BES Engineering Corporation and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2022 and 2021 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2022 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 "Consolidated Financial Statements". Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we have not prepared a separate set of consolidated financial statements of affiliates.

Very truly yours,

BES ENGINEERING CORPORATION

By

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CHOU, CHIH-MING

March 13, 2023

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
BES Engineering Corporation

Opinion

We have audited the accompanying consolidated financial statements of BES Engineering Corporation and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters for the Group's consolidated financial statements for the year ended December 31, 2022 are stated as follows:

Accuracy of Construction Revenue Recognized

The Group operates in the construction industry and is mainly engaged in the construction of roads, bridges, wharfs and multi-story residential buildings and office complexes. The Group calculates construction revenue based on the estimated percentage of completion and the total price of the construction project. As estimates are required to be made with reference to internal and external documents during the calculation of the percentage of completion of construction, the calculation of the percentage of completion is considered complex. In addition, the Group's construction revenue amount for the year ended December 31, 2022 is material, hence, the accuracy of recognition of construction revenue was deemed as a key audit matter for the year ended December 31, 2022. Refer to Note 4 to the accompanying consolidated financial statements for the relevant accounting policies and Table 1 following the notes to the consolidated financial statements for the financial information of the construction projects.

The main audit procedures performed with respect to the above-mentioned key audit matter are as follows:

1. We obtained an understanding of and tested the design and operating effectiveness of the internal controls related to the estimation of the percentage of completion and the accuracy of construction revenue recognized.

2. We evaluated and confirmed that the accounting policies on the estimation of the percentage of completion were consistently applied.

3. We performed tests of the details of incomplete construction projects at the end of the year and confirmed the accuracy of construction revenue recognized.

4. We obtained confirmations of approval from the owners after the reporting period and confirmed that no material adjustments were made after the reporting period.

Net Realizable Value of Real Estate Inventory

The Group is mainly engaged in the construction of buildings and transacting of real estate. As stated in Note 12, the carrying amount of buildings and land held for sale in the consolidated balance sheets as of December 31, 2022 is material. Since real estate inventory is stated at the lower of cost and net realizable value, and the net realizable value of real estate inventory may be affected by changes in the market price of real estate and its assessment involves management's subjective judgment and accounting estimates, we identified the net realizable value of real estate inventory as a key audit matter for the year ended December 31, 2022. Refer to Note 5 to the accompanying consolidated financial statements for the relevant accounting judgments and key sources of estimation uncertainty.

The main audit procedures performed with respect to the above-mentioned key audit matter are as follows:

1. We evaluated and confirmed the accounting policies on the valuation of real estate inventory were consistently applied.

2. We obtained the information on the calculation of the net realizable value and impairment assessment of the above-mentioned real estate inventory, and we reviewed and confirmed the assessment results were reasonable.

Other Matter

We have also audited the parent company only financial statements of BES Engineering Corporation as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion.

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Yao-Lin Huang and Shih-Chieh Chou.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 13, 2023

Notice to Readers

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

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

BES ENGINEERING CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022		2021	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4, 6 and 15)	$ 4,189,543	9	$ 2,995,422	6
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 34)	4,142	-	2,380,206	5
Financial assets at fair value through other comprehensive income - current (Notes 4, 8, and 35)	1,214,472	3	1,081,055	2
Financial assets at amortized cost - current (Notes 4, 9, 24 and 35)	3,941,197	9	4,692,740	10
Contract assets - current (Notes 15, 24, 26 and Table 1)	2,498,541	6	2,459,043	5
Notes receivable and trade receivables, net (Notes 4, 10, 26 and 34)	95,484	-	97,661	-
Construction receivables (Notes 4, 10, 15, 24, 26 and 34)	2,603,165	6	2,286,738	5
Accounts receivable on the development of industrial districts (Notes 4, 11, 24 and 35)	2,898,047	6	6,077,203	13
Inventories (Notes 4 and 24)	255,222	1	188,496	-
Buildings and land held for sale, net (Notes 4, 5, 12, 24 and 35)	11,831,311	26	11,850,421	25
Construction in progress (Notes 4, 12, 24 and 35)	4,962,958	11	3,113,718	7
Refundable deposits on construction contracts (Note 24)	142,162	-	158,801	-
Other current assets (Notes 15 and 34)	1,353,584	3	1,373,137	3
Total current assets	35,989,828	80	38,754,641	81
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8, 34 and 35)	1,913,173	4	1,734,715	4
Financial assets at amortized cost - non-current (Notes 4, 9 and 35)	631,962	1	4,291	-
Investments accounted for using the equity method (Notes 4 and 14)	1,591,585	4	1,638,812	3
Property, plant and equipment, net (Notes 4, 16 and 35)	3,089,497	7	3,210,072	7
Right-of-use assets (Notes 4, 17 and 34)	234,288	1	227,925	-
Investment properties, net (Notes 4, 18 and 35)	1,113,221	2	1,029,029	2
Deferred tax assets (Notes 4 and 28)	470,398	1	597,279	1
Refundable deposits (Notes 15 and 34)	42,984	-	70,215	-
Prepayments for investments	-	-	770,870	2
Net defined benefit assets (Notes 4 and 23)	5,260	-	-	-
Other non-current assets	57,700	-	50,314	-
Total non-current assets	9,150,068	20	9,333,522	19
TOTAL	$ 45,139,896	100	$ 48,088,163	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 19 and 35)	$ 4,714,000	11	$ 3,045,113	6
Short-term bills payable (Notes 19 and 35)	1,050,051	2	2,531,971	5
Contract liabilities - current (Notes 15, 24, 26, 34 and Table 1)	2,181,474	5	2,764,252	6
Notes payable (Note 24)	3,354	-	8,343	-
Trade payables (Notes 15, 20 and 24)	4,292,669	10	4,613,161	10
Accrued expenses (Notes 15 and 34)	631,633	1	461,736	1
Accounts payable for the development of industrial districts (Notes 4, 21 and 24)	18,363	-	1,981,683	4
Current tax liabilities (Note 4)	80,492	-	20,778	-
Provisions - current (Notes 4, 22 and 24)	492,541	1	461,341	1
Lease liabilities - current (Notes 4, 17 and 34)	71,090	-	66,025	-
Current portion of long-term borrowings (Notes 19 and 35)	57,057	-	746,870	1
Guarantee deposits on construction contracts (Note 24)	575,472	1	477,569	1
Other current liabilities (Notes 15 and 34)	283,519	1	293,233	1
Total current liabilities	14,451,715	32	17,472,075	36
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 19 and 35)	5,744,160	13	5,313,000	11
Provisions - non-current (Notes 4 and 22)	971,846	2	984,074	2
Deferred tax liabilities (Notes 4 and 28)	1,090,365	3	1,115,149	2
Lease liabilities - non-current (Notes 4, 17 and 34)	174,117	-	172,469	1
Net defined benefit liabilities - non-current (Notes 4 and 23)	-	-	73,822	-
Guarantee deposits received (Note 34)	31,469	-	28,828	-
Total non-current liabilities	8,011,957	18	7,687,342	16
Total liabilities	22,463,672	50	25,159,417	52
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION				
Ordinary shares	15,308,998	34	15,308,998	32
Capital surplus	74,648	-	73,884	-
Retained earnings				
Legal reserve	1,116,990	2	821,206	2
Special reserve	2,475,958	6	2,475,958	5
Unappropriated earnings	4,105,362	9	4,379,268	9
Total retained earnings	7,698,310	17	7,676,432	16
Other equity	(477,143)	(1)	(223,791)	-
Total equity attributable to owners of the Corporation	22,604,813	50	22,835,523	48
NON-CONTROLLING INTERESTS	71,411	-	93,223	-
Total equity	22,676,224	50	22,928,746	48
TOTAL	$ 45,139,896	100	$ 48,088,163	100

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

BES ENGINEERING CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 15, 26 and 34)				
Construction revenue	$ 13,473,803	89	$ 14,560,049	85
Other operating revenue	1,619,569	11	2,636,636	15
Total operating revenue	15,093,372	100	17,196,685	100
OPERATING COSTS (Notes 4, 15, 23, 27 and 34)				
Construction costs	12,218,854	81	14,471,086	84
Other operating costs	1,496,696	10	2,385,713	14
Total operating costs	13,715,550	91	16,856,799	98
GROSS PROFIT	1,377,822	9	339,886	2
OPERATING EXPENSES (Notes 23, 27 and 34)				
Selling and marketing expenses	99,005	1	133,836	1
General and administrative expenses	471,805	3	537,719	3
Research and development expenses	30,838	-	27,113	-
Expected credit losses (gains) (Note 10)	159	-	(163)	-
Total operating expenses	601,807	4	698,505	4
PROFIT (LOSS) FROM OPERATIONS	776,015	5	(358,619)	(2)
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 4, 15, 27 and 34)	444,073	3	71,703	-
Other income (Notes 4, 23, 27, 30 and 34)	2,546,351	17	76,926	1
Other gains and losses (Notes 7, 27, 34 and 37)	(2,538,818)	(17)	2,842,260	17
Finance costs (Notes 4, 12, 27 and 34)	(183,839)	(2)	(150,282)	(1)
Expected credit losses (Note 34)	(22,628)	-	-	-
Share of loss of associates (Notes 4 and 14)	(20,046)	-	(3,519)	-
Total non-operating income and expenses	225,093	1	2,837,088	17
PROFIT BEFORE INCOME TAX	1,001,108	6	2,478,469	15
INCOME TAX EXPENSE (BENEFIT) (Notes 4 and 28)	195,952	1	(183,707)	(1)
NET PROFIT FOR THE YEAR	805,156	5	2,662,176	16

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BES ENGINEERING CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 23, 25 and 28)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	$ 17,285	-	$ (241)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(368,753)	(2)	257,778	1
Share of the other comprehensive income (loss) of associates accounted for using the equity method	(35,092)	-	14,095	-
Income tax related to items that will not be reclassified subsequently to profit or loss	(3,457)	-	48	-
	(390,017)	(2)	271,680	1
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	147,985	1	(12,698)	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method	7,911	-	(19,945)	-
	155,896	1	(32,643)	-
Other comprehensive income (loss) for the year, net of income tax	(234,121)	(1)	239,037	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 571,035	4	$ 2,901,213	17
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	$ 821,315	5	$ 2,676,758	15
Non-controlling interests	(16,159)	-	(14,582)	-
	$ 805,156	5	$ 2,662,176	15
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	$ 586,580	4	$ 2,915,641	17
Non-controlling interests	(15,545)	-	(14,428)	-
	$ 571,035	4	$ 2,901,213	17

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BES ENGINEERING CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	**%**	**Amount**	**%**
EARNINGS PER SHARE (Note 29)				
Basic	$0.54		$1.75	
Diluted	$0.54		$1.74	

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

BES ENGINEERING CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation (Notes 4 and 25)												
	Share Capital Issued and Outstanding			Retained Earnings				Other Equity					
	Number of Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translation of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Total	Non-controlling Interests (Notes 25 and 31)	Total Equity
BALANCE, JANUARY 1, 2021	1,530,899	$ 15,308,998	$ 73,833	$ 759,714	$ 2,788,570	$ 1,839,615	$ 5,387,899	$ (303,569)	$ (159,337)	$ (462,906)	$ 20,307,824	$ 107,718	$ 20,415,542
Special reserve under Rule No. 1030006415 issued by the FSC	-	-	-	-	(312,612)	312,612	-	-	-	-	-	-	-
Appropriation of the 2020 earnings													
Legal reserve	-	-	-	61,492	-	(61,492)	-	-	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	-	(356,700)	(356,700)	-	-	-	(356,700)	-	(356,700)
Total	-	-	-	61,492	-	(418,192)	(356,700)	-	-	-	(356,700)	-	(356,700)
Donations from shareholders	-	-	38	-	-	-	-	-	-	-	38	-	38
Changes from investments in associates accounted for using the equity method	-	-	-	-	-	(31,293)	(31,293)	-	-	-	(31,293)	-	(31,293)
Actual acquisition of interests in subsidiaries	-	-	13	-	-	-	-	-	-	-	13	(67)	(54)
Net profit (loss) for the year ended December 31, 2021	-	-	-	-	-	2,676,758	2,676,758	-	-	-	2,676,758	(14,582)	2,662,176
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	(232)	(232)	(32,483)	271,598	239,115	238,883	154	239,037
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	2,676,526	2,676,526	(32,483)	271,598	239,115	2,915,641	(14,428)	2,901,213
BALANCE, DECEMBER 31, 2021	1,530,899	15,308,998	73,884	821,206	2,475,958	4,379,268	7,676,432	(336,052)	112,261	(223,791)	22,835,523	93,223	22,928,746
Appropriation of the 2021 earnings													
Legal reserve	-	-	-	295,784	-	(295,784)	-	-	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	-	(817,500)	(817,500)	-	-	-	(817,500)	-	(817,500)
Total	-	-	-	295,784	-	(1,113,284)	(817,500)	-	-	-	(817,500)	-	(817,500)
Actual acquisition of interests in subsidiaries	-	-	745	-	-	-	-	(285)	(269)	(554)	191	(4,754)	(4,563)
Changes in percentage of ownership interests in subsidiaries	-	-	19	-	-	-	-	-	-	-	19	(983)	(964)
Cash dividends distributed by the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(530)	(530)
Net profit (loss) for the year ended December 31, 2022	-	-	-	-	-	821,315	821,315	-	-	-	821,315	(16,159)	805,156
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	13,434	13,434	155,544	(403,713)	(248,169)	(234,735)	614	(234,121)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	834,749	834,749	155,544	(403,713)	(248,169)	586,580	(15,545)	571,035
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	4,629	4,629	-	(4,629)	(4,629)	-	-	-
BALANCE, DECEMBER 31, 2022	1,530,899	$ 15,308,998	$ 74,648	$ 1,116,990	$ 2,475,958	$ 4,105,362	$ 7,698,310	$ (180,793)	$ (296,350)	$ (477,143)	$ 22,604,813	$ 71,411	$ 22,676,224

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

BES ENGINEERING CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 1,001,108	$ 2,478,469
Adjustments for:		
Depreciation expense	160,142	160,707
Expected credit loss (reversal)	22,787	(163)
Net loss on fair value changes of financial assets at fair value through profit or loss	2,348,504	8,350
Finance costs	183,839	150,282
Interest income	(444,073)	(71,703)
Dividend income	(2,454,916)	(12,533)
Share of profit or loss of associates	20,046	3,519
Loss on disposal of property, plant and equipment	2,839	458
Gain on disposal of associates	-	(2,849,350)
Reversal of impairment losses on financial assets	-	(775,507)
Loss (gain) on lease modification	8	(2,903)
Compensation loss (reversal)	(13,844)	665,623
Changes in operating assets and liabilities		
Notes receivable and trade receivables	2,018	(12,863)
Contract assets	(39,498)	814,847
Construction receivables	(316,427)	(1,031,921)
Accounts receivable on the development of industrial districts	3,179,156	917,839
Inventories	(66,726)	(174,425)
Construction in progress	(1,975,449)	(1,398,319)
Buildings and land held for sale	197,957	951,654
Other current assets	(3,782)	(248,058)
Notes payable	(4,989)	6,066
Contract liabilities	(582,778)	515,331
Trade payables	(320,492)	265,346
Accrued expenses	169,897	74,941
Accounts payable for the development of industrial districts	(1,963,320)	38,656
Provisions	32,816	(54,133)
Net defined benefit liabilities	(61,797)	(36,865)
Other current liabilities	(16,274)	(36,467)
Cash generated from (used in) operations	(943,248)	346,878
Interest received	444,048	70,781
Interest paid	(229,735)	(174,594)
Income tax paid	(36,866)	(46,055)
Net cash generated from (used in) operating activities	(765,801)	197,010

(Continued)

BES ENGINEERING CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	$ -	$ (868,218)
Proceeds from disposal of financial assets at fair value through other comprehensive income	8,506	1,937
Cash returns from capital reduction of financial assets at fair value through other comprehensive income	81,736	-
Proceeds from disposal (purchase) of financial assets at amortized cost	123,872	(1,060,157)
Purchase of financial assets at fair value through profit and loss	-	(582,172)
Proceeds from disposal of financial assets at fair value through profit and loss	27,560	592,909
Cash returns from capital reduction of financial assets at fair value through profit and loss	-	1,532,692
Payments for property, plant and equipment	(44,189)	(63,104)
Proceeds from disposal of property, plant and equipment	758	204
Decrease (increase) in refundable deposits	43,870	(44,517)
Increase in other assets	(7,386)	(30,571)
Decrease in prepayments for equipment	-	3,133
Increase in prepayments for investments	-	(770,870)
Dividends received	2,454,916	12,533
Net cash generated from (used in) investing activities	2,689,643	(1,276,201)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	1,668,887	214,930
Proceeds from (repayment of) short-term bills payable	(1,481,920)	200,726
Proceeds from (repayment of) long-term borrowings	(258,653)	1,322,061
Increase in guarantee deposits received	100,544	36,303
Repayment of the principal portion of lease liabilities	(78,872)	(69,882)
Cash dividends distributed	(817,500)	(356,700)
Acquisition of additional interests in subsidiaries	(5,527)	(54)
Dividends paid to non-controlling interests	(530)	-
Donations from shareholders	-	38
Net cash generated from (used in) financing activities	(873,571)	1,347,422
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	143,850	(10,539)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,194,121	257,692
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,995,422	2,447,681
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 4,189,543	$ 2,705,373

(Continued)

BES ENGINEERING CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

Reconciliation of the amounts in the consolidated statements of cash flows with the equivalent items reported in the consolidated balance sheets as of December 31, 2022 and 2021:

	December 31	
	2022	**2021**
Cash and cash equivalents in the consolidated balance sheets	$ 4,189,543	$ 2,995,422
Bank overdrafts	-	(290,049)
Cash and cash equivalents in the consolidated statements of cash flows	$ 4,189,543	$ 2,705,373

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

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

BES Engineering Corporation (the "Corporation"), which was a state-owned enterprise until June 22, 1994, engages mainly in civil engineering, building construction, real estate transaction and the development of industrial districts for the government.

