terms	10.32%

Note 1: The numbering is as follows:

- 1: "0" represents the parent company
- 2: Subsidiaries are sequentially numbered from 1 by company

Note 2: Relation between related parties are as follows:

- 1: Parent company and its subsidiaries
- 2: Subsidiaries and its parent company
- 3: Subsidiaries and its subsidiaries

(b) Information on investees:

The following is the information on investees from January 1 to March 31, 2024 (excluding information on investees in Mainland China):

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
Subsidiaries (continued)**

Name Of Investor	Name Of Investee	Location	Main Businesses And Products	Original Investment Amount		Held At The End,			Net Income (Losses) Of Investee	Share Of Profits/Losses Of Investee	Note
				End Of The Period	End Of Last Year	Number Of Shares	Percentage Of Ownership	Carrying Value			
The Company	Ju Feng Hotel Management Consultant Co., Ltd.	Taiwan	Real estate brokerage, residential and building development, rental and sales etc.	\$ 25,000	25,000	2,500,000	100.00%	81,211	20,799	18,029	
"	Highwealth Property Management Co., Ltd.	Taiwan	Real estate brokerage, real estate trading	7,000	7,000	700,000	100.00%	7,190	5,351	(4)	
"	Chyi Yuh Construction Co., Ltd.	Taiwan	Construction, residential and building development, rental and sales etc.	3,030,041	3,030,041	439,200,000	100.00%	4,840,762	177,857	145,144	
"	Run Long Construction Co., Ltd.	Taiwan	Real estate development, rental and sales industries etc.	658,119	658,119	23,698,288	5.25%	577,461	337,698	16,376	
"	Yeh Kee Enterprise Co., Ltd.	Taiwan	Residential and building development, rental and sales etc.	2,423,152	2,423,152	2,200,000	100.00%	2,395,359	(1,905)	(1,905)	
"	Bi Jiang Enterprise Co., Ltd.	Taiwan	Residential and building development, rental and sales etc.	2,802,900	2,802,900	150,720,000	100.00%	2,480,547	(60,778)	(60,778)	
"	SHING FU FA CONSTRUCTION CO., LTD.	Taiwan	Construction, residential and building development, rental and sales etc.	265,000	265,000	26,500,000	100.00%	274,363	8,763	8,763	
"	Bo-Yuan Construction Co., Ltd.	Taiwan	Residential and building development, rental and sales etc.	2,430,000	2,430,000	122,900,000	100.00%	1,178,308	(31,288)	(31,288)	
"	Well Rich International Co., Ltd.	Taiwan	Wholesale of construction material and motels etc.	445,621	245,621	38,100,000	100.00%	387,332	(12,761)	(12,761)	
Chyi Yuh Construction Co., Ltd.	GUANGYANG INVESTMENT CONSTRUCTION CO., LTD.	Taiwan	Investment industry	284,050	284,050	29,900,000	100.00%	597,840	21,130	Exempt from disclosure	
"	Run Long Construction Co., Ltd.	Taiwan	Real estate development, rental and sales industries etc.	639,321	639,321	20,838,755	4.62%	576,467	337,698	"	
"	Goyu Building Material Co., Ltd.	Taiwan	Construction material wholesale	120,000	120,000	12,000,000	30.00%	117,293	12,076	"	
GUANGYANG INVESTMENT CONSTRUCTION CO., LTD.	Run Long Construction Co., Ltd.	Taiwan	Real estate development, rental and sales industries etc.	618,533	618,533	28,759,103	6.37%	838,702	337,698	"	
Run Long Construction Co., Ltd.	Jin Jyun Construction Co., Ltd.	Taiwan	Construction, residential and building development, rental and sales etc.	1,718,300	1,718,300	170,000,000	100.00%	1,551,973	16,021	"	

Note: Eliminated in the preparation of consolidated statements, while Goyu Construction is investment adopted equity method.

