

**KINDOM DEVELOPMENT CO., LTD.  
and Subsidiaries**

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

**2023 and 2022 Q2**

**Address: 2F., No. 131, Sec. 3, Heping E. Rd., Da'an Dist., Taipei City 106,  
Taiwan (R.O.C.)**

**Tel: (02)2378-6789**

*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.*

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## Independent Auditors' Review Report

To the Board of Directors of Kindom Development Co., Ltd.:

### Introduction

We have conducted an audit of Kindom Development Co., Ltd.'s consolidated balance sheets as of June 30, 2023 and 2022, consolidated statements of comprehensive income for the three-month and six-month periods ending June 30, 2023 and 2022, changes in equity, and cash flows from January 1 to June 30, 2023 and 2022. We have also reviewed the notes to the consolidated financial statements, which include a summary of significant accounting policies, for the period ending at that time. It is the management's responsibility to prepare a set of fairly presented consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and IAS 34 Interim Financial Reporting as endorsed, issued, and effected by the Financial Supervisory Commission (FSC). Our responsibility is to provide a conclusion on the consolidated financial statements based on our reviews.

### Scope

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

### Conclusion

Based on our reviews, we have not identified any issues that would lead us to believe that the accompanying consolidated financial statements do not accurately represent the company's consolidated financial position as of June 30, 2023 and 2022, its consolidated financial performance from April 1 to June 30, 2023 and 2022, and from January 1 to June 30, 2023 and 2022, as well as its consolidated cash flows from January 1 to June 30, 2023 and 2022. These statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Public Banks," "Regulations Governing the Preparation of Financial Reports by Securities Issuers," and "IAS 34 - Interim Financial Reporting" approved and issued by the FSC.

KPMG

CPA : Yi-lien, Han  
Kuo-Yang Tseng

Securities : Jin-Guan-Zheng-Shen-Zi No.  
Competent 1090332798  
Authority Jin-Guan-Zheng-Liu-Zi No.  
Approval No. 0940129108

Aug. 11, 2023

Notices 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.*



**KINDOM DEVELOPMENT CO., LTD. and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**April 1 to June 30, 2023 and 2022, and January 1 to June 30, 2023 and 2022**

Unit: NT\$ thousand

	Apr. - Jun. 2023		Apr. - Jun. 2022		Jan. - Jun. 2023		Jan. - Jun. 2022	
	Amount	%	Amount	%	Amount	%	Amount	%
4000 <b>Operating revenue (Note 6 (17) and (22))</b>	\$ 4,442,079	100	4,694,939	100	8,934,744	100	9,675,986	100
5000 <b>Operating costs (Note 6(5) and(18))</b>	3,252,631	73	3,390,421	72	6,489,815	73	6,713,922	69
<b>Gross profit</b>	1,189,448	27	1,304,518	28	2,444,929	27	2,962,064	31
<b>Operating expenses:</b>								
6100 Selling and marketing expenses (Note 6(18))	28,182	1	50,389	1	68,744	1	138,360	1
6200 General and administrative expenses (Note 6(18))	417,405	9	399,880	9	833,357	9	809,222	9
6450 Expected credit loss (Note 6(4))	79	-	(754)	-	(78)	-	(2,388)	-
	445,666	10	449,515	10	902,023	10	945,194	10
<b>Net operating income</b>	743,782	17	855,003	18	1,542,906	17	2,016,870	21
<b>Non-operating income and expenses:</b>								
7100 Interest income (Note 6(24))	37,406	1	16,399	-	68,411	1	23,467	-
7010 Other income (Note 6(24))	319	-	363	-	319	-	363	-
7020 Other gains and losses (Note 6(24))	(23,291)	(1)	7,010	-	(19,323)	-	26,038	-
7050 Finance costs (Note 6(24))	(67,399)	(1)	(78,792)	(1)	(139,598)	(2)	(150,547)	(1)
7060 Share of profit and loss of associates and joint ventures accounted for using equity method (Note 6(6))	1,649	-	(764)	-	3,679	-	(735)	-
	(51,316)	(1)	(55,784)	(1)	(86,512)	(1)	(101,414)	(1)
<b>Profit before tax from continuing operating department</b>	692,466	16	799,219	17	1,456,394	16	1,915,456	20
7950 <b>Less: Income tax expenses (Note 6(19))</b>	253,499	6	235,013	5	410,762	4	377,765	4
<b>Net income</b>	438,967	10	564,206	12	1,045,632	12	1,537,691	16
8300 <b>Other comprehensive income:</b>								
8310 <b>Items that will not be reclassified subsequently to profit or loss:</b>								
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(3,029)	-	(2,590)	-	(3,813)	-	(2,333)	-
8360 <b>Items that may be reclassified subsequently to profit or loss:</b>								
8361 Exchange differences on translation of foreign financial statements	45	-	64	-	17	-	116	-
8300 <b>Other comprehensive income (loss)(net of taxes)</b>	(2,984)	-	(2,526)	-	(3,796)	-	(2,217)	-
<b>Total comprehensive income for the year</b>	\$ 435,983	10	561,680	12	1,041,836	12	1,535,474	16
<b>Net profit attributable to:</b>								
8610 Owners of the parent company	\$ 195,152	4	446,010	9	675,740	8	1,276,365	13
Former owner of business combination under common control	-	-	-	-	-	-	-	-
8620 Non-controlling interests	243,815	6	118,196	3	369,892	4	261,326	3
	\$ 438,967	10	564,206	12	1,045,632	12	1,537,691	16
<b>Total comprehensive income attributable to:</b>								
8710 Owners of the parent company	\$ 193,102	4	444,242	9	673,452	8	1,274,809	13
8720 Non-controlling interests	242,881	6	117,438	3	368,384	4	260,665	3
	\$ 435,983	10	561,680	12	1,041,836	12	1,535,474	16
9750 <b>Basic earnings per share (in NT\$) (Note 6(21))</b>	\$	0.36	0.82		1.25		2.35	
9850 <b>Diluted earnings per share (in NT\$) (Note 6(21))</b>	\$	0.36	0.82		1.25		2.35	