The Corporation's shares have been trading on the Taiwan Stock Exchange since March 1993.

The consolidated financial statements of the Corporation and its subsidiaries, collectively referred to as the "Group", are presented in the Corporation's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation's board of directors on March 13, 2023.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

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

Except for the following, the initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies:

Amendments to IAS37 "Onerous Contracts - Cost of Fulfilling a Contract"

The Group applied the amendments to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022. The amendments specify that when assessing whether a contract is onerous, the "cost of fulfilling a contract" includes both the incremental costs of fulfilling that contract (for example, direct labor and materials) and an allocation of other costs that relate directly to fulfilling contracts (for example, an allocation of depreciation for an item of property, plant and equipment used in fulfilling the contract).

There was no significant effect when the Group applies the amendments.

b. The IFRSs endorsed by the FSC for application starting from 2023

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments will be applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occurred on or after January 1, 2022.

1) Amendments to IAS 1 “Disclosure of Accounting Policies”

The amendments specify that the Group should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;

- The Group may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and

- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

a) The Group changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;

b) The Group chose the accounting policy from options permitted by the standards;

c) The accounting policy was developed in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” in the absence of an IFRS that specifically applies;

d) The accounting policy relates to an area for which the Group is required to make significant judgments or assumptions in applying an accounting policy, and the Group discloses those judgments or assumptions; or

e) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

2) Amendments to IAS 8 “Definition of Accounting Estimates”

The amendments define that accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Group may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Group uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

3) Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The amendments clarify that the initial recognition exemption under IAS 12 does not apply to transactions in which equal taxable and deductible temporary differences arise on initial recognition. The Group shall recognize a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations on January 1, 2022, and the Group shall recognize the cumulative effect of initial application in retained earnings at that date. The Group shall apply the amendments prospectively to transactions other than leases and decommissioning obligations that occur on or after January 1, 2022.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group’s financial position and financial performance.

c. The IFRSs in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024

Note 1: Unless stated otherwise, the above IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

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

1) Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments stipulate that, when the Group sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Group loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Group sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group's interest as an unrelated investor in the associate or joint venture, i.e., the Group's share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group's interest as an unrelated investor in the associate or joint venture, i.e., the Group's share of the gain or loss is eliminated.

2) Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (referred to as the "2020 amendments") and "Non-current Liabilities with Covenants" (referred to as the "2022 amendments")

The 2020 amendments clarify that for a liability to be classified as non-current, the Group shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right.

The 2020 amendments also stipulate that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The 2022 amendments further clarify that only covenants with which an entity is required to comply on or before the reporting date should affect the classification of a liability as current or non-current. Although the covenants to be complied with within twelve months after the reporting period do not affect the classification of a liability, the Group shall disclose information that enables users of financial statements to understand the risk of the Group that may have difficulty complying with the covenants and repay its liabilities within twelve months after the reporting period.

The 2020 amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Group's own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Group's own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32 "Financial Instruments: Presentation", the aforementioned terms would not affect the classification of the liability.

3) Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"

The amendments clarify that the liability that arises from a sale and leaseback transaction - that satisfies the requirements in IFRS 15 to be accounted for as a sale - is a lease liability to which IFRS 16 applies. However, if the lease in a leaseback that includes variable lease payments that do not depend on an index or rate, the seller-lessee shall measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. Seller-lessee subsequently recognizes in profit or loss the difference between the payments made for the lease and the lease payments that reduce the carrying amount of the lease liability.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

The Group is engaged in the construction business, which has an operating cycle of over 1 year. The normal operating cycle applies when considering the classification of the Group’s construction-related assets and liabilities.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Corporation.

See Note 13, Tables 6 and 8 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

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

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

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting consolidated financial statements, the Corporation's foreign operations (including subsidiaries and associates) that are prepared using functional currencies which are different from the currency of the Corporation are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income. (attributed to the owners of the Corporation and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Corporation's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Corporation are reclassified to profit or loss.

In a partial disposal of a subsidiary that does not result in the Corporation losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to the non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

f. Inventories

Inventories consist of raw materials and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

For a contract where a landowner provides land for construction of buildings by a property developer in exchange for a certain percentage of the buildings, no exchange gain or loss is recognized if the buildings acquired are classified as properties held for sale. Revenue is recognized when the properties held for sale are sold to third parties.

g. Investments in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate is initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Corporation subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities.

When the Group transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

h. Joint operations

A joint operation is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

Any acquisition of an interest in a joint operation in which the activity of the joint operation constitutes a business should be treated as a business combination, except when the parties sharing joint control are under the common control of the same ultimate controlling party or parties both before and after the acquisition and that control is not transitory.

The Group recognizes the following items in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly.
- Its liabilities, including its share of any liabilities incurred jointly.
- Its revenue from the sale of its share of the output arising from the joint operation.
- Its share of the revenue from the sale of the output of the joint operation.
- Its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenue and expenses.

When the Group sells or contributes assets to its joint operation, it recognizes gains and losses resulting from such a transaction only to the extent of the other parties' interests in the joint operation. When the Group purchases assets from its joint operation, it does not recognize its share of the gain or loss until it resells those assets to a third party.

i. Property, plant and equipment

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

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the declining balance method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation. Investment properties include right-of-use assets and properties under construction that meet the definition of investment properties. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognized using the declining balance method and straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

k. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Derecognition of intangible assets

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

l. Impairment of property, plant and equipment, right-of-use assets, investment properties, intangible assets other than goodwill and assets related to contract costs

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, investment properties and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation. Otherwise, they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

m. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

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

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 33.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

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

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost and other receivables, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets and contract assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables), as well as contract assets.

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables and contract assets. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

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

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

The repurchase of the Group’s own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Group’s own equity instruments.

3) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

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

n. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

1) Onerous contracts

Onerous contracts are those in which the Group's unavoidable costs of meeting the contractual obligations exceed the economic benefits expected to be received from the contract. The present obligations arising under onerous contracts are recognized and measured as provisions. In assessing whether a contract is onerous, the cost of fulfilling a contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that are related directly to fulfilling contracts.

2) Warranties

Provisions for the expected cost of warranty obligations to assure that products comply with agreed-upon specifications are recognized on the date of sale of the relevant products at the best estimate by the management of the Group of the expenditures required to settle the Group's obligations.

o. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Revenue from the sale of goods

For contracts to sell properties in the ordinary course of business, the fixed transaction price is received in instalments and recognized as a contract liability. The transaction price, after adjusting for the effect of the significant financing component, is recognized as revenue when the construction is completed, and the property is transferred to the buyer.

2) Revenue from the rendering of services

Revenue from the rendering of services is recognized when services are provided.

Revenue from a contract to provide services is recognized with reference to the stage of completion of the contract.

3) Construction contract revenue

The Group recognizes revenue from real estate construction contracts which are in the progress of construction over time. The Group measures the progress of completion of the construction contracts based on the satisfaction of performance obligations as stated in the contracts. Contract assets are recognized during the construction and are reclassified to trade receivable at the point at which the customer is invoiced. If the milestone payments exceed the revenue recognized to date, then the Group recognizes contract liabilities for the difference. Certain payments, which are retained by the customer as specified in the contract, are intended to ensure that the Group adequately completes all of its contractual obligations. Such retention receivables are recognized as contract assets until the Group satisfies its performance obligations.

When the outcome of a performance obligation cannot be reasonably measured, contract revenue is recognized only to the extent of contract costs incurred in satisfying the performance obligation for which recovery is expected.

4) Business on the development of industrial districts

The Group is authorized to develop and sell the development of industrial districts, whose accounting affairs are processed individually. Input costs of each industrial zone debit accounts receivable on the development of industrial districts; the price of land was paid by the purchaser, and the cost of development credits accounts payable for the development of industrial districts. When vendors pay off the price, accounts receivable on the development of industrial districts will be charged off. If the balance remains, the committee of industrial zone development and administration fund will be remitted.

Business on the development of industrial districts is charged by appointment contracts and related laws, which recognized in agency fee revenue included in other operating revenue of current year.

p. Buildings and land held for sale, net

Buildings and land held for sale, net is stated at the lower of cost or net realizable value. Comparing costs with net realizable value is based on individual item. The net realizable value is the estimated selling price less the selling expense. The cost is calculated by the specific identification method when selling.

q. Construction contracts

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognized with reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred to date relative to the estimated total contract costs, expect for the stage of completion which isn’t representative. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably, and its receipt is considered probable.

When the outcome of a construction contract can be estimated reliably, revenue from cost-plus contracts is recognized with reference to the recoverable costs incurred during the period plus the fees earned, measured according to the proportion of the costs incurred to date to the estimated total costs of the contract.

When it is probable that total contract costs will exceed the total contract revenue, the expected loss is recognized as an expense immediately.

When contract costs incurred to date plus the recognized profit less the recognized deficits exceed progress billings, the surplus is shown as the gross amount due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus the recognized profit less the recognized deficits, the surplus is shown as the gross amount due to customers for contract work. Amounts received before the related work is performed are included in the consolidated balance sheets as a liability under contract liabilities. Amounts billed for work performed but not yet paid by customers are included in the consolidated balance sheets under trade receivables.

r. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

For a contract that contains a lease component and non-lease components, the Group allocates the consideration in the contract to each component on the basis of the relative stand-alone price and accounts for each component separately.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Group subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessor, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Lease payments less any lease incentives payable from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

When a lease includes both land and building elements, the Group assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated to the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably to the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments and in-substance fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee’s incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in future lease payments resulting from a change in a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the consolidated balance sheets.

The Group negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2022, that results in the revised consideration for the lease less than, the consideration for the lease immediately preceding the change. There is no substantive change to other terms and conditions. The Group elects to apply the practical expedient to all of these rent concessions for lease contracts and, therefore, does not assess whether the rent concessions are lease modifications. Instead, the Group recognizes the reduction in lease payment in profit or loss, in the period in which the events or conditions that trigger the concession occur, and makes a corresponding adjustment to the lease liability.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

s. Borrowing costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

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

t. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intend to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

u. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

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

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and past service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

v. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (refundable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

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

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

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

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

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

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group’s accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Key Sources of Estimation Uncertainty

a. Construction contracts

Contract revenue and costs are recognized by reference to the stage of completion of each contract. The degree of completion of a contract is measured based on the satisfaction of performance obligations stated in the contract.

The estimated total contract costs and contractual items are assessed and determined by management, based on the nature of the work, expected sub-contracting charges, construction periods, processes, methods, etc., for each construction contract. Changes in these estimates might affect the calculation of the percentage of completion and related profit and loss from the construction contracts.

b. Write-down of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and historical experience in the sale of product of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2022	**2021**
Cash on hand	$ 7,361	$ 9,214
Checking accounts and demand deposits	3,764,376	2,919,696
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	417,806	66,512
	$ 4,189,543	$ 2,995,422

The market rate intervals of bank deposits at the end of the reporting period was as follows:

	December 31	
	2022	**2021**
Bank deposits	0.005%-0.455%	0.005%-0.200%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT

	December 31	
	2022	**2021**
Financial assets at FVTPL		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic listed shares	$ -	$ 6,060
Domestic unlisted shares	-	2,369,559
Mutual funds	4,142	4,587
	$ 4,142	$ 2,380,206

The board of directors of the Group’s equity-method investee Core Pacific City Co., Ltd. (“Core Pacific City”) resolved to repurchase 10,591 thousand shares of its common stock, resulting in an increase in the Group’s shareholding from 23.51% to 23.76% on August 13, 2021. In addition, Core Pacific City’s preference shares were converted into ordinary shares, the Group held less from 23.76% to 15.34% of its voting rights and consequently ceased to have significant influence over the change to financial assets at FVTPL on October 22, 2021. The fair value of the remaining 15.34% of the shares at the date of disposal was $3,908,303 thousand, and the amount of profit or loss recognized in 2021 for this transaction was calculated as follows:

	For the Year Ended December 31, 2021
Proceeds from disposal	$ -
Add: Fair value of retained investment (15.34%)	3,908,303
Less: Carrying amount of investment on the date of loss of significant influence	(1,058,953)
Gain recognized (other gains and losses)	$ 2,849,350

In order to activate shareholders’ funds and adjust the capital structure, Core Pacific City resolved to apply a capital reduction to offset deficit and capital reduction by cash to return investments in the extraordinary general meeting on November 8, 2021. The record date for capital reduction was also November 8, 2021. Following the resolution of the meeting, shares of Core Pacific City held by the Group and Core Pacific World Co., Ltd. were converted into ordinary shares, and $1,532,692 thousand of cash returns from capital reduction of investments had been fully collected on November 11, 2021.

The appropriations of earnings for 2021 were approved by Core Pacific City’s shareholders in their meeting on February 23, 2022. The Corporation and Core Pacific World Co., Ltd. received cash dividends of $2,350,388 thousand in accordance with the above resolution of the shareholders’ meeting, which was received in full on February 25, 2022.

On May 24, 2022, the Group disposed of all the shares of a subsidiary of the Corporation, Core Pacific City to Glory Construction Co., Ltd. The amount of proceeds from the disposal was $21,455 thousand and the fair value was $21,520 thousand at the date of disposal, and the amount of profit or loss recognized in 2022 for this transaction was calculated as follows:

	For the Year Ended December 31, 2022
Proceeds from disposal	$ 21,455
Less: Fair value of retained investment (15.34%)	(21,520)
Lose recognized (other gains and losses)	$ (65)

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments At FVTOCI

	December 31	
	2022	**2021**
Current		
Domestic investments		
Listed shares	$ 1,214,472	$ 1,081,055
Non-current		
Domestic investments		
Listed shares	$ 1,808,411	$ 1,635,700
Unlisted shares	104,762	99,015
The investment case of movie - The M Riders	-	-
	$ 1,913,173	$ 1,734,715

These investments in Taiwan Business Bank, China Petrochemical Development Corporation (the "China Petrochemical Development"), Century Development Corporation, and Overseas Investment & Development Corporation are not held for trading. Instead, they are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

The Group participated in cash capital increase of China Petrochemical Development by subscribing for the shares as specific person was $770,870 thousand on December 17, 2021, and refunded of subscription amount of $81,736 thousand on January 26, 2022, and the related registration of the aforementioned transactions has been completed.

Refer to Note 35 for information relating to investments in equity instruments at FVTOCI pledged as security.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2022	**2021**
Current		
Domestic investments		
Time deposits with original maturities of more than 3 months (a)	$ 1,515,466	$ 2,721,243
Others (b)	2,425,731	1,971,497
	$ 3,941,197	$ 4,692,740
Non-current		
Domestic investments		
Time deposits with original maturities of more than 3 months (a)	$ 142	$ 2,301
Others (b)	631,820	1,990
	$ 631,962	$ 4,291

a. The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 0.002%-2.750% and 0.002%-2.800% per annum as of December 31, 2022 and 2021, respectively.

b. Restricted deposits and reserve account for trusts.

Refer to Note 35 for information relating to investments in financial assets at amortized cost pledged as security.

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND CONSTRUCTION RECEIVABLES

	December 31	
	2022	2021
Notes receivable		
Notes receivable	$ 61	$ 1,154
Trade receivables		
At amortized cost		
Gross carrying amount	95,823	109,173
Less: Allowance for impairment loss	(400)	(12,666)
	95,423	96,507
Notes receivable and trade receivables	$ 95,484	$ 97,661
Construction receivables	$ 2,603,165	$ 2,286,738

Trade Receivables and Construction Receivables

The average credit period granted by the Group for sales of its products is 90 days; assessment of impairment of accounts receivable is based on aging analysis, past experience and the client's current financial condition on an individual basis to estimate the uncollectible amounts.

When deciding the collectability of trade receivables, the Group takes the change of credit quality from the grant date of trade receivables to the balance sheet date in consideration. Past experience shows that, unless the traders are government entities which have good credit quality and are evaluated not to recognize allowance for doubtful accounts, the Group evaluates the uncollectible amounts in the future and recognizes appropriate allowance for doubtful accounts in principle.

Expect for individually recognizing appropriate allowance for doubtful accounts, which is based on objective evidence showing that trade receivables of specific trader is uncollectible, recognizing allowance for doubtful accounts is based on past experience of collective evaluation. The Group then distinguishes customers into different risk groups and recognizes allowance loss by expected loss rate.

At the balance sheet date, no allowance for doubtful accounts was recognized for some past-due trade receivables and construction receivables because there were no significant changes in credit quality, the amounts outstanding were still considered recoverable, and there was no indication of impairment of these receivables.