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
Subsidiaries (continued)**

(c) Information on investment in mainland China:

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

Name Of Investee	Main Businesses And Products	Total Amount Of Paid-In Capital	Method Of Investment (Note 1)	Accumulated Amount Of Investments Remitted From Taiwan At Beginning Of Period	Investment Flows		Accumulated Amount Of Investments Remitted From Taiwan At End Of Period	Net Income (Losses) Of Investee	Percentage Of Ownership	Investment Income (Losses) (Note 2)	Book Value	Accumulated Remittance Of Earnings In Current Period
					Outflow	Inflow						
QUANXIANG TRADING (SHANGHAI) CO., LTD. (Note 1)	Construction material, furniture, metal parts	\$ 26,555	(1)	26,555	-	-	26,555	-	100.00%	-	1,083	-
		USD 900,000		USD 900,000			USD 900,000					
XINGFUYU TRADING (XIAMEN) CO., LTD. (Note)	Construction material wholesale	27,104	(1)	27,104	-	-	27,104	154	-%	154	-	-
		USD 900,000		USD 900,000			USD 900,000					

Note 1: XINGFUYU TRADING has been deregistered with the approval of the Supervision and Administration Bureau on March 21, 2024. The relevant liquidation funds have not yet been remitted.

Note 2: Eliminated in the preparation of consolidated statements.

(ii) Limitation on investment in Mainland China:

Accumulated investment remitted from Taiwan to Mainland China at the end of the period	Investment Amounts Authorized by Investment Commission, MOEA	Upper limit on investment authorized by Investment Commission, MOEA
\$ 53,659 (USD 1,800,000)	53,659 (USD 1,800,000)	27,748,559 (Note)

Note: According to the principle of review of technical cooperation in China, it is calculated 60% of the net value or consolidate net value.

Note 1: 3 types of investment method are as follows:

1. Directly investing in the mainland area
2. Investing in the mainland through companies in another country (Please note the name of the investing company from the other country)
3. Other methods

Note 2: Profit and loss recognized from investment for the current period:

1. If it is in preparation, and has no investment profit or loss, it should be noted
2. The basis for profit or loss from investment are as follows:
  - A. The international accounting firm which has cooperative relationships with the CPA in the Republic of China verifies its financial statements
  - B. Financial statement of the parent company is verified by the Taiwanese accountant
  - C. Other

**Notes to Consolidated Financial Statements of Highwealth Construction Corp. and its  
Subsidiaries (continued)**

(iii) Significant transactions: None

(d) Major shareholders:

Unit: Shares

Major Shareholder's Name	Shares	No. of Shares Held	Shareholding %
Ear Winner Investment Co., Ltd.		123,458,664	6.55%
Xing Ri Sheng Investment Co., Ltd.		118,756,325	6.30%

**(14) Segment information**

The information and adjustments of the operating departments of the Group are as follows:

	<u>Development Segment</u>	<u>Construction Segment</u>	<u>Hotel Department And Others</u>	<u>Reconciliation And Elimination</u>	<u>Total</u>
<b>January To March, 2024</b>					
Revenue From External Customers	\$ 5,123,060	48,963	38,133	-	5,210,156
Intersegment	87,520	2,798,808	4,303	(2,890,631)	-
Total Revenue	<u>\$ 5,210,580</u>	<u>2,847,771</u>	<u>42,436</u>	<u>(2,890,631)</u>	<u>5,210,156</u>
<b>Reportable Segment Profit Or Loss</b>	<u>\$ 990,867</u>	<u>358,485</u>	<u>(17,401)</u>	<u>(205,631)</u>	<u>1,126,320</u>
<b>January To March, 2023</b>					
Revenue From External Customers	\$ 9,038,865	23,948	42,170	-	9,104,983
Intersegment	49,628	1,653,293	2,021	(1,704,942)	-
Total Revenue	<u>\$ 9,088,493</u>	<u>1,677,241</u>	<u>44,191</u>	<u>(1,704,942)</u>	<u>9,104,983</u>
<b>Reportable Segment Profit Or Loss</b>	<u>\$ 2,122,154</u>	<u>189,738</u>	<u>(14,236)</u>	<u>(260,954)</u>	<u>2,036,702</u>
<b>Reportable Segment Assets</b>					
March 31, 2024	<u>\$ 239,836,322</u>	<u>18,270,045</u>	<u>840,125</u>	<u>(27,352,160)</u>	<u>231,594,332</u>
December 31, 2023	<u>\$ 232,824,089</u>	<u>19,000,287</u>	<u>657,580</u>	<u>(25,607,215)</u>	<u>226,874,741</u>
March 31, 2023	<u>\$ 232,783,501</u>	<u>12,272,121</u>	<u>1,157,565</u>	<u>(21,465,554)</u>	<u>224,747,633</u>