(Refer to the attached Notes to the Consolidated Financial Statements)

**Chairman:**  
Chih-Kang, Ma

**Manager:**  
Chang-Jung, Hsieh; Sheng-An, Chang

**Chief Accounting Officer:**  
Shu-Lien, Chang

**KINDOM DEVELOPMENT CO., LTD. and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**January 1 to June 30, 2023 and 2022**

Unit: NT\$ thousand

Equity attributable to owners of parent company

	Equity attributable to owners of parent company					Other equity		Treasury stock	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity	
	Share capital of common stocks	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of financial statements of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income					
<b>Balance as of January 1, 2022</b>	\$ 5,541,701	1,421,924	2,151,969	27,847	8,517,243	10,697,059	(29,652)	2,925	(71,196)	17,562,761	2,432,872	19,995,633
Net income	-	-	-	-	1,276,365	1,276,365	-	-	-	1,276,365	261,326	1,537,691
Other comprehensive income for the period	-	-	-	-	-	-	98	(1,654)	-	(1,556)	(661)	(2,217)
Total comprehensive income for the year	-	-	-	-	1,276,365	1,276,365	98	(1,654)	-	1,274,809	260,665	1,535,474
Appropriation of earnings:												
Legal reserve appropriated	-	-	350,701	-	(350,701)	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	(1,120)	1,120	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,385,425)	(1,385,425)	-	-	-	(1,385,425)	-	(1,385,425)
Changes in equity of associates and joint ventures accounted for under the equity method	-	(216)	-	-	-	-	-	-	-	(216)	(333)	(549)
Unclaimed dividends after effective period	-	634	-	-	-	-	-	-	-	634	93	727
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(181,386)	(181,386)
<b>Balance as of June 30, 2022</b>	<b>\$ 5,541,701</b>	<b>1,422,342</b>	<b>2,502,670</b>	<b>26,727</b>	<b>8,058,602</b>	<b>10,587,999</b>	<b>(29,554)</b>	<b>1,271</b>	<b>(71,196)</b>	<b>17,452,563</b>	<b>2,511,911</b>	<b>19,964,474</b>
<b>Balance as of January 1, 2023</b>	\$ 5,541,701	1,451,569	2,502,670	26,727	9,119,058	11,648,455	(29,493)	2,949	(98,702)	18,516,479	3,048,969	21,565,448
Net income	-	-	-	-	675,740	675,740	-	-	-	675,740	369,892	1,045,632
Other comprehensive income for the period	-	-	-	-	-	-	14	(2,302)	-	(2,288)	(1,508)	(3,796)
Total comprehensive income for the year	-	-	-	-	675,740	675,740	14	(2,302)	-	673,452	368,384	1,041,836
Appropriation of earnings:												
Legal reserve appropriated	-	-	233,682	-	(233,682)	-	-	-	-	-	-	-
Special reserve reversed	-	-	-	(183)	183	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(969,798)	(969,798)	-	-	-	(969,798)	-	(969,798)
Unclaimed dividends after effective period	-	336	-	-	-	-	-	-	-	336	62	398
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(342,940)	(342,940)
<b>Balance as of June 30, 2023</b>	<b>\$ 5,541,701</b>	<b>1,451,905</b>	<b>2,736,352</b>	<b>26,544</b>	<b>8,591,501</b>	<b>11,354,397</b>	<b>(29,479)</b>	<b>647</b>	<b>(98,702)</b>	<b>18,220,469</b>	<b>3,074,475</b>	<b>21,294,944</b>