The Group writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The aging of receivables, net was as follows:

	December 31	
	2022	2021
Not past due	$ 2,697,808	$ 2,382,255
Less than 60 days	644	870
61-90 days	-	-
90-120 days	3	-
Past due over 120 days	133	120
	$ 2,698,588	$ 2,383,245

The movements of the loss allowance of trade receivables were as follows:

	December 31	
	2022	2021
Balance at January 1	$ 12,666	$ 12,829
Add: Net remeasurement of loss allowance	159	-
Less: Amounts written off	(12,425)	-
Less: Net remeasurement of loss allowance	-	(163)
Balance at December 31	$ 400	$ 12,666

11. ACCOUNTS RECEIVABLE ON THE DEVELOPMENT OF INDUSTRIAL DISTRICTS

	December 31	
	2022	2021
Chung Hua Coastal Industrial Park	$ 971,231	$ 4,130,336
Yunlin Technology-based Industrial Park	147	-
Other industrial districts	1,926,669	1,946,867
	$ 2,898,047	$ 6,077,203

The Group’s development costs (including interest) amounted to $3,500,381 thousand in 2022 and $899,934 thousand in 2021, and the amounts collected were $6,679,537 thousand in 2022 and $1,817,773 thousand in 2021.

The Group’s receivables on the development of industrial districts are mainly funded by advanced cash and interest from the Industrial Bureau of the Ministry of Economic Affairs. After assessing the following factors, there is no need to provide an allowance for bad debts:

a. The price of land in an industrial zone is based on the estimated total development costs. All the interest generated from the development costs after the settlement base date are in response to the price adjustment mechanism used for adding the interest month by month and are a basis for reflecting the accurate price of an industrial zone at various points in time. The price paid by the vendors are included in the interest generated from the development costs after the settlement base date. The Development Bureau of the Ministry of Economic Affairs implements a land lease plan in an industrial zone, and the development costs of the entrusted development unit is also calculated based on the price in the month in which the manufacturers sign the lease. Land rental income is simply one of the advanced repayments of the development costs and can still be returned through other relevant alternative measures.

b. As industrial zone development contracts are civil law appointment contracts, all the authorized development units are not subject to the risk of profit and loss. This is because the fees paid by the appointed firms are legally required and reimbursed from the appointing party which is a government agency and such an agent's credit is unquestionable.

c. Development contracts only stipulate that development units may use advanced prepayments to process the development costs of the land sale price. Additionally, rental income from the land is not required to be the only repayment source. Industrial zone development is the government's method of promoting the industrial development policy. Thus, the government shall adopt countermeasures to solve problems such as sluggish sale of land in industrial zones or higher than market rental or selling prices leading to unsaleable land in industrial zones. The recovery funds that are entrusted to development units do not necessarily directly correlate with whether the land can be sold successfully.

d. The Group's receivables on the development of industrial districts have no bad debt history. Also, the Industrial Bureau of the Ministry of Economic Affairs has not stated or shown that it will not repay the development costs to the Group. Moreover, the funds will be recovered successively, and some of the cases have been fully recovered.

In summary, there is no major doubt or uncertainty regarding the recovery of advanced development repayments for industrial zone development, and thus, allowance for bad debts is not required.

Accounts receivable on the development of industrial districts as collateral for borrowings are set out in Note 35.

12. BUILDINGS AND LAND HELD FOR SALE, NET AND CONSTRUCTION IN PROGRESS

	Buildings and Land Held for Sale	Construction in Progress		
		Cost of Land	Cost of Construction	Total
December 31, 2022				
Self-construction on self-possessed land	$ 411,905	$ 1,244,634	$ 1,510,060	$ 2,754,694
Joint construction	11,419,406	115,830	2,067,198	2,183,028
Undefined use	-	25,236	-	25,236
	$ 11,831,311	$ 1,385,700	$ 3,577,258	$ 4,962,958
December 31, 2021				
Self-construction on self-possessed land	$ 411,723	$ 1,244,634	$ 598,625	$ 1,843,259
Joint construction	11,438,698	79,481	1,165,742	1,245,223
Undefined use	-	25,236	-	25,236
	$ 11,850,421	$ 1,349,351	$ 1,764,367	$ 3,113,718

The Group's investments in the above buildings and land are specifically held for sales purposes, and the allowance for decline in value were both $39,245 thousand as of December 31, 2022 and 2021.

In November 2009, the Group acquired lots in the Zhengyi Section, Taipei City, and are in the process of contacting the landlords to discuss a new integrated development plan after the completion of the cooperative housing or urban renewal procedures.

In February 2011, the Group started to process an urban renewal plan for Yan Shou Public Housing located on land numbers 57-2, 57-13 and 57 in the Baoqing Section, Taipei City.

a. The Group acquired the joint-construction agreements for land number 57-2 from the majority of the landlords. The Group completed an urban renewal plan in accordance with the laws and regulations and applied for registration of property rights in September 2021. The construction for this land was reclassified as buildings and land held for sale.

b. The Group acquired the joint-construction agreements for land number 57-13 from the majority of the landlords. The application of the urban renewal business plan was completed in October 2013, and the approval was received in December 2015; the transfer of ownership rights was approved in December 2018; the approval letter was received on January 23, 2019; the construction license was approved on June 13, 2019; the first public coordination meeting was held on September 26, 2019; the demolition review meeting was passed on December 10, 2019; the relocation was completed in March 2020; the demolition of the buildings was completed in July 2020. On September 6, 2022, the beam erection ceremony was held, and the structural work was still in progress on December 31, 2022.

c. The Group acquired the joint-construction agreements for land number 57 from the majority of the landlords. The application of the urban renewal business plan was completed in December 2014, and the approval was received in June 2017; the transfer of ownership rights was submitted for approval in October 2018; the public hearing was held in February 2019; the hearing meeting was convened on December 23, 2019; the approval letter was received on April 22, 2020; the construction license was approved on June 21, 2021; the first public coordination meeting was held on August 31, 2021; the negotiated integration with tenants was completed on December 29, 2021; the relocation was completed in June 2022; the demolition of the buildings was still in progress on December 31, 2022.

In 2015, the Group started to process three urban renewal plans located on the land, plot number 316, in the Nangang Section, Taipei City. The urban renewal business plans were submitted to the authorities for approval in December 2015. The second hearing meeting was in December 2017, and the plan review meeting was held on December 9, 2019; the public hearing of the transfer of ownership rights was held on November 28, 2020; the house selection was completed in January 2021; the public hearing was held on May 20, 2022. As of December 31, 2022, the transfer of ownership rights was approved after being reviewed.

The land development plan of Peibo Section in Tucheng District was approved by the Corporation’s board of directors and authorized for issue on May 13, 2020, and the demolition of the buildings was completed in June 2020; the public hearing was held on April 27, 2021. On May 27, 2022, the change of design was reviewed and completed, and the application for a new construction license was still pending as of December 31, 2022.

The Group was awarded a tender for the urban renewal of public and private land in No. 290, Dongsheng Section, Shulin District, New Taipei City on October 13, 2021. The contract with New Taipei City Government was signed on December 24, 2021. As December 31, 2022, an application for the change of scope was submitted to the Bureau of Finance.

The board of directors approved the urban renewal project for the land in Section 135-1, Subsection 1, Dunhua Section, Songshan District, Taipei City on May 11, 2022, and as of December 31, 2022, the application was submitted for the urban renewal business plan.

As of December 31, 2022 and 2021, the interest expense before capitalization was $236,295 thousand and $176,192 thousand, respectively; the capitalized construction interest was $52,456 thousand and $25,910 thousand, respectively; the capitalization rates per annum were 2.053%-2.072% and 1.745%-2.347%, respectively.

Refer to Note 35 for information about buildings and land held for sale, net pledged as security.

13. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

Investor	Investee	Main Business	% of Ownership December 31 2022	% of Ownership December 31 2021	Remark
BES Engineering Corporation	Core Pacific World Co., Ltd.	Makes investments	99.95	99.95	-
	BES Machinery Co., Ltd.	Leases engineering machinery and equipment, and wholesale construction materials and provides consulting service for designing and planning projects, except for certain architectural matters	-	99.35	Notes 3 and 4
	BES Investment Company Ltd.	Overseas construction and equipment sale	100.00	100.00	Note 2
	BES Logistics International Co., Ltd.	Makes investments	100.00	100.00	-
	Core Asia Human Resources Management Co., Ltd.	Consultancy on business administration and investments	100.00	100.00	-
	Chung Kung Safeguarding & Security Corp.	Security and related services	64.67	64.67	-
	Cinemark-Core Pacific, Ltd.	Movie broadcasting and related businesses	78.14	15.38	Notes 1 and 4
	BES Construction Corporation (U.S.A.)	Develops lands for investments	91.79	91.79	Note 1
	BES Global Investment Co.	Overseas construction and equipment sale	100.00	100.00	-
	BESM Holding Co., Ltd.	Holds investments	100.00	-	Note 4
Core Pacific World Co., Ltd.	Zhong Hua Cheng Development Co., Ltd.	Consulting	100.00	100.00	-
	Chinese City International Investment Co., Ltd.	Consulting	100.00	100.00	-
BES Machinery Co., Ltd.	BESM Holding Co., Ltd.	Holds investments	-	100.00	Note 4
	Cinemark-Core Pacific, Ltd.	Movie broadcasting and related businesses	-	62.76	Notes 1 and 4
Cinemark-Core Pacific, Ltd.	Cinema 7 Theater Co., Ltd.	Movie broadcasting and retail sale of food products and groceries	100.00	100.00	-
Core Asia Human Resources Management Co., Ltd.	Elite Human Resources Management Co., Ltd.	Human resource consulting	100.00	100.00	-
Chung Kung Safeguarding & Security Corp.	Chung Kung Management Consultant Co., Ltd.	Business management consulting and running parking lots	100.00	100.00	-
	Chung Kung Management and Maintenance of Apartment Co., Ltd.	Manages apartment maintenance and renders related services	37.00	37.00	Note 1
Chung Kung Management Consultant Co., Ltd.	Chung Kung Management and Maintenance of Apartment Co., Ltd.	Manages apartment maintenance and renders related services	63.00	63.00	Note 1
BES Investment Company Ltd.	BES Construction Corporation (U.S.A.)	Develops lands for investments	8.21	8.21	Note 1
	Global BES Engineering (Myanmar) Co., Ltd.	Engineering and construction	100.00	100.00	-
	BES Engineering Vietnam Co., Ltd.	Engineering and construction	100.00	100.00	Note 2
Chinese City International Investment Co., Ltd.	Hua Cheng Consulting (Changshu) Co., Ltd.	Provides engineering consulting services.	100.00	100.00	-
Zhong Hua Cheng Development Co., Ltd.	Core Pacific Consulting (Changshu) Co., Ltd.	Provides engineering consulting services	100.00	100.00	-

Remark:

Note 1: The Group holds more than 50% of the investee's shares; thus, this investee was included in the consolidated financial statements.

Note 2: The board of directors of the Corporation resolved to increase its capital investment of BES Investment Company Ltd. by US$27 million on June 10, 2021, and then invested US$25 million in BES Engineering Vietnam Co., Ltd. The related procedures was completed in 2021.

Note 3: BES Machinery Co., Ltd. purchased 86,850 treasury shares for $964 thousand in March 2022, resulting in an increase in the Group's shareholding in BES Machinery Co., Ltd. from 99.35% to 99.46%. On December 29, 2021, the board of directors resolved to merge with BES Machinery Co., Ltd. in view of the Group's organizational adjustment. The record date of the merger was March 25, 2022. After the merger, the Corporation was the surviving Corporation and BES Machinery Co., Ltd. was the dissolved corporation.

On March 25, 2022, the Corporation acquired 0.54% of the shares of BES Machinery Co., Ltd. for $4,563 thousand, increasing its shareholding from 99.46% to 100.00%. The Corporation also merged with BES Machinery Co., Ltd. in accordance with the Business Mergers and Acquisitions Act, refer to consolidated financial statements for the year ended December 31, 2022 in Note 31.

Note 4: On March 25, 2022, the Corporation acquired 62.76% of the ownership of Cinemark-Core Pacific, Ltd. and 100% of the ownership of BESM Holding Co., Ltd, through a business merger with BES Machinery Co., Ltd. After the merger, the Corporation holds 78.14% and 100.00% of the above shares, respectively.

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investment in associates

	December 31	
	2022	2021
Associates that are not individually material	$ 1,591,585	$ 1,638,812

Aggregate information of joint ventures that are not individually material

	For the Year Ended December 31	
	2022	2021
The Group's share of:		
Loss for the year	$ (20,046)	$ (3,519)
Other comprehensive income (loss)	(27,181)	(5,850)
Total comprehensive income (loss) for the year	$ (47,227)	$ (9,369)

15. JOINT OPERATIONS

Some of the Group's construction projects are joint construction projects, and the Group signed cooperation agreements with participating contractors to form a single operating unit and adopted the operating model of joint contracting and also independently set up accounting records. The joint contractor, construction assets and liabilities and details of the amounts the Group made in proportion to its interest in the joint agreements are as follows:

a. Yulon Town Joint Venture

The Group and Taiwan Kumagai Co., Ltd. jointly contracted the main construction of the Yulon Town Development Project in the commercial area (the "Yulon Town Joint Venture"), which was entrusted by Yulon Motor Co., Ltd. The Group and Taiwan Kumagai Co., Ltd. signed the joint venture contract in December 2018, and had 30% and 70% interest in the joint venture, respectively. The related assets, liabilities, revenue, and expenses relating to the joint venture operations in the consolidated financial statements are shown below:

	December 31	
	2022	2021
Assets		
Cash and cash equivalents	$ 67,162	$ 91,651
Construction receivables	10,997	14,421
Contract assets - current	85,928	81,043
Other current assets	2	192
Refundable deposits	-	599
	$ 164,089	$ 187,906

(Continued)

	December 31	
	2022	2021
Liabilities		
Trade payables	$ 702	$ 1,084
Accrued expenses	269	1,308
Contract liabilities - current	77,110	104,100
Other current liabilities	3,535	3,496
	$ 81,616	$ 109,988

(Concluded)

	For the Year Ended December 31	
	2022	2021
Construction revenue	$ 60,042	$ 364,550
Construction cost	$ 56,020	$ 330,089
Interest income	$ 86	$ 15

b. Twin Tower Joint Venture

The Group, Taiwan Kumagai Co., Ltd. (Kumagai) and Jeou Nien Construction Co., Ltd. (Jeou Nien) jointly contracted the main construction of the Taipei City West District Gateway Project, Taipei Station Specific Dedicated Area C1/D1 (East Half Street Profile) Land Development Project, which was entrusted by Taipei Twin Towers Co., Ltd. In May 2022, the Group, Kumagai and Jeou Nien signed the joint venture contract and had 33%, 35% and 32% interest in the joint venture, respectively. The assets and liabilities relating to the joint venture operations in the assets and liabilities statements are shown below:

	December 31, 2022
Assets	
Cash and cash equivalents	$ 3,179
Construction receivables	14,672
Other current assets	2,747
Refundable deposits	65
	$ 20,663
Liabilities	
Trade payables	$ 35
Accrued expenses	4
Contract liabilities - current	3,144
Other current liabilities	8
	$ 3,191

	For the Year Ended December 31, 2022
Construction revenue	$ 13,401
Construction cost	$ 13,308
Interest income	$ 9

c. Core Pacific Living City Yangzhou CBD business in A6 district

In June 2012, the subsidiaries of Core Pacific Consulting (Changshu) Co., Ltd. and Hua Cheng Consulting (Changshu) Co., Ltd. signed an agreement with Core Pacific Living City Yangzhou CBD regarding a joint operation development of Core Pacific Living City Yangzhou CBD business in A6 district and a residence hotel. Based on the agreement, Core Pacific Consulting (Changshu) Co., Ltd. and Hua Cheng Consulting (Changshu) Co., Ltd. each own 7.5% of the interest, and Core Pacific Living City Yangzhou CBD has an 85% interest. As well, the Group signed the joint control operation agreement which has an expected duration of 5 years. This contract may be terminated early only under mutual agreement. Any profit or loss on this project will be shared at a percentage based on the contribution of each party.

The agreement expired in July 2017, and the Group's capital contribution reached 22.5%. The principal and expected interest amounted to $576,384 thousand and was paid in August 2017. Meanwhile, an asset valuation was performed and completed on September 30, 2017. As of December 31, 2022, the actual profit-sharing settlement is still underway due to calculation of the land value increment tax. The expected interest recognized in other liabilities - current is estimated at $71,217 thousand.

16. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery and Equipment	Other Equipment	Property under Construction	Total
Cost						
Balance at January 1, 2021	$ 2,766,404	$ 642,748	$ 814,421	$ 347,480	$ 8,534	$ 4,579,587
Additions	1,680	-	54,182	6,395	847	63,104
Disposals	(3,276)	-	(4,912)	(460)	-	(8,648)
Transfers to inventories	-	-	(13,596)	-	-	(13,596)
Reclassification	-	-	1,800	-	(1,800)	-
Effect of foreign currency exchange differences	-	-	(16)	-	-	(16)
Balance at December 31, 2021	$ 2,764,808	$ 642,748	$ 851,879	$ 353,415	$ 7,581	$ 4,620,431
Accumulated depreciation						
Balance at January 1, 2021	$ 3,004	$ 390,305	$ 668,585	$ 297,611	$ -	$ 1,359,505
Depreciation expense	231	15,611	49,004	5,679	-	70,525
Disposals	(2,948)	-	(4,625)	(413)	-	(7,986)
Transfers to inventories	-	-	(11,670)	-	-	(11,670)
Effect of foreign currency exchange differences	-	-	(15)	-	-	(15)
Balance at December 31, 2021	$ 287	$ 405,916	$ 701,279	$ 302,877	$ -	$ 1,410,359
Balance at December 31, 2021, net	$ 2,764,521	$ 236,832	$ 150,600	$ 50,538	$ 7,581	$ 3,210,072

(Continued)

	Freehold Land	Buildings	Machinery and Equipment	Other Equipment	Property under Construction	Total
Cost						
Balance at January 1, 2022	$ 2,764,808	$ 642,748	$ 851,879	$ 353,415	$ 7,581	$ 4,620,431
Additions	-	1,677	29,834	4,091	8,587	44,189
Disposals	-	(42,995)	(331,734)	(7,796)	-	(382,525)
Transfers to investment properties	(40,883)	(148,620)	-	-	-	(189,503)
Reclassification	-	-	8,661	(880)	(7,781)	-
Effect of foreign currency exchange differences	-	-	48	4	-	52
Balance at December 31, 2022	$ 2,723,925	$ 452,810	$ 558,688	$ 348,834	$ 8,387	$ 4,092,644
Accumulated depreciation						
Balance at January 1, 2022	$ 287	$ 405,916	$ 701,279	$ 302,877	$ -	$ 1,410,359
Depreciation expense	299	15,343	45,057	4,484	-	65,183
Disposals	-	(42,996)	(328,818)	(7,114)	-	(378,928)
Transfers to investment properties	-	(93,519)	-	-	-	(93,519)
Reclassification	-	-	668	(668)	-	-
Effect of foreign currency exchange differences	-	-	48	4	-	52
Balance at December 31, 2022	$ 586	$ 284,744	$ 418,234	$ 299,583	$ -	$ 1,003,147
Balance at December 31, 2022, net	$ 2,723,339	$ 168,066	$ 140,454	$ 49,251	$ 8,387	$ 3,089,497

(Concluded)

No impairment assessment was performed for the years ended December 31, 2022 and 2021 since there was no indication of impairment.

Property, plant and equipment are depreciated using the fixed-percentage-on-declining-balance-method and on a straight-line basis over their estimated useful lives as follows:

Land improvements	8-40 years
Buildings	
Main buildings	60 years
Air-conditioning equipment	3 years
Machinery and equipment	2-13 years
Other equipment	2-20 years

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 35.

17. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2022	2021
Carrying amount		
Land	$ 38,498	$ 44,184
Buildings	167,769	157,203
Machinery	-	34
Transportation equipment	28,021	26,504
	$ 234,288	$ 227,925

	For the Year Ended December 31	
	2022	2021
Additions to right-of-use assets	$ 90,434	$ 34,081
Decrease in right-of-use assets	$ 4,860	$ 952
Depreciation charge for right-of-use assets		
Land	$ 7,121	$ 9,225
Buildings	54,203	48,805
Machinery	34	414
Transportation equipment	17,857	17,129
	$ 79,215	$ 75,573

b. Lease liabilities

	December 31	
	2022	2021
Carrying amount		
Current	$ 71,090	$ 66,025
Non-current	$ 174,117	$ 172,469

Range of discount rates for lease liabilities was as follows:

	December 31	
	2022	2021
Land	2.10%-2.80%	2.40%-2.80%
Buildings	2.10%-4.75%	2.00%-4.75%
Machinery	-	2.80%
Transportation equipment	2.10%-2.90%	2.00%-2.90%

c. Material leasing activities and terms

Because of the market conditions severely affected by COVID-19 in 2021, the Group negotiated with the lessor for rent concessions for its lease of land. The lessor agreed to provide unconditional rent reductions. The Group recognized in profit or loss the impact of rent concessions of $3,336 thousand in 2021.

d. Subleases

The Group subleases its right-of-use assets for buildings under operating leases with lease terms of 1 to 3 years.

The maturity analysis of lease payments receivable under operating subleases was as follows:

	December 31	
	2022	2021
Year 1	$ 2,066	$ 1,470
Year 2	646	360
Year 3	320	-
	$ 3,032	$ 1,830

e. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties are set out in Note 18.

	For the Year Ended December 31	
	2022	**2021**
Expenses relating to short-term leases	$ 6,047	$ 7,089
Expenses relating to low-value asset leases	$ 477	$ 572
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 138,653	$ 187,246
Total cash outflow for leases	$ (230,218)	$ (271,492)

18. INVESTMENT PROPERTIES

	Completed Investment Properties
Cost	
Balance at January 1, 2021	$ 1,037,242
Transfers from advance real estate payment	217,111
Effect of foreign currency exchange differences	(2,386)
Balance at December 31, 2021	$ 1,251,967
Accumulated depreciation	
Balance at January 1, 2021	$ 208,605
Depreciation expense	14,609
Effect of foreign currency exchange differences	(276)
Balance at December 31, 2021	$ 222,938
Balance at December 31, 2021, net	$ 1,029,029
Cost	
Balance at January 1, 2022	$ 1,251,967
Disposals	(3,447)
Transfers from property, plant and equipment	189,503
Effect of foreign currency exchange differences	4,627
Balance at December 31, 2022	$ 1,442,650

(Continued)

	Completed Investment Properties
Accumulated depreciation	
Balance at January 1, 2022	$ 222,938
Disposals	(3,447)
Transfers from property, plant and equipment	93,519
Depreciation expense	15,744
Effect of foreign currency exchange differences	675
Balance at December 31, 2022	$ 329,429
Balance at December 31, 2022, net	$ 1,113,221

(Concluded)

No impairment assessment was performed for the years ended December 31, 2022 and 2021 as there was no indication of impairment.

Investment properties are depreciated using the fixed-percentage-on-declining-balance-method and on a straight-line basis over their estimated useful lives as follows:

Land improvements	8-40 years
Buildings	
Main buildings	60 years
Air-conditioning equipment	3 years

The maturity analysis of lease payments receivable under operating leases of investment properties at December 31, 2022 and 2021, respectively, was as follows:

	December 31	
	2022	2021
Not later than 1 year	$ 101,473	$ 88,464
Later than 1 year and not later than 5 years	77,038	143,388
	$ 178,511	$ 231,852

The fair values of investment properties were arrived at on the basis of valuations carried out as of December 2022 and 2021 by independent and qualified professional appraiser. The fair values are shown below:

	December 31	
	2022	2021
Fair value	$ 5,953,397	$ 5,645,456

The market for some investment properties of the Group is inactive and alternative reliable measurements of fair value are not available; therefore, the Group determined that the fair value of the investment properties is not reliably measurable.

The Group held freehold interests in all of its investment properties. The carrying amounts of investment properties pledged by the Group to secure its borrowings are shown in Note 35.

19. BORROWINGS

a. Short-term borrowings

	December 31 2022	December 31 2021
Secured borrowings		
Bank loans	$ 4,200,000	$ 2,255,064
Bank overdrafts	-	290,049
	4,200,000	2,545,113
Unsecured borrowings		
Line of credit borrowings	514,000	500,000
	$ 4,714,000	$ 3,045,113

The short-term borrowings were pledged by some of the Group's bank deposits, shares held by the Group, time deposits, buildings and land held for sale, freehold land, buildings. (Refer to Note 35).

The range of weighted average effective interest rate on bank loans was 1.540%-3.101% and 1.350%-2.750% per annum at December 31, 2022 and 2021, respectively.

b. Short-term bills payable

	December 31 2022	December 31 2021
Commercial paper	$ 1,051,000	$ 2,540,000
Less: Unamortized discounts on bills payable	(949)	(8,029)
	$ 1,050,051	$ 2,531,971

Outstanding short-term bills payable were as follows:

December 31, 2022

Promissory Institution	Nominal Amount	Discount Amount	Carrying Value	Interest Rate	Collateral	Carrying Value of Collateral
Commercial paper						
Mega Bills Finance	$ 500,000	$ 305	$ 499,695	2.440%	Note 1	Note 1
Mega Bills Finance	237,000	264	236,736	2.500%	Note 1	Note 1
Taiwan Finance Corporation	314,000	380	313,620	2.720%	Note 2	Note 2
	$ 1,051,000	$ 949	$ 1,050,051			

Note 1: The loan is collateralized by land and buildings in Xinyi Section 3, Xinyi District, Taipei City with a total book value of $1,828,647 thousand.

Note 2: The loan is collateralized by land and buildings in Xinyi Section 3, Xinyi District, Taipei City and a total of 5,207 thousand shares of Taipei Business Bank with a total book value of $942,379 thousand.

December 31, 2021

Promissory Institution	Nominal Amount	Discount Amount	Carrying Value	Interest Rate	Collateral	Carrying Value of Collateral
Commercial paper						
International Bills Finance Corporation	$ 800,000	$ 1,342	$ 798,658	2.230%	Note 1	Note 1
Mega Bills Finance	450,000	1,835	448,165	1.800%	Land and building	$ 499,746
Shanghai Commercial & Savings Bank, Ltd. - Tien Mou Branch	450,000	2,666	447,334	1.910%	Land and building	815,731
Taiwan Finance Corporation	390,000	597	389,403	2.112%	Note 2	Note 2
Shanghai Commercial & Savings Bank, Ltd. - Tien Mou Branch	250,000	1,253	248,747	1.610%	Note 3	Note 3
Taiwan Finance Corporation	200,000	336	199,664	2.230%	Note 1	Note 1
	$ 2,540,000	$ 8,029	$ 2,531,971			

Note 1: The bills payable to International Bills Finance Corporation and Taiwan Finance Corporation were part of the same loan limit of the $2 billion syndicated loan under Entie Commercial Bank, which were collateralized by receivables from the Xianxi and Lunwei Districts in Chung Hua Coastal Industrial Park with a total book value of $4,130,336 thousand.

Note 2: The loan is collateralized by land and buildings in Xinyi Section 3, Xinyi District, Taipei City and a total of 5,207 thousand shares of Taipei Business Bank with a total book value of $913,013 thousand.

Note 3: A total of 38,775 thousand shares of China Petrochemical Development Corporation with book value of $509,891 thousand have been pledged as collateral.

The short-term bills payable were pledged by listed stocks, receivables (recognized as accounts receivable on the development of industrial districts), buildings and land held for sale, freehold land and buildings. (Refer to Note 35)

c. Long-term borrowings

	December 31	
	2022	2021
Secured borrowings		
Bank loans	$ 4,397,569	$ 5,462,555
Unsecured borrowings		
Bank loans	1,403,648	597,315
	5,801,217	6,059,870
Less: Current portion	(57,057)	(746,870)
Long-term borrowings	$ 5,744,160	$ 5,313,000

The long-term borrowings were pledged by some of the Group's bank deposits, receivables (recognized as accounts receivable on the development of industrial districts), buildings and land held for sale, freehold land and buildings and time deposits (refer to Note 35). As of December 31, 2022 and 2021, the effective annual interest rate ranges were 2.115%-4.000% and 1.490%-4.000%, respectively.

20. TRADE PAYABLES

	December 31	
	2022	2021
Trade payables		
Operating	$ 4,292,669	$ 4,613,161

Accounts payable classified as construction retainage received was $1,979,280 thousand as of December 31, 2022 and $1,769,279 thousand as of December 31, 2021. Construction retainage received, which is interest free, will be paid for each construction contract at the end of the construction retainage period. The warranty period is the Group's normal operating cycle, which normally exceeds one year. Related information on construction contracts is shown in Table 1 following the notes to consolidated financial statements.

21. ACCOUNTS PAYABLE FOR THE DEVELOPMENT OF INDUSTRIAL DISTRICTS

	December 31	
	2022	2021
Litzer Industrial District	$ 2,400	$ 1,088,001
Yunlin Technology-based Industrial Park	-	877,719
Other Industrial Districts	15,963	15,963
	$ 18,363	$ 1,981,683

The accounts payable (receivable) for the development of industrial districts amounted to $37,598 thousand in 2022 and $53,810 thousand in 2021. The input costs were $5,589 thousand in 2022 and $15,154 thousand in 2021. The amount balance paid in 2022 was $1,995,329 thousand.

22. PROVISIONS

	December 31	
	2022	2021
Current		
Warranties	$ 492,541	$ 461,341
Non-current		
Long-term provision for the judgment of legal procedures	$ 971,846	$ 984,074

The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under the Group's obligations for warranties under contracts for the sale of goods. The estimate has been made on the basis of historical warranty trends.

The long-term provision for the judgment of legal procedures was based on the litigation of the recognition of construction overdue between the management of the Group and the owner. To make provisions for contingent losses due to lawsuits which are likely to occur in the future.

23. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Corporation and its domestic subsidiaries of the Group adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Group makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

For 2022 and 2021, two of the Corporation's subsidiaries - Core Pacific Consulting (Changshu) Co., Ltd., Hua Cheng Consulting (Changshu) Co., Ltd. - have defined contribution plans. In accordance with the pension which were contributed from employees' salaries, the Group contributed some of the relative proportion of pension funds which was deposited in a special account. The pension accounts are managed by the local statutory insurance institutions. Upon retirement, employees will receive funds and relative yield from the special account. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

BES Investment Company Ltd., BES Global Investment Co., Global BES Engineering (Myanmar) Co., Ltd., Global BES Engineering (Vietnam) Co., Ltd., BESM Holding Co., Ltd., BES Logistics International Co., Ltd., Core Pacific World Co., Ltd., Zhong Hua Cheng Development Co., Ltd., Chinese City International Investment Co., Ltd. and BES Construction Corporation (U.S.A.) do not have pension plans.

b. Defined benefit plans

The defined benefit plans adopted by the Corporation and subsidiaries (Core Asia Human Resources Management Co., Ltd., Chung Kung Safeguarding & Security Corp., Chung Kung Management Consultant Co., Ltd., and Chung Kung Management and Maintenance of Apartment Co., Ltd.) in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Group contributed at specific rate of salaries (the rates of the Corporation and other subsidiaries were 7% and 2% for 2022 and 2021, respectively) and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2022	**2021**
Present value of defined benefit obligation	$ 276,204	$ 301,691
Fair value of plan assets	(281,464)	(227,869)
Net defined benefit liabilities (assets)	$ (5,260)	$ 73,822

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2021	$ 352,692	$ (242,246)	$ 110,446
Service cost			
Current service cost	6,941	-	6,941
Net interest expense (income)	991	(677)	314
Recognized in profit or loss	7,932	(677)	7,255
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(3,749)	(3,749)
Actuarial (gain) loss			
Changes in demographic assumptions	340	-	340
Changes in financial assumptions	(9,346)	-	(9,346)
Experience adjustments	12,996	-	12,996
Recognized in other comprehensive income	3,990	(3,749)	241
Contributions from the employer	-	(43,631)	(43,631)
Benefits paid	(62,923)	62,434	(489)
Balance at December 31, 2021	$ 301,691	$ (227,869)	$ 73,822
Balance at January 1, 2022	$ 301,691	$ (227,869)	$ 73,822
Service cost			
Current service cost	5,819	-	5,819
Net interest expense (income)	2,054	(1,476)	578
Recognized in profit or loss	7,873	(1,476)	6,397
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(18,728)	(18,728)
Actuarial (gain) loss			
Changes in financial assumptions	(11,291)	-	(11,291)
Experience adjustments	12,734	-	12,734
Recognized in other comprehensive income	1,443	(18,728)	(17,285)
Contributions from the employer	-	(67,907)	(67,907)
Benefits paid	(34,803)	34,516	(287)
Balance at December 31, 2022	$ 276,204	$ (281,464)	$ (5,260)

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2022	2021
Operating costs	$ 5,299	$ 5,015
General and administrative expenses	1,141	2,241
Research and development expenses	43	35
Other income	(86)	(36)
	$ 6,397	$ 7,255

Through the defined benefit plans under the Labor Standards Act, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the Group return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2022	**2021**
Discount rate(s)	1.25%-1.30%	0.55%-0.70%
Expected rate(s) of salary increase	2.00%	0.50%-2.00%

If possible reasonable change in each of the significant actuarial assumptions occurs and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) 0.25% as follows:

	December 31	
	2022	**2021**
Discount rate(s)		
0.25% increase	$ (5,033)	$ (5,709)
0.25% decrease	$ 5,179	$ 5,883
Expected rate(s) of salary increase		
0.25% increase	$ 5,128	$ 5,796
0.25% decrease	$ (5,009)	$ (5,654)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2022	**2021**
Expected contributions to the plans for the next year	$ 7,146	$ 7,124
Average duration of the defined benefit obligation	7-8 years	4-9 years

24. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The Group classified the assets and liabilities of its construction operations and industrial district development projects as current and noncurrent in accordance with the length of the operating cycle of these constructions and projects. The amounts expected to be recovered or settled within 1 year after the reporting period and more than 1 year after the reporting period for related assets and liabilities were as follows:

	December 31, 2022		
	Due Within One Year	Due After One Year	Total
Assets			
Financial assets at amortized cost - current	$ 855,766	$ 609,302	$ 1,465,068
Construction receivables	2,459,401	143,764	2,603,165
Contract assets - current	457,875	2,040,666	2,498,541
Accounts receivable on the development of industrial districts	-	2,898,047	2,898,047
Inventories	254,843	-	254,843
Buildings and land held for sale, net	2,178,489	9,652,822	11,831,311
Construction in progress	-	4,962,958	4,962,958
Refundable deposits on construction contracts	117,939	24,223	142,162
	$ 6,324,313	$ 20,331,782	$ 26,656,095
Liabilities			
Notes payable	$ 3,008	$ -	$ 3,008
Trade payables	3,541,392	738,052	4,279,444
Contract liabilities - current	1,337,986	822,276	2,160,262
Accounts payable for the development of industrial districts	-	18,363	18,363
Provisions - current	68,431	424,110	492,541
Guarantee deposits on construction contracts	362,547	212,925	575,472
	$ 5,313,364	$ 2,215,726	$ 7,529,090

	December 31, 2021		
	Due Within One Year	Due After One Year	Total
Assets			
Financial assets at amortized cost - current	$ 1,635,470	$ 512,795	$ 2,148,265
Construction receivables	2,013,497	273,241	2,286,738
Contract assets - current	965,714	1,493,329	2,459,043
Accounts receivable on the development of industrial districts	-	6,077,203	6,077,203
Inventories	175,179	-	175,179
Buildings and land held for sale, net	2,335,838	9,514,583	11,850,421
Construction in progress	-	3,113,718	3,113,718
Refundable deposits on construction contracts	85,490	73,311	158,801
	$ 7,211,188	$ 21,058,180	$ 28,269,368

(Continued)

	December 31, 2021		
	Due Within One Year	Due After One Year	Total
Liabilities			
Notes payable	$ 7,167	$ -	$ 7,167
Trade payables	3,285,721	1,201,711	4,487,432
Contract liabilities - current	1,531,304	1,203,074	2,734,378
Accounts payable for the development of industrial districts	-	1,981,683	1,981,683
Provisions - current	28,654	432,687	461,341
Guarantee deposits on construction contracts	152,822	324,747	477,569
	$ 5,005,668	$ 5,143,902	$ 10,149,570

(Concluded)

25. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2022	2021
Shares authorized (in thousands of shares)	3,000,000	3,000,000
Shares authorized	$ 30,000,000	$ 30,000,000
Shares issued and fully paid (in thousands of shares)	1,530,899	1,530,899
Shares issued	$ 15,308,998	$ 15,308,998

b. Capital surplus

	December 31	
	2022	2021
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Issuance of ordinary shares	$ 11,501	$ 11,501
Treasury share transactions	1,757	1,757
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	758	13
Changes in net equity of associates accounted for using the equity method	4,094	4,094
Donations	89	89
May only be used to offset a deficit (2)		
Changes in percentage of ownership interests in subsidiaries	19	-
Others	56,430	56,430
	$ 74,648	$ 73,884

1) Capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends, or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus and to once a year).