(Refer to the attached Notes to the Consolidated Financial Statements)

Chairman: Chih-Kang, Ma

Manager: Chang-Jung, Hsieh; Sheng-An, Chang

Chief Accounting Officer: Shu-Lien, Chang

**KINDOM DEVELOPMENT CO., LTD. and Subsidiaries**

**Consolidated Statements of Cash Flows**

**January 1 to June 30, 2023 and 2022**

**Unit: NT\$ thousand**

	<b>Jan. - Jun. 2023</b>	<b>Jan. - Jun. 2022</b>
<b>Cash flows from operating activities:</b>		
<b>Income before income tax</b>	\$ 1,456,394	1,915,456
<b>Adjustments:</b>		
Adjustments to reconcile profit (loss)		
Depreciation	217,507	206,489
Amortization	6,443	5,332
Expected credit losses reversal	(78)	(2,388)
Net loss (gain) on financial assets and liabilities measured at fair value through profit or loss	(7,659)	26,071
Interest expenses	139,598	150,547
Interest income	(68,411)	(23,467)
Dividend income	(319)	(363)
Share of (gains) loss of associates and joint ventures accounted for using equity method	(3,679)	735
Gain/loss on disposal of property, plant, and equipment	273	-
Total adjustments to reconcile profit (loss)	283,675	362,956
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in financial assets at fair value through profit or loss	(168)	-
Increase in contract assets	(1,031,477)	(19,262)
(Increase) decrease in notes and accounts receivable	779,277	172,415
Decrease (increase) in inventory	(243,059)	947,437
Increase in prepayments	(92,484)	(20,384)
(Increase) decrease in other current assets	18,047	(79,427)
Decrease in other financial assets - liquidity decrease	933,672	192,945
Decrease (increase) in the incremental costs to obtain contract with customers	(3,345)	40,168
Decrease in net defined benefit assets - non-current	38	43
Increase in other non-current assets	(1)	(51)
Total changes in operating assets	360,500	1,233,884
Total changes in operating liabilities:		
Increase in contract liabilities	706,741	733,294
Decrease in notes payable	(79,224)	(84,544)
Decrease in accounts payable	(378,820)	(1,126,865)
Decrease in other payables	(173,164)	(139,986)
Increase (decrease) in provisions for employee benefit - current	1,492	(2,122)
Decrease in provisions - current	(6,271)	(983)
Increase (decrease) in other current liabilities	5,903	(34,187)
Increase (decrease) in net defined benefit liabilities	(1)	11
Decrease in other non-current liabilities	(8,168)	(8,168)
Total changes in operating liabilities	68,488	(663,550)
Total changes in operating assets and liabilities	428,988	570,334
Total adjustments	712,663	933,290
Cash flows generated from operations	2,169,057	2,848,746
Income taxes paid	(717,841)	(708,760)
<b>Net cash flows from operating activities</b>	<b>1,451,216</b>	<b>2,139,986</b>



**KINDOM DEVELOPMENT CO., LTD. and Subsidiaries****Consolidated Statements of Cash Flows (continued)****January 1 to June 30, 2023 and 2022****Unit: NT\$ thousand**

	<u>Jan. - Jun. 2023</u>	<u>Jan. - Jun. 2022</u>
<b>Cash flows from investing activities:</b>		
Acquisition of property, plant and equipment (Note 6(28))	(34,705)	(60,727)
Disposal of property, plant and equipment	362	-
Acquisition of intangible assets	(3,799)	(2,614)
Decrease in other financial assets - non-current	12,686	1,615
Increase in prepayments for equipment	(888)	(6,292)
Interest received	70,593	22,003
Dividends received	319	363
Others investment activities	-	(549)
<b>Net cash flows generated from (used in) investing activities</b>	<u>44,568</u>	<u>(46,201)</u>
<b>Cash flows from financing activities:</b>		
Increase in short-term loans	2,303,617	1,527,369
Decrease in short-term loans	(2,720,309)	(1,250,000)
Increase in short-term notes and bills payable	200,000	80,000
Decrease in short-term notes and bills payable	(200,000)	(80,000)
Redemption of convertible corporate bonds	(1,000,000)	-
Repayments of long-term loans	(102,320)	(222,080)
Decrease in guarantee deposits	(1,111)	(2,101)
Repayments of lease principal	(135,720)	(126,473)
Interest paid	(242,464)	(210,477)
Changes in non-controlling interests	-	63
<b>Net cash flows used in financing activities</b>	<u>(1,898,307)</u>	<u>(283,699)</u>
Effects of exchange rate changes on the balance of cash and cash equivalents	<u>17</u>	<u>116</u>
Cash and cash equivalents increase (decrease)	(402,506)	1,810,202
Cash and cash equivalents at beginning of the period	<u>15,522,920</u>	<u>16,080,562</u>
Cash and cash equivalents at end of the period	<u><b>\$ 15,120,414</b></u>	<u><b>17,890,764</b></u>

**(Refer to the attached Notes to the Consolidated Financial Statements)**

<b>Chairman:</b>	<b>Manager:</b>	<b>Chief Accounting Officer:</b>
<b>Chih-Kang, Ma</b>	<b>Chang-Jung, Hsieh; Sheng-An, Chang</b>	<b>Shu-Lien, Chang</b>

**KINDOM DEVELOPMENT CO., LTD. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**2023 and 2022 Q2**  
**(In Thousands of New Taiwan Dollars, unless otherwise specified)**

**1. Company Overview**

Kindom Development Co., Ltd. (hereinafter referred to as "the company") was incorporated in November 1979, located at 2F., No. 131, Sec. 3, Heping E. Rd., Da'an Dist., Taipei City, Taiwan. The company and its subsidiaries (hereinafter referred to as the "group") primarily engages in the development of residential properties, the leases or sales of commercial buildings, comprehensive constructions, department stores, supermarkets, and international trading.

**2. Approval Date and Procedures of the Financial Statements**

The consolidated financial statements were published upon approval by the Board of Directors on Aug. 11, 2023.

**3. Application of New, Amended, and Revised Standards and Interpretations**

(1) Impact of adoption of new, revised, or amended standards and interpretations endorsed by the Financial Supervisory Commission.

The Group has adopted the newly revised International Financial Reporting Standards ("IFRSs") specified above since January 1, 2023, and assessed that the adoption will not have a material impact on the consolidated financial statements.

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"

(2) Impact of IFRSs issued by the IASB but yet to be endorsed by the FSC

The table below lists the impact of IFRSs issued by the IASB but yet to be endorsed by the FSC:

<b>New, revised, or amended standards and interpretations</b>	<b>Main amendments</b>	<b>Effective date of IASB pronouncement</b>
Amendments to IAS 1 "Classify Liabilities as Current or Non-current"	According to the provisions in the current IAS 1, liabilities whose settlement can be deferred unconditionally for at least twelve months after the reporting period, should be classified as current. The amendment removes the requirement that the right be unconditional and instead requires that the right exist and be substantive as of the end of the reporting period.	January 1, 2024

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
LTD. and Subsidiaries (continued)**

<u>New, revised, or amended standards and interpretations</u>	<u>Main amendments</u>	<u>Effective date of IASB pronouncement</u>
	The amendment clarifies how an enterprise should classify liabilities that are settled by issuing its own equity instruments (e.g., convertible bonds).	
Amendments to IAS 1 "Non-current Liabilities with Contractual Terms"	<p>After reconsidering certain aspects of the 2020 IAS 1 amendments, the new amendments clarify that only contractual terms followed on or before the reporting date will affect the classification of a liability as current or non-current.</p> <p>The contractual terms (i.e., future terms) to which an enterprise is subject after the reporting date do not affect the classification of the liability at that date. However, when non-current liabilities are subject to future contractual terms, companies need to disclose information to help users of financial statements understand the risk that these liabilities may be repaid within 12 months of the reporting date</p>	January 1, 2024

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

The group anticipates that the application of the following other newly published and amended but recognized IFRSs will not have a material impact on the consolidated financial statements.

- Amendment to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"
- IFRS 17 "Insurance Contracts" and Amendments to IFRS 17
- Amendments to IFRS 17, "Comparative Information for Initial Application of IFRS 17 and IFRS 9"
- Amendments to IFRS 16 "Requirements for Sale-and-Leaseback Transactions"
- Amendments to IAS 7 and IFRS 17 "Supplier Financing Arrangements"
- Amendments to IAS 12 "International Tax Reform - Pillar Two Model Rules"

#### **4. Summary of Significant Accounting Policies**

##### **(1) Compliance statement**

The consolidated financial statements are prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" (hereinafter "the Regulations") and the IAS 34 - Interim Financial Reporting approved and issued by the FSC.

## Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO., LTD. and Subsidiaries (continued)

The consolidated financial statements do not contain all necessary information that should be disclosed in the annual consolidated financial statements in accordance with the International Financial Reporting Standards, International Accounting Standard, and the explanations and interpretations endorsed by the FSC (hereinafter referred to as the "IFRSs endorsed by the FSC").

Apart from the matters outlined in the following paragraphs, the consolidated financial statements have adopted the same major accounting policies as the 2022 consolidated financial statements. For additional information, please see Note 4 in the 2022 consolidated financial statements.

### (2) Basis of consolidation

#### 1. Subsidiaries included in the consolidated financial statements:

Name of Investor	Subsidiary name	Main business and products	Percentage of ownership			Explanation
			2023.6.30	2022.12.31	2022.6.30	
The Company	Kedge Construction Co., Ltd. (Kedge Construction)	The comprehensive construction industry, etc.	34.18%	34.18%	34.18%	The company has more than half of the company's director seats
"	Global Mall Co., Ltd. (Global Mall)	Supermarkets, department stores, international trading, wholesale medical equipment, and retail investment	84.02%	84.02%	84.02%	The subsidiary in which the company's voting share exceeds more than 50% of the subsidiary's issued shares.
Kedge Construction	Jiequn Investment Co., Ltd. (Jiequn Investment)	Investment	99.98%	99.98%	99.98%	Subsidiary in which Kedge Construction's voting share exceeds more than 50% of the subsidiary's issued shares.
"	Guanqing Electromechanical Co., Ltd. (Guanqing Electromechanical)	Installation and engineering of electrical and fire safety equipment	99.96%	99.96%	99.96%	Subsidiary in which Kedge Construction's voting share exceeds more than 50% of the subsidiary's issued shares.
Jointly held by Guanqing Electromechanical and Jiequn Investment	Dingtian Construction Co., Ltd. (Dingtian Construction)	The comprehensive construction industry, etc.	100.00%	100.00%	100.00%	The subsidiary in which the group's voting share exceeds more than 50% of the subsidiary's issued shares.
Global Mall	KGM International Investment Co., Ltd. (KGM)	Investment and operation of shopping mall in mainland China, including master planning, supporting engineering consulting, and leasing planning and consulting	100.00%	100.00%	100.00%	Subsidiary in which Global Mall's voting share exceeds more than 50% of the subsidiary's issued shares.

(Continued on next page)

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
LTD. and Subsidiaries (continued)**

(Continued from last page)

Name of Investor	Subsidiary name	Main business and products	Percentage of ownership			Explanation
			2023.6.30	2022.12.31	2022.6.30	
"	Guan Hua Co., Ltd. (Guan Hua)	Department stores, supermarkets, and non-store retailing	100.00%	100.00%	100.00%	Subsidiary in which Global Mall's voting share exceeds more than 50% of the subsidiary's issued shares.
"	Guan Cheng	Department stores, supermarkets, and non-store retailing	100.00%	100.00%	100.00%	Subsidiary in which Global Mall's voting share exceeds more than 50% of the subsidiary's issued shares.
Guan Cheng	Guan You	Department stores, supermarkets, and non-store retailing	100.00%	100.00%	100.00%	The subsidiary in which Guan Cheng's voting share exceeds more than 50% of the subsidiary's issued shares.

2. List of subsidiaries which are excluded from the consolidated financial statements: None

(3) Income tax

The group measures and discloses the interim income tax expenses in accordance with Paragraph B12 of IAS 34 - Interim Financial Reporting.

Income tax expense is the best estimate of the amount that net profit before tax for the period multiplies by the management's best estimate of the annual effective tax rate. The income tax expense is fully recognized as current period tax expenses.

(4) Employee benefits

The pension of the defined benefit plan for the interim period is calculated based on the actuarial cost ratio determined by the actuarial calculation at the end of the previous fiscal year. Calculation term is from the beginning of the period to the end of the period, and adjustments will be made for post-period major market fluctuations, curtailment, settlement, or other significant one-time matters.

**5. Significant Accounting Judgments and Major Sources of Estimation and Assumption Uncertainty**

The preparation of the consolidated financial statements in conformity with IAS 34 - Interim Financial Reporting endorsed by the FSC requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The significant judgments made by management when adopting the accounting policies of the Group and the major sources of uncertainty over estimation are in line with Note 5 to the 2022 consolidated financial statements.