2) Capital surplus may be used to offset a deficit only.

c. Retained earnings and dividend policy

According to the Corporation's Articles of Incorporation, the Corporation distributes share dividends and cash dividends after taking into account its future business needs, capital demand and long-term financial plan. Under the Corporation's Articles of Incorporation, the Corporation should make appropriations from its net income (less any deficit) in the following order:

1) Paying for taxes in accordance with the laws and regulations

2) Offsetting losses of previous years

3) 10% as legal reserve; unless legal reserve equals to the Corporation's paid-in capital.

4) Setting aside or reversing a special reserve equivalent to the net debit balance of the other components of stockholders' equity.

5) Of the remainder, together with any unappropriated earnings of prior years, over 20% should be appropriated as dividends

6) The appropriation of earnings to be allocated for distribution shall depend on the actual earnings and fund level. The board of directors shall propose a plan for the distribution of the remaining undistributed earnings and the shareholders shall resolve such plan in the shareholders' meeting for distribution of dividends and bonus to shareholders. Cash dividends shall not be lower than 10% of total dividends. If the amount of dividend is less than $0.10 per share, it shall not be distributed as cash dividend but may be distributed as share dividends.

For policies on distribution of remuneration of employees, directors and supervisors before and after the amendment of the Articles, refer to Note 27 (h) employee benefits expense.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Corporation's paid-in capital. The legal reserve may be used to offset deficits. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2021 and 2020, which had been approved in the Corporation's shareholders' meetings on May 31, 2022 and August 4, 2021, respectively, were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2021	**2020**
Legal reserve	$ 295,784	$ 61,492
Cash dividends	$ 817,500	$ 356,700
Cash dividends per share (NT$)	$ 0.534	$ 0.233

The appropriations of earnings for 2022, which had been proposed by the Corporation's board of directors on March 13, 2023, were as follows:

	For the Year Ended December 31, 2022
Legal reserve	$ 83,937
Cash dividends	$ 805,254
Cash dividends per share (NT$)	$ 0.526

The appropriations of earnings for 2022 is subject to the resolution of the shareholders in the shareholders' meeting to be held on June 7, 2023.

d. Special reserve

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 2,475,958	$ 2,788,570
Reversal:		
Disposal of associates	-	(312,612)
Balance at December 31	$ 2,475,958	$ 2,475,958

On first-time adoption of IFRSs, the Corporation appropriated for special reserve, the amounts that were the same as the unrealized revaluation increment and cumulative translation differences transferred to retained earnings, which was $2,466,834 thousand.

If the special reserve appropriated on the first-time adoption of IFRSs relates to investment property other than land, the special reserve may be reversed continuously over the period of use. The special reserve relating to land may be reversed on disposal or reclassification.

e. Other equity items

1) Exchange differences on the translation of the financial statements of foreign operations

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ (336,052)	$ (303,569)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	147,633	(12,538)
Share from associates accounted for using the equity method	7,911	(19,945)
Acquisition of further interest in subsidiaries (Note 31)	(285)	-
Balance at December 31	$ (180,793)	$ (336,052)

2) Unrealized valuation gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2022	**2021**
Balance at January 1	$ 112,261	$ (159,337)
Recognized for the year		
Unrealized gain (loss) - equity instruments	(368,621)	257,503
Share from associates accounted for using the equity method	(35,092)	14,095
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	(4,629)	-
Acquisition of further interest in subsidiaries (Note 31)	(269)	-
Balance at December 31	$ (296,350)	$ 112,261

f. Non-controlling interests

	For the Year Ended December 31	
	2022	**2021**
Balance at January 1	$ 93,223	$ 107,718
Share in loss for the year	(16,159)	(14,582)
Other comprehensive income (loss) for the year		
Exchange differences on translating the financial statements of foreign entities	352	(160)
Remeasurement of defined benefit plans	492	49
Income tax related to actuarial gains (losses)	(98)	(10)
Unrealized gain (loss) on financial assets at FVTOCI	(132)	275
Acquisition of non-controlling interests in subsidiaries (Note 31)	(5,737)	(67)
Cash dividends to shareholders of subsidiaries	(530)	-
Balance at December 31	$ 71,411	$ 93,223

26. REVENUE

	For the Year Ended December 31	
	2022	**2021**
Revenue from contracts with customers		
Construction contract revenue	$ 13,473,803	$ 14,560,049
Revenue from the rendering of services	1,154,991	1,181,840
Revenue from sell of properties	250,194	1,237,815
Other operating revenue	214,384	216,981
	$ 15,093,372	$ 17,196,685

Contract Balances

	December 31, 2022	December 31, 2021	January 1, 2021
Trade receivables (Note 10)	$ 95,423	$ 96,507	$ 83,834
Construction receivables (Note 10)	$ 2,603,165	$ 2,286,738	$ 1,254,817
Contract assets			
Deposits under construction contracts for construction receivables	$ 1,765,201	$ 1,666,471	$ 1,944,868
Amounts due from customers for construction contracts	733,340	792,572	1,329,022
	$ 2,498,541	$ 2,459,043	$ 3,273,890
Contract liabilities			
Amounts due to customers for construction contracts	$ 2,065,899	$ 2,627,413	$ 1,874,194
Pre-construction sale	94,363	106,965	351,018
Advance payment for the rendering of services	21,212	29,874	23,709
	$ 2,181,474	$ 2,764,252	$ 2,248,921

The credit risk management of contract assets is the same as trade receivables, related information is shown in Note 10.

27. NET PROFIT

a. Interest income

	For the Year Ended December 31	
	2022	2021
Interest income from bond-type preferred stocks	$ 374,807	$ -
Bank deposits	10,877	3,638
Financial assets at amortized cost	27,690	21,817
Others	30,699	46,248
	$ 444,073	$ 71,703

b. Other income

	For the Year Ended December 31	
	2022	2021
Rental income	$ 76,252	$ 60,328
Dividends	2,454,916	12,533
Others	15,183	4,065
	$ 2,546,351	$ 76,926

c. Other gains and losses

	For the Year Ended December 31	
	2022	2021
Loan application fee	$ (119,831)	$ (144,062)
Gain on disposal of associates	-	2,849,350
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily classified as at FVTPL	(2,348,504)	(8,350)
Reversal of impairment losses on financial assets	-	775,507
Gain (loss) on lease modification	(8)	2,903
Loss on disposal of property, plant and equipment	(2,839)	(458)
Compensation reversal gain (loss)	13,844	(665,623)
Others	(81,480)	32,993
	$ (2,538,818)	$ 2,842,260

d. Finance costs

	For the Year Ended December 31	
	2022	2021
Interest on bank overdrafts and loans	$ 177,240	$ 143,579
Interest on lease liabilities	6,163	6,703
Interest expense incurred on contracts with customers	436	-
	$ 183,839	$ 150,282

Refer to Note 12 for information about capitalized interest.

e. Depreciation

	For the Year Ended December 31	
	2022	2021
An analysis of amortization by function		
Operating costs	$ 68,833	$ 61,795
Operating expenses	75,565	84,303
	$ 144,398	$ 146,098

The depreciation of investment properties, which was recognized in other income - rental income, was $15,744 thousand and $14,609 thousand in 2022 and 2021, respectively.

f. Operating expenses directly related to investment properties

	For the Year Ended December 31	
	2022	2021
Direct operating expenses of investment properties generating rental income	$ 2,092	$ 2,344

g. Employee benefits expense

	For the Year Ended December 31	
	2022	**2021**
Short-term benefits	$ 1,917,861	$ 1,906,617
Post-employment benefits		
Defined contribution plan	87,933	84,208
Defined benefit plans	6,483	7,291
	94,416	91,499
Other employee benefits	208,907	203,106
Total employee benefits expense	$ 2,221,184	$ 2,201,222
An analysis of employee benefits expense by function		
Operating costs	$ 1,950,219	$ 1,890,654
Operating expenses	270,965	310,568
	$ 2,221,184	$ 2,201,222

h. Compensation of employees and remuneration of directors and supervisors

According to the Corporation's Articles, the Corporation accrues compensation of employees and remuneration of directors and supervisors at the rates of no less than 2% and no higher than 2%, respectively, of net profit before income tax, compensation of employees and remuneration of directors and supervisors. The compensation of employees and the remuneration of directors and supervisors for the years ended December 31, 2022 and 2021, which were approved by the Corporation's board of directors on March 13, 2023 and March 15, 2022, respectively, were as follows:

Accrual rate

	For the Year Ended December 31	
	2022	**2021**
Compensation of employees	2%	2%
Remuneration of directors and supervisors	2%	2%

Amount

	For the Year Ended December 31	
	2022	**2021**
	Cash	**Cash**
Compensation of employees	$ 20,959	$ 51,605
Remuneration of directors and supervisors	$ 20,959	$ 51,605

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There is no difference between the actual amounts of compensation of employees and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2021 and 2020.

Information on the compensation of employees and remuneration of directors and supervisors resolved by the Corporation's board of directors in 2022 and 2021 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

28. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense (benefit) were as follows:

	For the Year Ended December 31	
	2022	2021
Current tax		
In respect of the current year	$ 15,925	$ 19,782
Income tax on unappropriated earnings	78,883	10,033
Land value increment tax	3,872	14,090
Adjustments for prior year	(1,368)	(351)
	97,312	43,554
Deferred tax		
In respect of the current year	94,335	(227,908)
Adjustments for prior year	4,305	647
	98,640	(227,261)
Income tax expense (benefit) recognized in profit or loss	$ 195,952	$ (183,707)

A reconciliation of accounting profit and current income tax expense (benefit) is as follows:

	For the Year Ended December 31	
	2022	2021
Income tax expense calculated at the statutory rate	$ 271,178	$ 493,714
Nondeductible expenses in determining taxable income	477,702	(432,788)
Tax-exempt income	(648,645)	(33,272)
Unrecognized loss on impairment of assets	-	(252,141)
Unrealized valuation gain on financial assets at FVTPL	-	(1,940)
Income tax on unappropriated earnings	78,883	10,033
Land value increment tax	3,872	14,090
Unrecognized deductible temporary differences	14,330	19,422
Unrecognized loss carryforwards	-	(474)
Adjustments for prior years' tax	(1,368)	(351)
Income tax expense (benefit) recognized in profit or loss	$ 195,952	$ (183,707)

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2022	2021
Deferred tax		
In respect of the current year - remeasurement of defined benefit plans	$ (3,457)	$ 48

c. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2022

Deferred Tax Assets	**Opening Balance**	**Recognized in Profit or Loss**	**Recognized in Other Comprehensive Income**	**Closing Balance**
Temporary differences				
Unrealized loss on construction	$ 206,078	$ (2,522)	$ -	$ 203,556
Provision for warranties	60,035	6,336	-	66,371
Defined benefit plans	21,544	(11,591)	(3,457)	6,496
Unrealized loss on doubtful debts	-	4,526	-	4,526
Others	54,432	(4,096)	-	50,336
Loss carryforwards	255,190	(116,077)	-	139,113
	$ 597,279	$ (123,424)	$ (3,457)	$ 470,398

Deferred Tax Liabilities	**Opening Balance**	**Recognized in Profit or Loss**	**Recognized in Other Comprehensive Income**	**Closing Balance**
Temporary differences				
Provision for land value increment tax	$ 991,342	$ -	$ -	$ 991,342
Foreign investments accounted for using the equity method	106,425	(21,900)	-	84,525
Others	17,382	(2,884)	-	14,498
	$ 1,115,149	$ (24,784)	$ -	$ 1,090,365

For the year ended December 31, 2021

Deferred Tax Assets	**Opening Balance**	**Recognized in Profit or Loss**	**Recognized in Other Comprehensive Income**	**Closing Balance**
Temporary differences				
Unrealized loss on construction	$ 66,548	$ 139,530	$ -	$ 206,078
Provision for warranties	57,114	2,921	-	60,035
Defined benefit plans	28,923	(7,427)	48	21,544
Others	49,489	4,943	-	54,432
Loss carryforwards	162,802	92,388	-	255,190
	$ 364,876	$ 232,355	$ 48	$ 597,279

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Temporary differences				
Provision for land value increment tax	$ 991,342	$ -	$ -	$ 991,342
Foreign investments accounted for using the equity method	105,074	1,351	-	106,425
Others	13,639	3,743	-	17,382
	$ 1,110,055	$ 5,094	$ -	$ 1,115,149

d. Deductible temporary differences for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2022	2021
Deductible temporary differences		
Impairment of financial assets	$ 38,979	$ 38,979
Unrealized loss on lawsuits	71,082	83,310
Impairment of assets	58,118	58,118
	$ 168,179	$ 180,407

e. Information on unused investment credits, unused loss carryforwards and tax-exemptions

Loss carryforwards as of December 31, 2022 comprised:

Unused Amount	Expiry Year
$ 235,827	2028 (approved)
4,690	2029 (approved)
8,724	2030 (approved)
445,930	2031 (unapproved)
391	2032 (unapproved)
$ 695,562	

f. Income tax assessments

	Last Income Tax Approval Year
BES Engineering Corporation	2020
Core Pacific World Co., Ltd.	2020
Cinemark-Core Pacific, Ltd.	2020
Chung Kung Safeguarding & Security Corp.	2020
Chung Kung Management Consultant Co., Ltd.	2020
Chung Kung Management and Maintenance of Apartment Co., Ltd.	2020
Core Asia Human Resources Management Co., Ltd.	2020
Elite Human Resources Management Co., Ltd.	2020
Cinema 7 Theater Co., Ltd.	2020

29. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share from continuing operations were as follows:

Net Profit for the Year

	For the Year Ended December 31	
	2022	**2021**
Earnings used in the computation of basic earnings per share	$ 821,315	$ 2,676,758

Weighted Average Number of Ordinary Shares Outstanding

(In Thousands of Shares)

	For the Year Ended December 31	
	2022	**2021**
Weighted average number of ordinary shares outstanding used in the computation of basic earnings per share	1,530,899	1,530,899
Effect of potentially dilutive ordinary shares:		
Compensation of employees	3,732	6,069
Weighted average number of ordinary shares used in the computation of diluted earnings per share	1,534,631	1,536,968

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

30. GOVERNMENT GRANTS

In 2022 and 2021, the Group's application for a government grant of $612 thousand and $3,699 thousand, respectively, in accordance with the Ministry of Culture's "Regulations Governing Relief and Revitalization for Industries and Businesses Experiencing Operational Difficulties due to the Impact of Covid-19 Pandemic" were approved, and the proceeds from the government grant was used to compensate for the expenses incurred and for working capital subsidies. As of December 31, 2022, the government grant revenue was recognized as other revenue. In addition, the Group applied for relief measures for outsourcing parking lot operators with operational difficulties due to the impact of the Covid-19 pandemic, and the royalties were reduced based on monthly revenue. As of December 31, 2022 and 2021, the amounts of the reduction in royalties were $459 thousand and $1,908 thousand, respectively.

31. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

In April 2021, the Group acquired 0.005% of the shares of its subsidiary, Core Pacific World Co., Ltd., and the Group's continuing interest was 99.95%.

The above transaction was accounted for as equity transactions, since the Group did not cease to have control over the subsidiaries.