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
LTD. and Subsidiaries (continued)**

**6. Explanation of Significant Accounts**

Apart from the matters described below, the descriptions of significant accounting items in the consolidated financial statements are not significantly different from those used in the 2022 consolidated financial statements. For additional information, please see Note 6 in the 2022 consolidated financial statements.

(1) Cash and cash equivalents

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Petty cash and cash on hand	\$ 12,171	12,016	11,772
Bank deposits			
Check deposits	2,219,710	3,667,802	3,660,401
Demand deposits	1,576,329	1,341,239	4,203,753
Time deposits	9,211,060	8,412,390	5,653,509
Cash equivalents	2,101,144	2,089,473	4,361,329
	<u>\$ 15,120,414</u>	<u>15,522,920</u>	<u>17,890,764</u>

The maturity dates of the aforementioned cash equivalents are in the periods, Jul. to Aug. 2023, Jan. to Feb. 2023 and Jul. 2022, and the interest rate collars are 1.26%-1.29%, 0.98%-1.20% and 0.43%-0.50%, respectively.

Refer to Note 6(25) for the details on interest rate risk and sensitivity analysis of the financial assets and liabilities of the Group.

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

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Financial assets mandatorily measured at fair value through profit or loss:			
TWSE (or TPEX) listed company shares	\$ 105,293	97,466	98,529

- For the gains or losses on remeasurement at fair value, please refer to Note 6(24).
- As of June 30, 2023, December 31, 2022 and June 30, 2022, none of the financial assets of the group has been pledged as collateral.

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

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Equity investments measured at FVTOCI:			
Listed stock - Fubon Financial Type C Special Share	\$ 1,861	1,783	1,919
Listed stock - Clientron Corp.	691	655	700
Unlisted stock - Everterminal Co. Ltd.	1,722	3,305	1,896
Unlisted stock - Commonwealth Publishing Group	4,422	6,766	5,616
Unlisted stock - Shenzhen Goodix Technology	-	-	-
Total	<u>\$ 8,696</u>	<u>12,509</u>	<u>10,131</u>

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
LTD. and Subsidiaries (continued)**

1. The Group designated the aforementioned investments as financial assets at FVTOCI because these equity instruments are held for long-term strategic purposes and not for trading.
2. The Group recognized dividend incomes of NT\$319 thousand and NT\$363 thousand for the equity instrument investment designated as measured at fair value through other comprehensive income for the periods of April 1 to June 30, 2023 and 2022, and January 1 to June 30, 2023 and 2022, respectively.
3. The Group did not dispose of strategic investment in the period from January 1 to March 31, 2023 and 2022. The accumulated gains and losses in that period have not been transferred within the equity.
4. Refer to Note 6(25) for details on credit risk (including impairment on debt instruments) and market risk.
5. None of the aforementioned financial assets has been pledged as collateral.

(4) Notes and accounts receivable

	<b>2023.6.30</b>	<b>2022.12.31</b>	<b>2022.6.30</b>
Notes receivable	\$ 374	352	370
Accounts receivable	1,378,597	2,157,591	1,091,423
Less: Loss allowance	(8,018)	(8,096)	(8,707)
	<b>\$ 1,370,953</b>	<b>2,149,847</b>	<b>1,083,086</b>

The Group applies the simplified approach on the estimation of expected credit losses, that is, a loss allowance is recognized based on lifetime of expected credit losses. To measure the expected credit losses, notes and accounts receivables were based on shared characteristics of credit risk on remaining payments before due date, and forward looking information was incorporated as well. The analysis on the expected credit loss of notes receivable and accounts receivable of the group is as follows:

	<b>2023.6.30</b>		
	<b>Carrying amount</b>	<b>Weighted average loss rate</b>	<b>Loss allowance for expected credit impairment of the period</b>
Not past due	\$ 1,370,953	-	-
Past due 90 days or more	8,018	100%	8,018
	<b>\$ 1,378,971</b>		<b>8,018</b>

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
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	<b>2022.12.31</b>		
	<b>Carrying amount</b>	<b>Weighted average loss rate</b>	<b>Loss allowance for expected credit impairment of the period</b>
Not past due	\$ 2,149,847	-	-
Past due 90 days or more	8,096	100%	8,096
	<b>\$ 2,157,943</b>		<b>8,096</b>
	<b>2022.6.30</b>		
	<b>Carrying amount</b>	<b>Weighted average loss rate</b>	<b>Loss allowance for expected credit impairment of the period</b>
Not past due	\$ 1,083,086	-	-
Past due 90 days or more	8,707	100%	8,707
	<b>\$ 1,091,793</b>		<b>8,707</b>

The changes of loss allowance of notes receivable and accounts receivable of the Group is as follows:

	<b>Jan. - Jun. 2023</b>	<b>Jan. - Jun. 2022</b>
Beginning balance	\$ 8,096	12,876
Reversal of impairment loss	(78)	(2,388)
Amounts written off as uncollectible during the year	-	(1,781)
Ending balance	<b>\$ 8,018</b>	<b>8,707</b>

As of June 30, 2023, December 31, 2022, and June 30, 2022, none of the accounts receivable of the group has been pledged as collateral.

(5) Inventories

	<b>2023.6.30</b>	<b>2022.12.31</b>	<b>2022.6.30</b>
Inventory - trading	\$ 9,470	12,977	10,210
Inventory - construction			
Prepayment for buildings and land	-	4,235	4,235
Land held for construction	1,371,643	2,899,060	2,899,060
Construction in progress	13,916,938	11,056,039	10,143,216
Buildings and land held for sale	6,154,782	7,135,537	7,300,724
Subtotal	21,443,363	21,094,871	20,347,235
Total	<b>\$ 21,452,833</b>	<b>21,107,848</b>	<b>20,357,445</b>

- The reversal of allowance for losses on sales of inventories amounted to NT\$16,739 thousand and NT\$2,029 thousand, respectively, during the periods from January 1 to June 30, 2023 and 2022.



**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
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2. The group's construction in progress was determined using a capitalization rate of 2.189% for the period from January 1 to June 30, 2023, and 1.805% for the same period in 2022. For more details on the amount of capitalization, please see Note 6(24).
  3. As of June 30, 2023, December 31, 2022, and June 30, 2022, the Group entrusted the statutory parking spaces held for sale to other parties, which amounted to NT\$11,649 thousand, NT\$13,796 thousand and NT\$14,303 thousand, respectively.
  4. As of June 30, 2023, December 31, 2022, and June 30, 2022, for information regarding the group's inventories pledged as collateral, please refer to Note 8.
- (6) Investments accounted for using equity method

Investments of the company under equity method at financial reporting date are listed below:

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Associates	\$ 114,663	114,347	14,385
Joint Venture	1,023,540	1,021,771	-
	<u>\$ 1,138,203</u>	<u>1,136,118</u>	<u>14,385</u>

1. Associates

Information on affiliates that are material to the Consolidated Company is as follows:

Names of Associates	Nature of relationship with the Company	Principal places of business / Country of registration	<u>Proportion of ownership interest and voting right</u>		
			2023.6.30	2022.12.31	2022.6.30
Hon Hui Zhu Gao Co., Ltd. (Note 1)	Department stores, supermarkets, and non-store retailing	Taiwan	20%	20%	- %

Note 1: In December 2022, the Consolidated Company acquired 20% of the shares of Hon Hui Zhu Gao for NT\$100,000 thousand in cash.

The aggregated financial information for significant affiliates of the Consolidated Company is as follows. This information has been adjusted to reflect the fair value adjustments made upon the acquisition of the Company's equity interest in each affiliate, as well as any differences in accounting policies between the affiliates and the Company's IFRS financial statements.

Summary of financial information on Hon Hui Zhu Gao:

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Current assets	\$ 300,634	299,875	-
Non-current assets	200,000	200,000	-
Current liabilities	(112)	(100)	-
Net assets	<u>\$ 500,522</u>	<u>499,775</u>	-
Net assets attributable to the Consolidated Company	<u>\$ 100,104</u>	<u>99,955</u>	-

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
LTD. and Subsidiaries (continued)**

	<u>Apr. - Jun. 2023</u>	<u>Apr. - Jun. 2022</u>	<u>Jan. - Jun. 2023</u>	<u>Jan. - Jun. 2022</u>
Operating revenue	\$ -	-	-	-
Net income of continuing business units for the period	\$ 978	-	747	-
Total comprehensive income	<u>\$ 978</u>	<u>-</u>	<u>747</u>	<u>-</u>
Total consolidated profit or loss attributable to the Consolidated Company	<u>\$ 195</u>	<u>-</u>	<u>149</u>	<u>-</u>

The aggregated financial information of the Consolidated Company's equity-method affiliates, which are individually insignificant, is as follows, which are included in the Consolidated Company's consolidated financial statements

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Total carrying amount of equity in individual insignificant affiliates at the end of the period	<u>\$ 14,559</u>	<u>14,392</u>	<u>14,385</u>