	Core Pacific World Co., Ltd.
Consideration paid	$ (54)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	67
Differences recognized from equity transactions	$ 13
Line items adjusted for equity transactions	
Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	$ 13

BES Machinery Co., Ltd. purchased 86,850 treasury shares on March 2022, resulting in an increase in the Corporation's shareholding in BES Machinery Co., Ltd. from 99.35% to 99.46%.

The above transaction was accounted for as equity transaction since the Group did not cease to have control over the subsidiaries.

	BES Machinery Co., Ltd.
Consideration paid	$ (964)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	983
Differences recognized from equity transactions	$ 19
Line items adjusted for equity transactions	
Capital surplus - changes in percentage of ownership interests in subsidiaries	$ 19

In March 2022, the Corporation acquired 0.54% of the shares of its subsidiary, BES Machinery Co., Ltd., and increased its shareholding from 99.46% to 100.00%.

The above transaction was accounted for as equity transaction since the Group did not cease to have control over the subsidiaries.

	BES Machinery Co., Ltd.
Consideration paid	$ (4,563)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	4,754
Reattribution of other equity to (from) non-controlling interests	
Exchange differences on translating the financial statements of foreign operations	285
Unrealized gain (loss) on financial assets at FVTOCI	269
Differences recognized from equity transactions	$ 745
Line items adjusted for equity transactions	
Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	$ 745

32. CAPITAL MANAGEMENT

The Group's capital management strategies, the Group plans for future working capital needs, research and development expenses and shareholder expenses based on the current overall economic environment, industry characteristics and future development, to ensure that the Group would be able to continue as going concerns with long-term shareholders' equity and stable operating performance as goal, and to maximize shareholders' equity.

Management regularly reviews the capital structure and considers the costs and risks involved in different capital structures. The Group adopts the conservative risk management strategy by consideration of the industry scale, industry growth and future product roadmaps.

33. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 4,142	$ -	$ -	$ 4,142
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares	$ 3,022,883	$ -	$ -	$ 3,022,883
Unlisted shares	-	104,762	-	104,762
	$ 3,022,883	$ 104,762	$ -	$ 3,127,645

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	$ 6,060	$ -	$ -	$ 6,060
Unlisted shares	-	-	2,369,559	2,369,559
Mutual funds	4,587	-	-	4,587
	$ 10,647	$ -	$ 2,369,559	$ 2,380,206
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares	$ 2,716,755	$ -	$ -	$ 2,716,755
Unlisted shares	-	99,015	-	99,015
	$ 2,716,755	$ 99,015	$ -	$ 2,815,770

There were no transfers between Levels 1 and 2 in the current and prior years.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2022

Financial Assets	Financial Assets at FVTPL Equity Instruments
Balance at January 1, 2022	$ 2,369,559
Disposal	(21,455)
Recognized in profit or loss (included in other gains and losses)	(2,348,104)
Balance at December 31, 2022	$ -

For the year ended December 31, 2021

Financial Assets	Financial Assets at FVTPL Equity Instruments
Balance at January 1, 2021	$ 14,722
Recognized in profit or loss (included in other gains and losses)	(20,774)
Purchases	3,908,303
Cash returns from capital reduction of investments	(1,532,692)
Balance at December 31, 2021	$ 2,369,559

3) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Unlisted shares	Transaction method of market approach. The approach is a valuation strategy that looks at market rations of companies with similar profitability at the end of the reporting periods, while taking the liquidity premium into consideration.
Others	Discounted cash flow. Future cash flows are discounted at a rate that reflects current borrowing interest rates of the bond issuers at the end of the year.

4) Valuation techniques and inputs applied for Level 3 fair value measurement

The unlisted equity investment is evaluated using asset-based approach to calculate the present value of expected gain on investment.

b. Categories of financial instruments

	December 31	
	2022	2021
Financial assets		
FVTPL		
Mandatorily classified as at FVTPL	$ 4,142	$ 2,380,206
Financial assets at amortized cost (Note 1)	11,670,905	10,442,388
Financial assets at FVTOCI		
Equity instruments	3,127,645	2,815,770
Financial liabilities		
Amortized cost (Note 2)	17,932,619	18,210,270

Note 1: The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes receivable and trade receivables, construction receivables, refundable deposits on construction contracts, other receivables (included in other current assets) and refundable deposits.

Note 2: The balances include financial liabilities at amortized cost, which comprise short-term borrowings, short-term bills payable, notes payable, trade payables, guarantee deposits on construction contracts - current, long-term borrowings (expired in one year), provisions and guarantee deposits received.

c. Financial risk management objectives and policies

The Group’s major financial instruments included equity and debt investments, notes receivable, trade receivables, construction receivables, accounts receivable on the development of industrial districts, notes payable, trade payables, borrowings and lease liabilities. The Group’s corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

a) Foreign currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 36.

Sensitivity analysis

The Group is mainly exposed to the RMB and HKD.

The following table details the Group's sensitivity to a 5% increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies. The sensitivity rate of 5% is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. A positive number below indicates an increase in pre-tax equity when New Taiwan dollar strengthened by 5% against the relevant currency. For a 5% weakening of New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax equity and the balances below would be negative.

	RMB Impact		**HKD Impact**	
	For the Year Ended December 31		**For the Year Ended December 31**	
	2022	**2021**	**2022**	**2021**
Equity	$ 56,143	$ 57,490	$ 23,436	$ 24,451

b) Interest rate risk

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2022	**2021**
Fair value interest rate risk		
Financial assets	$ 2,486,980	$ 2,714,616
Financial liabilities	1,311,256	2,780,597
Cash flow interest rate risk		
Financial assets	6,221,602	4,898,101
Financial liabilities	10,499,219	9,094,851

The Group was exposed to fair value interest rate risk in relation to fixed-rate certificate of deposit, short-term bills payable and lease liabilities.

The Group was also exposed to cash flow interest rate risk in relation to variable-rate bank borrowings. The Group's cash flow interest rate risk is mainly concentrated in the fluctuation of the benchmark interest rate arising from the Group's New Taiwan dollar denominated borrowings.

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A sensitivity rate of 1% increase or decrease was used when reporting interest rate risk internally to key management personnel and represented management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2022 and 2021 would decrease by $42,776 thousand and $41,968 thousand, respectively. The Group's sensitivity to interest rates increased during the current period mainly due to the increase in variable rate borrowings.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities and mutual funds.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period.

If the equity prices had been 5% higher, the Group's pre-tax other comprehensive income for the years ended December 31, 2022 and 2021 would have increased by $156,382 thousand and $140,789 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the year, the Group's maximum exposure to credit risk which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation by the counterparties or the financial guarantees provided by the Group, could be equal to the total of the following:

a) The carrying amount of the respective recognized financial assets as stated in the condensed balance sheets.

b) The amount of contingent liabilities generated from financial guarantees that the Group provided.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings and short-term bills payable as a significant source of liquidity. As of December 31, 2022 and 2021, the Group had available unutilized short-term bank loan facilities were shown as below:

	December 31	
	2022	**2021**
Unsecured bank overdraft facilities, reviewed annually and payable on demand:		
Amount used	$ 1,917,648	$ 1,097,315
Amount unused	4,641,950	5,286,884
	$ 6,559,598	$ 6,384,199
Secured bank overdraft facilities:		
Amount used	$ 9,647,620	$ 10,539,639
Amount unused	13,913,945	14,824,712
	$ 23,561,565	$ 25,364,351

Liquidity and interest rate risk table for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

To the extent that interest flows are at floating rate, the undiscounted amount was derived from the interest rate curve at the end of the year.

December 31, 2022

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities						
Non-interest bearing liabilities		$ 1,016,432	$ 1,665,415	$ 867,233	$ 649,797	$ 97,146
Lease liabilities	2.100-4.750	6,486	12,300	51,900	168,198	18,073
Variable interest rate liabilities	1.540-3.101	24,402	678,238	4,254,541	5,993,409	65,812
Fixed interest rate liabilities	2.150-4.000	1,054,679	4,317	8,144	-	-
		$ 2,101,999	$ 2,360,270	$ 5,181,818	$ 6,811,404	$ 181,031

December 31, 2021

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities						
Non-interest bearing liabilities		$ 1,372,818	$ 1,700,115	$ 338,500	$ 1,133,460	$ 76,611
Lease liabilities	2.000-4.750	5,993	11,899	48,345	145,263	46,024
Variable interest rate liabilities	1.350-2.750	311,896	855,936	2,765,484	5,558,492	98,362
Fixed interest rate liabilities	1.610-4.000	1,390,651	451,303	705,863	2,606	-
		$ 3,081,358	$ 3,019,253	$ 3,858,192	$ 6,839,821	$ 220,997

34. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Corporation and its subsidiaries, which are related parties of the Corporation, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

a. Related party name and categories

Related Party Name	Related Party Categories
China Petrochemical Development Corporation	Legal director of the Corporation and its subsidiaries
Sheen Chuen-Chi Cultural & Educational Foundation	Related party in substance
Yunheyue Agriculture Co., Ltd.	Related party in substance
Core Pacific City Co., Ltd.	Related party of the Corporation (Note)
HRDD Logistics Co., Ltd.	Associate
Glory Construction Co., Ltd.	Related party of the Corporation
Cheng Yao Enterprise Co., Ltd.	Related party of the Corporation
Jen Huei Enterprise Co., Ltd.	Related party of the Corporation
Golden Wheel Co., Ltd.	Related party of the Corporation
Tsou Seen Chemical Industries Corporation	Subsidiary of legal directors of the Corporation
BES Twin Towers Development Co., Ltd.	Subsidiary of legal directors of the Corporation
Core Pacific Pioneer (Myanmar) Co., Ltd.	Subsidiary of legal directors of the Corporation
CPDC Engineering Corp.	Subsidiary of legal directors of the Corporation
Ding Yue Development Co., Ltd.	Subsidiary of legal directors of the Corporation
Taivex Therapeutics Corporation	Subsidiary of legal directors of the Corporation

Note: Core Pacific City Co., Ltd. was an associate until May 24, 2022.

b. Trading transactions and other transactions with related parties

Line Items	Related Party Categories	For the Year Ended December 31 2022	2021
Operating revenue	Legal directors of the Corporation	$ 28,083	$ 187,449
	Subsidiaries of legal directors of the Corporation	440	9,699
	Associates	191	2,057
	Related parties of the Corporation	182	106
	Related parties in substance	183	188
		$ 29,079	$ 199,499

(Continued)

Line Items	Related Party Categories	For the Year Ended December 31 2022	2021
Operating costs	Related parties of the Corporation	$ 7,879	$ 8,156
Operating expenses	Related parties in substance	$ 10,000	$ 24,000
	Related parties of the Corporation	8,835	10,041
	Legal directors of the Corporation	220	-
		$ 19,055	$ 34,041

(Concluded)

The prices and terms of the transactions with related parties are determined based on the contracts.

c. Receivables from related parties

Line Items	Related Party Categories	December 31 2022	2021
Construction receivables	Legal directors of the Corporation	$ 1,240	$ 16,475
Trade receivables	Legal directors of the Corporation	$ 3,463	$ 3,809
	Associates	-	163
	Subsidiaries of legal directors of the Corporation	58	-
	Related parties in substance	16	-
		$ 3,537	$ 3,972
Other receivables (included in other current assets)	Related parties of the Corporation	$ 505	$ 505
	Related parties in substance	616	616
		$ 1,121	$ 1,121

The outstanding trade receivables from related parties are unsecured. For the years ended December 31, 2022 and 2021, no impairment loss was recognized for trade receivables from related parties.

d. Payables to related parties

Line Items	Related Party Categories	December 31 2022	2021
Accrued expenses	Related parties of the Corporation	$ 965	$ 508
	Legal directors of the Corporation	650	-
		$ 1,615	$ 508

The outstanding trade payables from related parties are unsecured and will be settled in cash.

e. Contract liabilities

The contract liabilities as of December 31, 2022 and 2021, respectively, were as follows:

December 31, 2022

Related Party Name	Engineering Code	Total Amount of Construction	Contract Liabilities
China Petrochemical Development Corporation	A6E	$ 1,528,593	$ 24,966

December 31, 2021

Related Party Name	Engineering Code	Total Amount of Construction	Contract Liabilities
China Petrochemical Development Corporation	A6E	$ 1,532,800	$ 45,096

The construction contracts and engineering payment conditions with related parties were made at terms comparable to those with similar unrelated parties.

f. Lease arrangements

Related Party Categories	For the Year Ended December 31 2022	2021
Acquisition of right-of-use assets		
Related parties of the Corporation	$ 41,708	$ 10,660
Legal directors of the Corporation	21,574	-
	$ 63,282	$ 10,660

Line Items	Related Party Categories	December 31 2022	2021
Lease liabilities	Related parties in substance	$ 20,528	$ 21,450
	Legal directors of the Corporation	16,897	-
	Related parties of the Corporation	31,436	9,639
		$ 68,861	$ 31,089

Line Items	Related Party Categories	For the Year Ended December 31 2022	2021
Interest expenses	Related parties in substance	$ 505	$ 527
	Related parties of the Corporation	589	448
	Legal directors of the Corporation	274	-
		$ 1,368	$ 975

g. Acquisition of financial assets

For the year ended December 31, 2022

Related Party Names	Line Item	Number of Shares	Underlying Assets	Purchase Price
China Petrochemical Development Corporation	Financial assets at FVTOCI - non-current	58,649,685	Stock China Petrochemical Development	$ 689,134

For the year ended December 31, 2021

Related Party Names	Line Item	Number of Shares	Underlying Assets	Purchase Price
China Petrochemical Development Corporation	Financial assets at FVTOCI - current	3,327,095	Stock China Petrochemical Development	$ 39,094
	Financial assets at FVTOCI - non-current	70,563,760	Stock China Petrochemical Development	$ 829,124

Note: The Corporation and Core Pacific World Co., Ltd. held individually the abovementioned investments that participated in China Petrochemical Development's seasoned equity offering.

h. Disposal of financial assets

For the year ended December 31, 2022

Related Party Names	Line Item	Number of Shares	Underlying Assets	Disposal Price	Disposal (Loss) Gain
Glory Construction Co., Ltd.	Financial assets at FVTPL	1,548,174	Stock Core Pacific City Co., Ltd.	$ 21,455	$ (65)

i. Loans to related parties

Line Items	Related Party Categories	December 31 2022	December 31 2021
Other receivables (included in other current assets)	Associates	$ -	$ 21,550

As of December 31, 2022, the receivable and interest receivable of the Group from associates HRDD Logistics Co., Ltd. amounted to $21,550 thousand and $1,078 thousand, respectively. After evaluating the operating condition and the probability of collecting the accounts of the HRDD Logistics Co., Ltd., the Group recorded an allowance for doubtful accounts of $22,628 thousand for the above-mentioned in September 2022.

Interest income

Related Party Categories	For the Year Ended December 31 2022	For the Year Ended December 31 2021
Associates	$ 713	$ 1,054

The Group provided with short-term loan at rates comparable to market interest rates.

j. Other transactions with related parties

Interest income, rental revenue and other income are as follows:

Related Party Categories	For the Year Ended December 31 2022	For the Year Ended December 31 2021
Related parties in substance	$ 7,046	$ 7,046
Related parties of the Corporation	5,882	5,780
Legal directors of the Corporation	19,071	4,814
Associates	51	201
Subsidiaries of legal directors of the Corporation	15,297	-
	$ 47,347	$ 17,841

The transactions with related parties were made at prices and terms comparable to those for similar transactions with unrelated parties. That is, the prices and terms for sales and purchases as well as conditions for warranties, payment and other transactions with related parties were similar to those for transactions with unrelated parties. Other receivables from related parties were rent receivables.

Endorsements and guarantees are as follows:

Refundable deposits by related parties

Related Party Categories	December 31 2022	December 31 2021
Related parties of the Corporation	$ 1,292	$ 1,292
Associates	1	1
Subsidiaries of legal directors of the Corporation	10	-
	$ 1,303	$ 1,293

Guarantee deposits received by related parties

Related Party Categories	December 31 2022	December 31 2021
Subsidiaries of legal directors of the Corporation	$ 7,584	$ 7,584
Legal directors of the Corporation	-	9,553
	$ 7,584	$ 17,137

Other payables (included in other current liabilities) by related parties

Related Party Categories	December 31 2022	December 31 2021
Subsidiaries of legal directors of the Corporation	$ 28,571	$ 28,571

k. Remuneration of key management personnel

The remuneration of directors and other members of key management personnel was as follows:

	For the Year Ended December 31 2022	For the Year Ended December 31 2021
Short-term employee benefits	$ 46,319	$ 76,516
Post-employment benefits	-	-
	$ 46,319	$ 76,516

The remuneration of directors and key executives, as determined by the remuneration committee, was based on the performance of individuals and market trends.

35. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets had been mortgaged as collateral for long- and short-term bank loans, short-term bills payable, performance guarantees, construction warranties and lawsuits:

	December 31 2022	December 31 2021
Financial assets at FVTOCI - current	$ 800,401	$ 611,889
Financial assets at amortized cost - current	3,588,808	4,452,169
Accounts receivable on the development of industrial districts	-	4,130,336
Buildings and land held for sale, net	4,855,276	4,787,356
Construction in progress	1,244,634	1,244,634
Financial assets at FVTOCI - non-current	1,454,089	536,191
Financial assets at amortized cost - non-current	631,820	4,291
Property, plant and equipment, net	1,513,013	1,621,078
Investment properties, net	799,342	709,053
	$ 14,887,383	$ 18,096,997

36. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than function currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2022

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
Financial assets			
Non-monetary items			
Investments accounted for using the equity method			
RMB	$ 254,734	4.408 (RMB:NTD)	$ 1,122,867
HKD	119,024	3.938 (HKD:NTD)	468,718

December 31, 2021

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
Financial assets			
Non-monetary items			
Investments accounted for using the equity method			
RMB	$ 264,687	4.344 (RMB:NTD)	$ 1,149,799
HKD	137,789	3.549 (HKD:NTD)	489,013

For the years ended December 31, 2022 and 2021, realized and unrealized net foreign exchange gains (losses) were $9,013 thousand and $8,860 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

37. OTHER ITEMS

Regarding the investigation result of "the renovation turnkey project of Gongguan military installations and camps" which is contracted by the Corporation, Taiwan New Taipei District Court Prosecutors Office prosecuted against the former chairman of the Corporation, Shen Jun, and the other two individuals in accordance with the Securities and Exchange Act and Anti -Corruption Act. For this reason, the Ministry of National Defense sent a letter to recover the bid bond of $50,000 thousand for the "the renovation turnkey project of Gongguan military installations and camps" on September 30, 2021, and the amount of compensation was recognized in other losses (included in other gains and losses) and paid on October 18, 2021. In order to ensure that the rights and interests were not infringed, the Corporation filed a lawsuit for damages and other remedies in the Taipei District Court of Taiwan on October 21, 2021 against the former chairman of the Corporation, Shen Jun, and the other two individuals. However, the financial and business operations have not been significantly affected by the aforementioned events. As of March 13, 2023, the case is still pending in the court.

38. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others. (Table 2)

2) Endorsements/guarantees provided. (Table 3)

3) Marketable securities held (excluding investment in subsidiaries, associates and joint controlled entities). (Table 4)

4) Marketable securities acquired or disposed of at costs or prices at least $300 million or 20% of the paid-in capital. (Table 5)

5) Acquisition of individual real estate at costs of at least $300 million or 20% of the paid-in capital. (Non-applicable)

6) Disposal of individual real estate at prices of at least $300 million or 20% of the paid-in capital. (Non-applicable)

7) Total purchases from or sales to related parties amounting to at least $100 million or 20% of the paid-in capital. (Non-applicable)

8) Receivables from related parties amounting to at least $100 million or 20% of the paid-in capital. (Non-applicable)

9) Trading in derivative instruments. (Non-applicable)

10) Information on investees. (Table 6)

11) Intercompany relationships and significant intercompany transactions. (Table 7)

b. Information on investments in mainland China

Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 8)

c. Information of major shareholders: List all shareholders with ownership of 5% or greater, showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder. (Table 9)

39. SEGMENT INFORMATION

Operating segment information:

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The reportable segments were as follows:

- Construction segment - engage in civil engineering projects.
- Construction development segment - make investment in construction of buildings and development of industrial districts for the government.
- Other segments - human resources consulting, security management, theater entertainment.

a. Segment revenues and results:

The following was an analysis of the Group’s revenue and results from continuing operations by reportable segments:

	Segment Revenue		Segment Profit (Loss)	
	For the Year Ended December 31		For the Year Ended December 31	
	2022	2021	2022	2021
Construction segment	$ 12,524,849	$ 13,944,110	$ 863,249	$ (369,499)
Construction development segment	1,356,515	1,875,193	(37,555)	58,147
Other segments	1,212,008	1,377,382	(49,679)	(47,267)
	$ 15,093,372	$ 17,196,685	776,015	(358,619)
Interest income			444,073	71,703
Other income			2,546,351	76,926
Other gains and losses			(2,538,818)	2,842,260
Finance costs			(183,839)	(150,282)
Expected credit losses			(22,628)	-
Share of profit or loss of associates			(20,046)	(3,519)
Profit before income tax			$ 1,001,108	$ 2,478,469

Segment revenues were all generated by external customers. No inter-segment sales occurred during 2022 and 2021.

Segment profit represents the profit earned from each segment and does not include the share of the interest income, other income, other gains and losses, finance costs, expected credit losses and share of profit or loss of associates. This was measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Segment total assets and liabilities

	December 31	
	2022	2021
Segment assets		
Construction segment	$ 6,804,578	$ 5,699,711
Construction development segment	18,963,445	19,966,357
Other segments	18,747,922	21,168,553
Total segment assets	44,515,945	46,834,621
Unallocated assets	623,951	1,253,542
Consolidated total assets	$ 45,139,896	$ 48,088,163
Segment liabilities		
Construction segment	$ 4,756,567	$ 4,666,318
Construction development segment	522,203	2,998,837
Other segments	16,632,362	16,333,943
Total segment assets	21,911,132	23,999,098
Unallocated assets	552,540	1,160,319
Consolidated total liabilities	$ 22,463,672	$ 25,159,417

BES ENGINEERING CORPORATION AND SUBSIDIARIES

CONTRACT ASSETS, CONTRACT LIABILITIES AND AMOUNTS DUE TO CUSTOMERS FOR CONSTRUCTION CONTRACTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

Contract assets - amounts due from customers for construction contracts

December 31, 2022

Engineering Station Code	Estimated Year of Completion	Total Amount of Construction	Estimated Cost of Construction	Contract Assets	% of Completion	Accumulated Construction Profit (Loss)	Contract Liabilities	Net Amount of Contract Assets
A8B	2031	$ 10,940,606	$ 10,328,523	$ 3,151,240	24.34	$ 148,975	$ 2,803,051	$ 348,189
A6B-1	2024	3,226,270	3,117,087	2,202,995	61.10	66,713	2,009,439	193,556
B0A	2025	4,363,847	4,071,455	533,215	10.10	29,517	469,578	63,637
A8F-1	2024	3,860,476	3,642,447	1,944,597	48.73	106,241	1,881,121	63,476
A5C	2023	3,959,898	4,123,444	2,338,660	53.08	(163,546)	2,292,247	46,413
B0B	2026	5,657,143	5,284,292	293,402	5.00	18,650	282,998	10,404
B0C	2024	2,587,944	2,414,535	251,608	9.29	16,108	245,161	6,447
B1B-1	2027	292,130	283,366	9,271	0.64	56	8,053	1,218
		$ 34,888,314	$ 33,265,149	$ 10,724,988		$ 222,714	$ 9,991,648	$ 733,340

December 31, 2021

Engineering Station Code	Estimated Year of Completion	Total Amount of Construction	Estimated Cost of Construction	Contract Assets	% of Completion	Accumulated Construction Profit (Loss)	Contract Liabilities	Net Amount of Contract Assets
A7B-1	2031	$ 13,505,752	$ 12,704,527	$ 867,424	3.51	$ 28,115	$ 473,873	$ 393,551
A6B-1	2023	3,199,878	3,092,049	1,859,123	52.75	56,881	1,721,823	137,300
A6C	2022	3,376,474	3,309,500	2,932,806	83.50	55,925	2,848,237	84,569
A8B	2031	10,814,726	10,208,733	1,841,076	15.47	93,729	1,722,972	118,104
A8F	2024	3,638,095	3,434,086	1,047,333	28.11	57,345	1,022,646	24,687
B0A	2025	4,331,539	4,201,593	21,164	-	-	-	21,164
B0B	2026	5,657,143	5,487,429	13,197	-	-	-	13,197
		$ 44,523,607	$ 42,437,917	$ 8,582,123		$ 291,995	$ 7,789,551	$ 792,572

(Continued)

Contract liabilities - amounts due to customers for construction contracts

December 31, 2022

Engineering Station Code	Estimated Year of Completion	Total Amount of Construction	Estimated Cost of Construction	Contract Assets	% of Completion	Accumulated Construction Profit (Loss)	Contract Liabilities	Net Amount of Contract Liabilities
A7A	2024	$ 4,441,091	$ 4,168,354	$ 1,719,671	5.44, 89.00	$ 111,066	$ 2,227,933	$ 508,262
A8C	2023	8,260,537	7,807,097	6,485,517	82.50	374,097	6,863,935	378,418
A6F	2022	1,884,877	1,749,236	1,564,807	94.68	128,418	1,788,541	223,734
A6D	2022	2,950,137	2,817,045	2,787,512	100.00	133,092	2,950,137	162,625
A9A	2028	12,563,670	11,724,146	1,817,884	14.70	123,368	1,962,514	144,630
A6E	2024	2,168,593	2,069,633	1,543,484	21.87, 97.23, 100.00	59,137	1,638,277	94,793
A7B-2	2028	610,089	519,220	110,533	31.82	28,910	194,101	83,568
A7C	2022	2,078,956	1,957,705	1,992,035	99.57	120,727	2,069,969	77,934
A7E	2022	1,051,147	981,237	968,782	99.50	69,560	1,045,892	77,110
A7F	2023	3,542,443	3,349,663	3,029,263	87.01	167,734	3,098,721	69,458
A8F-2	2025	1,723,810	1,608,342	161,244	12.82	14,803	220,992	59,748
A6B-2	2022	3,485,574	3,066,504	3,435,574	100.00	419,070	3,485,574	50,000
A7D	2022	2,487,370	2,354,230	2,440,431	100.00	133,140	2,487,370	46,939
B1D	2026	2,937,716	2,823,628	16,406	1.81	2,065	53,180	36,774
A7B-1	2031	13,509,028	12,696,909	2,071,222	15.50	125,911	2,097,157	25,935
A6C	2023	3,552,046	3,644,781	3,271,280	91.80	(92,735)	3,286,848	15,568
B1C	2025	4,274,286	3,967,448	23,959	0.70	2,154	30,000	6,041
B1B-2	2027	177,247	171,930	986	0.70	37	5,348	4,362
A0B	2022	14,008,614	16,181,381	14,007,326	99.99	(2,172,767)	14,007,326	-
98C-1	2022	3,754,159	3,615,234	-	100.00	138,925	-	-
93C	2022	690,775	830,149	673,300	97.47	(139,374)	673,300	-
A5B	2022	562,934	540,448	-	100.00	22,486	-	-
A4C	2022	758,642	778,998	758,642	100.00	(20,356)	758,642	-
		91,833,607	89,772,388	48,879,858		(250,532)	50,945,757	2,065,899
750		-	-	20,738,595		-	20,738,595	-
		$ 91,833,607	$ 89,772,388	$ 69,618,453		$ (250,532)	$ 71,684,352	$ 2,065,899

(Continued)

December 31, 2021

Engineering Station Code	Estimated Year of Completion	Total Amount of Construction	Estimated Cost of Construction	Contract Assets	% of Completion	Accumulated Construction Profit (Loss)	Contract Liabilities	Net Amount of Contract Liabilities
A8C	2023	$ 7,701,884	$ 7,268,838	$ 3,648,844	52.46	$ 227,176	$ 4,040,427	$ 391,583
A6B-2	2022	3,691,781	3,675,176	2,988,314	89.97	14,939	3,348,762	360,448
A7A	2024	2,002,236	1,888,311	1,087,536	64.44	73,413	1,378,637	291,101
A9A	2027	12,380,283	11,555,898	798,222	8.58	70,724	1,062,133	263,911
A7D	2022	2,383,007	2,250,852	1,717,198	81.78	108,071	1,955,882	238,684
A6D	2022	2,961,501	2,828,672	2,382,408	87.86	116,706	2,613,146	230,738
A7C	2022	2,080,747	1,959,464	1,768,841	95.00	115,224	1,976,803	207,962
A6F	2022	1,849,299	1,714,479	1,364,550	82.76	111,573	1,537,370	172,820
A7F	2022	3,504,804	3,312,666	2,686,158	79.92	153,564	2,819,580	133,422
A5C	2023	3,804,286	3,970,953	1,787,832	44.28	(166,667)	1,902,050	114,218
A7E	2022	1,051,147	981,268	881,749	93.79	65,538	985,849	104,100
A7B-2	2024	325,191	276,809	96,063	52.08	25,196	169,349	73,286
A6E	2022	1,532,800	1,483,073	1,450,733	96.86, 97.29	48,173	1,495,829	45,096
A0B	2021	13,997,959	16,135,890	13,997,959	100.00	(2,137,931)	13,998,003	44
98C-1	2021	3,677,852	3,617,005	3,677,852	100.00	60,847	3,677,852	-
93C	2021	690,775	830,149	673,300	97.47	(139,374)	673,300	-
A5B	2021	562,934	543,682	562,934	100.00	19,252	562,934	-
83C	2021	850,523	787,662	-	100.00	62,861	-	-
A5D	2021	4,101,593	3,905,571	-	100.00	196,022	-	-
A4C	2021	758,642	777,882	758,642	100.00	(19,240)	758,642	-
A5A	2021	169,566	169,187	-	100.00	379	-	-
A5F	2021	302,311	313,634	-	100.00	(11,323)	-	-
A8A	2021	812,045	680,589	-	100.00, 100.00	131,456	-	-
		71,193,166	70,927,710	42,329,135		(873,421)	44,956,548	2,627,413
750		-	-	19,679,673		-	19,679,673	-
		$ 71,193,166	$ 70,927,710	$ 62,008,808		$ (873,421)	$ 64,636,221	$ 2,627,413

(Continued)

Amounts due to customers for construction contracts

December 31, 2021

Engineering Station Code	Estimated Year of Completion	Total Amount of Construction	Estimated Cost of Construction	Amounts Due from Customers for Construction Contracts	% of Completion	Accumulated Construction Profit (Loss)	Amounts Due to Customers for Construction Contracts	Net Amount of Amounts Due to Customers for Construction Contracts
A4B	2021	$ 117,221	$ 106,399	$ -	100.00	$ 10,822	$ -	$ -
A0A	2021	934,228	1,229,528	-	100.00	(295,300)	-	-
		$ 1,051,449	$ 1,335,927	$ -		$ (284,478)	$ -	$ -

Note 1: For the amounts due from customers for construction contracts, refer to Note 26.

Note 2: For the amounts due to customers for construction contracts, refer to Note 20.

Note 3: The Group recognized construction revenue of $13,473,803 thousand in 2022 and $14,560,049 thousand in 2021.

(Concluded)

TABLE 2

BES ENGINEERING CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Financing Limit for Each Borrowing Company (Note 1)	Ending Balance (Note 1)	Actual Used	Interest Rate	Financing Properties (Note 3)	Financing Amount	Financing Reasons	Allowance for Bad Debt	Collateral		Maximum Limit for Each Counterparty	Financing Company's Financing Amount Limits	Note
													Item	Value			
0	BES Engineering Corporation	Bes Engineering Vietnam Co., Ltd.	Other receivable	Y	$ 29,291	$ -	$ -	-	b.	$ -	Business revolving fund	$ -	-	$ -	$ 904,193 (4% of BES Engineering Corporation's net equity)	$ 9,041,925 (40% of BES Engineering Corporation's net equity)	
		HRDD Logistics Co., Ltd.	Accounts receivable - related party	Y	21,550	21,550	21,550	5	b.	-	Business revolving fund	21,550	-	-	904,193 (4% of BES Engineering Corporation's net equity)	9,041,925 (40% of BES Engineering Corporation's net equity)	Notes 2 and 4
1	Chung Kung Safeguarding & Security Corp.	Chung Kung Management Consultant Co., Ltd.	Accounts receivable - related party	Y	15,000	15,000	-	-	b.	-	Business revolving fund	-	-	-	32,486 (40% of Chung Kung Safeguarding & Security Corp.'s net equity)	32,486 (40% of Chung Kung Safeguarding & Security Corp.'s net equity)	
		Chung Kung Management and Maintenance of Apartment Co., Ltd.	Accounts receivable - related party	Y	15,000	15,000	-	-	b.	-	Business revolving fund	-	-	-	32,486 (40% of Chung Kung Safeguarding & Security Corp.'s net equity)	32,486 (40% of Chung Kung Safeguarding & Security Corp.'s net equity)	
2	Cinemark-Core Pacific, Ltd.	Cinema 7 Theater Co., Ltd.	Accounts receivable - related party	Y	30,000	30,000	4,000	4	b.	-	Business revolving fund	-	-	-	79,726 (40% of Cinemark-Core Pacific, Ltd.'s net equity)	79,726 (40% of Cinemark-Core Pacific, Ltd.'s net equity)	Note 2

Note 1: Financing limits approved by the board of directors.

Note 2: Except for the accounts receivable - related party of BES Engineering Corporation from HRDD Logistics Co., Ltd., all receivables have been eliminated in the consolidated financial statements.

Note 3: Reasons for financing are as follows:

a. Business relationship.

b. The need for short-term financing.

Note 4: After evaluating the operating condition and the probability of collecting the accounts of HRDD Logistics Co., Ltd., the Group recorded an allowance for doubtful accounts of $22,628 thousand for the accounts receivable and interest receivable in September 2022.

TABLE 3

BES ENGINEERING CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
1	Cinemark-Core Pacific, Ltd.	Cinema 7 Theater Co., Ltd.	A subsidiary in which parent corporation holds directly and indirectly over 50% of an equity interest	$ 199,315 (Note 2)	$ 94,300	$ 94,300	$ 74,507	$ 71,198	47.31	$ 597,946 (Note 6)	Y	-	-	
2	Hua Cheng Consulting (Changshu) Co., Ltd.	BES Engineering Corporation	An investee in which parent corporation and its subsidiaries hold directly and indirectly over 50% of an equity interest	484,803 (Note 3)	312,073	312,073	260,000	312,073	64.37	969,606 (Note 7)	-	Y	-	
3	Core Pacific Consulting (Changshu) Co., Ltd.	BES Engineering Corporation	An investee in which parent corporation and its subsidiaries hold directly and indirectly over 50% of an equity interest.	480,072 (Note 4)	312,073	312,073	260,000	312,073	65.01	960,144 (Note 8)	-	Y	-	
4	Chung Kung Safeguarding & Security Corp.	Chung Kung Management Consultant Co., Ltd.	A subsidiary in which parent corporation holds directly and indirectly over 50% of an equity interest.	203,037 (Note 5)	25,000	25,000	-	-	30.78	243,644 (Note 9)	Y	-	-	
		Chung Kung Management and Maintenance of Apartment Co., Ltd.	A subsidiary in which parent corporation holds directly and indirectly over 50% of an equity interest.	203,037 (Note 5)	25,000	25,000	2,000	-	30.78	243,644 (Note 9)	Y	-	-	

Note 1: The use of “Y” represents endorsements provided on behalf of entities located in mainland China.

Note 2: The limit on the endorsement for each counterparty is equal to 100% of Cinemark-Core Pacific, Ltd.’s net equity as shown in its latest financial statements.

Note 3: The limit on the endorsement for each counterparty is equal to 100% of Hua Cheng Consulting (Changshu) Co., Ltd.’s net equity as shown in its latest financial statements.

Note 4: The limit on the endorsement for each counterparty is equal to 100% of Core Pacific Consulting (Changshu) Co., Ltd.’s net equity as shown in its latest financial statements.

Note 5: The limit on the endorsement for each counterparty is equal to 250% of Chung Kung Safeguarding & Security Corp.’s net equity as shown in its latest financial statements.

Note 6: The limit on the endorsement for each counterparty is equal to 300% of Cinemark-Core Pacific, Ltd.’s net equity as shown in its latest financial statements.

Note 7: The limit on the endorsement for each counterparty is equal to 200% of Hua Cheng Consulting (Changshu) Co., Ltd.’s net equity as shown in its latest financial statements.

Note 8: The limit on the endorsement for each counterparty is equal to 200% of Core Pacific Consulting (Changshu) Co., Ltd.’s net equity as shown in its latest financial statements.

Note 9: The limit on the endorsement for each counterparty is equal to 300% of Chung Kung Safeguarding & Security Corp.’s net equity as shown in its latest financial statements.

BES ENGINEERING CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

No.	Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
					Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
0	BES Engineering Corporation	Taishin ESG Emerging Markets Bond Fund	-	Financial assets at FVTPL - current	500,000	$ 4,142	-	$ 4,142	Note 1
		Taiwan Business Bank	-	Financial assets at FVTOCI - current	68,964,727	893,093	0.86	893,093	Note 1
		China Petrochemical Development Corporation	Legal directors of the Corporation	Financial assets at FVTOCI - non-current	183,037,540	1,808,411	4.84	1,808,411	Note 1
		Century Development Corporation	-	Financial assets at FVTOCI - non-current	10,633,492	83,260	3.03	83,260	Note 1
		Overseas Investment & Development Corporation	-	Financial assets at FVTOCI - non-current	2,600,000	21,502	2.89	21,502	Note 1
		Zowie Technology Corporation	-	Financial assets at FVTOCI - non-current	6,611	-	0.02	-	
		Fortemedia	-	Financial assets at FVTOCI - non-current	4,137	-	-	-	
		Fortemedia	-	Financial assets at FVTOCI - non-current	62,282	-	-	-	Note 2
1	Core Pacific World Co., Limited	China Petrochemical Development Corporation	Legal directors of the Corporation	Financial assets at FVTOCI - current	30,649,620	302,819	0.81	302,819	Note 1
		Taiwan Business Bank	-	Financial assets at FVTOCI - current	1,433,211	18,560	0.02	18,560	Note 1
2	Cinemark-Core Pacific, Ltd.	The investment case of movie - The M Riders	-	Financial assets at FVTOCI - non-current	-	-	-	-	

Note 1: Market values of listed quoted shares and mutual funds were based on the closing prices and net asset values, respectively, as of December 31, 2022; values of unlisted shares were determined by using the fair value measurement as of December 31, 2022.

Note 2: Preference shares.

BES ENGINEERING CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition (Note 1)		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
BES Engineering Corporation	Stock China Petrochemical Development	Financial assets at FVTOCI - non-current	-	-	111,277,510	$ 1,852,716	71,760,030	$ 895,848	-	$ -	$ -	$ -	183,037,540	$ 2,748,564
BES Engineering Vietnam Co., Ltd.	Stock Phu An Real Estate Co., Ltd.	Investments accounted for using the equity method	Phu An Real Estate Co., Ltd.	Subsidiaries	-	-	-	-	-	-	-	-	-	-

Note 1: On December 17, 2021, the Corporation participated in the cash capital increase of China Petrochemical Development and acquired 58,649,685 shares in the amount of $689,134 thousand by subscribing as a specified person. In addition, on December 29, 2021, the board of directors resolved to merge with BES Machinery Corporation, and the record date was March 25, 2022. After the merger, BES Engineering Corporation was the surviving corporation and BES Machinery Co., Ltd. was the dissolved corporation, and the merged corporation acquired 13,110,345 shares in the amount of $206,714 thousand.

Note 2: BES Engineering Vietnam Co., Ltd. acquired the shareholdings in the investment in Phu An Real Estate Co., Ltd., which was approved by the board of directors on December 13, 2021 and signed an agreement on December 15, 2021. As of the reporting date, equity transfer procedure is in progress.

BES ENGINEERING CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2022			Net Income (Loss) of the Investee	Investment Gain (Loss) Recognized (Note 1)	Note
				December 31, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying Value			
BES Engineering Corporation	Core Pacific World Co., Limited	Taipei, Taiwan	Makes investments	$ 1,530,094	$ 1,530,094	115,942,000	99.95	$ 1,742,545	$ 393,063	$ 392,867	Investee is a subsidiary
	BES Machinery Corporation	Kaohsiung, Taiwan	Leases engineering machinery and equipment, and wholesale construction materials and provides consulting service for designing and planning projects, except for certain architectural matters	-	867,733	-	-	-	16,272	16,154	Investee is a subsidiary (Note 1)
	BES Investment Company Ltd.	Hong Kong	Overseas construction and equipment sale	1,485,277	1,485,277	49,600,000	100.00	1,336,679	(35,969)	(35,969)	Investee is a subsidiary
	BES Logistics International Co., Ltd.	Republic of Mauritius	Makes investments	348,278	348,278	13,995,389	100.00	730,805	29,598	29,598	Investee is a subsidiary
	Core Asia Human Resources Management Co., Ltd.	Taipei, Taiwan	Consultancy on business administration and investments	60,000	60,000	6,000,000	100.00	90,345	3,075	3,075	Investee is a subsidiary
	Chung Kung Safeguarding & Security Corp.	Taipei, Taiwan	Security and related services	38,127	38,127	3,880,000	64.67	52,522	3,618	2,339	Investee is a subsidiary
	Cinemark-Core Pacific, Ltd.	Taipei, Taiwan	Movie broadcasting and related businesses	115,380	23,450	9,455,180	78.14	157,468	(73,319)	(57,290)	Investee is a subsidiary (Note 1)
	BES Construction Corporation (U.S.A.)	Georgia, U.S.A.	Develops lands for investments	259,562	259,562	8,509	91.79	26,918	(376)	(346)	Investee is a subsidiary
	BES Global Investment Co.	B.V.I.	Overseas construction and equipment sale	51,313	51,313	1,510,100	100.00	17,488	300	300	Investee is a subsidiary
	BA & BES Contracting (L.L.C.)	P.O. Box 92237, Dubai-UAE	Engineering and construction	10,696	10,696	1,200,000	40.00	-	-	-	
	BESM Holding Co., Ltd.	B.V.I.	Holds investments	162,163	-	5,075,000	100.00	244,973	7,239	7,239	Investee is a subsidiary (Note 1)
Core Pacific World Co., Limited	Chinese City International Investment Co., Ltd.	Republic of Mauritius	Consulting	330,714	330,714	9,500,000	100.00	494,078	4,178	4,178	Investee is a subsidiary
	Zhong Hua Cheng Development Co., Ltd.	Republic of Mauritius	Consulting	330,714	330,714	9,500,000	100.00	489,264	4,060	4,060	Investee is a subsidiary
BES Machinery Co., Ltd.	BESM Holding Co., Ltd.	B.V.I.	Holds investments	-	162,163	-	-	-	7,239	-	Investee is a subsidiary (Note 1)
	Cinemark-Core Pacific, Ltd.	Taipei, Taiwan	Movie broadcasting and related businesses	-	91,930	-	-	-	(73,319)	-	Investee is a subsidiary (Note 1)
BES Investment Company Ltd.	Wei-Jing Holdings Ltd.	B.V.I.	Holds investments	463,104	463,104	14,400,000	44.67	468,718	(43,886)	(19,604)	
	BES Construction Corporation (U.S.A.)	Georgia, U.S.A.	Develops lands for investments	25,724	25,724	761	8.21	2,408	(376)	(30)	Investee is a subsidiary
	Global BES Engineering (Myanmar) Co., Ltd.	Yangon, Myanmar	Engineering and construction	15,478	15,478	500,000	100.00	16,816	1,808	1,808	Investee is a subsidiary
	BES Engineering Vietnam Co., Ltd.	Ho Chi Minh, Vietnam	Engineering and construction	726,220	726,220	-	100.00	782,718	(17,968)	(17,968)	Investee is a subsidiary
Core Asia Human Resources Management Co., Ltd	Elite Human Resources Management Co., Ltd.	Taipei, Taiwan	Human resource consulting	5,000	5,000	500,000	100.00	12,227	3,365	3,365	Investee is a subsidiary
Chung Kung Safeguarding & Security Corp.	Chung Kung Management Consultant Co., Ltd.	Taipei, Taiwan	Business management consulting and running parking lots	10,000	10,000	-	100.00	14,181	1,253	1,253	Investee is a subsidiary
	Chung Kung Management and Maintenance of Apartment Co., Ltd.	Taipei, Taiwan	Manages apartment maintenance and renders related services	3,700	3,700	-	37.00	5,297	2,542	941	Investee is a subsidiary
Cinemark-Core Pacific, Ltd.	Cinemark-Core (Hong Kong) Pacific Ltd.	Hong Kong	Hold investment	246,729	246,729	61,503,000	49.60	103,563	(34,208)	(16,967)	
	Cinema 7 Theater Co., Ltd.	Taipei, Taiwan	Movie broadcasting and retail sale of rood products and groceries	150,183	150,183	25,000	100.00	(38,716)	(23,421)	(23,421)	Investee is a subsidiary
Chung Kung Management Consultant Co., Ltd.	Chung Kung Management and Maintenance of Apartment Co., Ltd.	Taipei, Taiwan	Manages apartment maintenance and renders related services	6,300	6,300	-	63.00	9,019	2,542	1,601	Investee is a subsidiary

Note 1: On December 29, 2021, the board of directors resolved to merge with BES Machinery Corporation. The record date was March 25, 2022. After the merger, BES Engineering Corporation was the surviving corporation and BES Machinery Co., Ltd. was the dissolved corporation. BESM Holding Co., Ltd. and Cinemark-Core Pacific, Ltd. were directly owned by BES Engineering Corporation.

Note 2: Except BA & BES Contracting (L.L.C.), Wei-Jing Holding Ltd. and Cinemark - Core (Hong Kong) Pacific Ltd. the investment gains and losses between reinvestments, long-term equity investment of investors, and the equity between investees have been eliminated in the consolidated financial statements.

TABLE 7

BES ENGINEERING CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship (Note 1)	Transactions Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets
0	BES Engineering Corporation	BES Machinery Co., Ltd.	1	Construction cost	$ 154,359	As agreed by both parties	1.02

Note 1: Representing the Corporation to subsidiaries.

Note 2: All transactions shown above have been eliminated in the consolidated financial statements.

TABLE 8

BES ENGINEERING CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022
					Outward	Inward						
Xiamen Bonded Area Airport Logistics Park Construction Co., Ltd.	Engages in the logistics, warehousing and international trade	$ 1,100,438 (RMB 250,000 thousand)	b. (Note 3)	$ 341,921 (US$ 10,703 thousand)	$ -	$ -	$ 341,921 (US$ 10,703 thousand)	$ 75,263 (RMB 17,020 thousand)	39.20	$ 29,503 (RMB 6,672 thousand)	$ 776,452 (RMB 176,146 thousand)	$ 186,210 (US$ 6,162 thousand)
Core Pacific Consulting (Changshu) Co., Ltd.	Provides engineering consulting services	305,982 (US$ 9,000 thousand)	b. (Note 4)	305,982 (US$ 9,000 thousand)	-	-	305,982 (US$ 9,000 thousand)	3,597 (RMB 814 thousand)	100.00	3,597 (RMB 814 thousand)	480,072 (RMB 108,909 thousand)	
Hua Cheng Consulting (Changshu) Co., Ltd.	Provides engineering consulting services	305,982 (US$ 9,000 thousand)	b. (Note 5)	305,982 (US$ 9,000 thousand)	-	-	305,982 (US$ 9,000 thousand)	3,707 (RMB 838 thousand)	100.00	3,707 (RMB 838 thousand)	484,803 (RMB 109,983 thousand)	
Xiamen Bonded Area Airport Logistics Park Construction Co., Ltd.	Engages in the logistics, warehousing and international trade	1,100,438 (RMB 250,000 thousand)	b. (Note 6)	167,565 (RMB 40,900 thousand)	-	-	167,565 (RMB 40,900 thousand)	75,263 (RMB 17,020 thousand)	9.80	7,376 (RMB 1,668 thousand)	194,113 (RMB 44,037 thousand)	55,775 (US$ 1,853 thousand)
Cinemark-Core (Shanghai) Pacific Management and Consulting	Theater management, purchasing, and consulting	27,602 (US$ 900 thousand)	b. (Note 7)	27,577 (US$ 900 thousand)	-	-	27,577 (US$ 900 thousand)	(9) (RMB (2) thousand)	49.60	(4) (RMB (1) thousand)	(487) (RMB (111) thousand)	
Yunnan Core Pacific City	Theater management, purchasing, and consulting	120,676 (US$ 4,031 thousand)	b. (Note 7)	59,131 (US$ 1,975 thousand)	-	-	59,131 (US$ 1,975 thousand)	(20,678) (RMB (4,676) thousand)	24.30	(5,025) (RMB (1,136) thousand)	28,704 (RMB 6,511 thousand)	
HRDD Logistics Co., Ltd.	Provides warehousing and freight forwarders	653,328 (RMB 144,000 thousand)	a.	166,730 (RMB 34,000 thousand)	-	-	166,730 (RMB 34,000 thousand)	(86,209) (RMB (19,496) thousand)	23.61	(20,354) (RMB (4,603) thousand)	48,739 (RMB 11,057 thousand)	
Cinemark-Core (Suzhou) Pacific Ltd.	Theater management, purchasing, and consulting	343,172 (US$ 11,000 thousand)	b. (Note 7)	161,597 (US$ 5,000 thousand)	-	-	161,597 (US$ 5,000 thousand)	(24,049) (RMB (5,439) thousand)	49.60	(11,928) (RMB (2,698) thousand)	47,520 (RMB 10,781 thousand)	

Investor Company Name	Accumulated Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on Investment
BES Engineering Corporation (Note 8)	US$ 12,103 thousand (RMB 74,900 thousand)	US$ 23,809 thousand	NT$ 13,605,734
Core Pacific World Co., Limited	US$ 18,000 thousand	US$ 19,000 thousand	NT$ 1,046,050
Cinemark-Core Pacific, Ltd.	US$ 7,875 thousand	US$ 7,875 thousand	NT$ 119,589

(Continued)

Note 1: Methods of investment are as categorized as follows:

a. Direct investment in China.
b. Investment made in China through third party.
c. Others.

Note 2: Under the investment gain (loss) column:

a. Companies still in the preparatory stage and therefore have no gains or losses should be disclosed.

b. Investment gain (loss) recognized based on the following should be disclosed:

1) Financial statements are audited through the cooperation between international accounting from and ROC accounting firm.
2) Financial statements are audited by licensed CPA of the parent corporation.
3) Others.

Note 3: BES Logistics International Co., Ltd., is third party investor.

Note 4: Zhong Hua Cheng Development Co., Ltd., is third party investor.

Note 5: Chinese City International Investment Co., Ltd., is third party investor.

Note 6: BESM Holding Co., Ltd., is third party investor.

Note 7: Cinemark Core (Hong Kong) Pacific Ltd., is third party investor.

Note 8: On February 16, 2022, the Corporation was approved by the Investment Commission of the Ministry of Economic Affairs to merge its domestic businesses, and BES Engineering Corporation was allowed to indirectly (directly) invest in Xiamen Bonded Area Airport Logistics Park Construction Co., Ltd. and HRDD Logistics Co., Ltd.

Note 9: Except Xiamen Bonded Area Airport Logistics Park Construction Co., Ltd., Cinemark - Core (Shanghai) Pacific Management and Consulting, Yunnan Core Pacific City, and HRDD Logistics Co., Ltd., all gains and losses have been eliminated in the consolidated financial statements.

(Concluded)

TABLE 9

BES ENGINEERING CORPORATION

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2022

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
China Petrochemical Development Corporation	164,348,449	10.73

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Corporation as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual truster who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.