	<u>Apr. - Jun. 2023</u>	<u>Apr. - Jun. 2022</u>	<u>Jan. - Jun. 2023</u>	<u>Jan. - Jun. 2022</u>
Share attributable to the Consolidated Company:				
Net loss for the period from continuing business units	\$ 38	(764)	167	(735)
Total comprehensive income	<u>\$ 38</u>	<u>(764)</u>	<u>167</u>	<u>(735)</u>

## 2. Joint Venture

The Consolidated Company and Clevo Co. and Huatai Securities Co., Ltd. jointly participated in the public office urban renewal project of the E1E2 street profile of Taipei Station. As of June 30, 2023, the three parties have 51%, 24.5%, and 24.5% of the shares, respectively, in the amount of NT\$1,020,000,000, NT\$490,000,000, and NT\$490,000,000, respectively.

In September 2022, the joint venture company entered into a contract with the Taipei City Housing and Urban Renewal Center for the "Taipei Station Specific Dedicated Area E1E2 Street Profile Publicly-Owned Urban Renewal Project". As part of this agreement, the joint venture company is obligated to execute a "High Development Area Shopping Center Lease" and a "Low Development Area Lease" with the Taiwan Railway Administration. These leases must be signed within one month of the transfer of ownership of the commercial facilities in the project buildings, and within three months of the completion of the rehabilitation and reuse of the open space in the Specific Dedicated Area. The term of these leases is 20 years.

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
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The following table summarizes Tua Tiann Co., Ltd.'s own financial information, adjusting for fair value adjustments and accounting policy differences at the time of acquisition. The Company will reconcile the financial information to the carrying value of the Consolidated Company's interest in Tua Tiann Co., Ltd.

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Proportion of ownership interest of non-controlling interests	<u>51%</u>	<u>51%</u>	<u>-%</u>
Current assets	\$ 2,010,603	2,004,350	-
Non-current assets	163	202	-
Current liabilities	(3,719)	(939)	-
Non-current liabilities	(106)	(141)	-
Net assets	<u>\$ 2,006,941</u>	<u>2,003,472</u>	-
Cash and cash equivalents	<u>\$ 185,805</u>	<u>208,931</u>	-
Share of net assets attributable to the Consolidated Company	<u>\$ 1,023,540</u>	<u>1,021,771</u>	-
Carrying amount of equity in joint ventures	<u>\$ 1,023,540</u>	<u>1,021,771</u>	-

	<u>Apr. - Jun. 2023</u>	<u>Apr. - Jun. 2022</u>	<u>Jan. - Jun. 2023</u>	<u>Jan. - Jun. 2022</u>
Operating revenue	\$ -	-	-	-
Net income of continuing business units for the period	\$ 2,776	-	6,594	-
Total comprehensive income	<u>\$ 2,776</u>	<u>-</u>	<u>6,594</u>	<u>-</u>
Operating expenses	<u>\$ 21</u>	<u>-</u>	<u>41</u>	<u>-</u>
Interest income	<u>\$ 4,446</u>	<u>-</u>	<u>8,285</u>	<u>-</u>
Interest expenses	<u>\$ 1</u>	<u>-</u>	<u>2</u>	<u>-</u>
Income tax expense	<u>\$ 1,648</u>	<u>-</u>	<u>1,648</u>	<u>-</u>
Total consolidated profit or loss attributable to the Consolidated Company	<u>\$ 1,416</u>	<u>-</u>	<u>3,363</u>	<u>-</u>

3. Collateral

As of June 30, 2023, December 31, 2022, and June 30, 2022, the Consolidated Company's investments accounted for under the equity method are not pledged as collateral.

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
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(7) Subsidiary with material non-controlling interests

Subsidiaries with material non-controlling interests to the Group were as follows:

<u>Subsidiary name</u>	<u>Principal places of business / country of registration</u>	<u>Proportion of ownership interest and voting right of non-controlling interests</u>		
		<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Kedge Construction Co., Ltd. and subsidiaries	Taiwan	65.82%	65.82%	65.82%

The following combined financial information, prepared in conformity with the Regulations and IFRSs approved by the FSC, reflects any adjustments to the fair value at the acquisition date and adjustments to accounting policy differences. The amount of inter-company transactions before elimination are as follows:

Combined financial information on Kedge Construction Co., Ltd. and subsidiaries:

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Current assets	\$ 11,270,761	11,146,094	9,228,187
Non-current assets	661,174	652,598	673,751
Current liabilities	(7,496,508)	(7,416,157)	(6,247,510)
Non-current liabilities	(193,093)	(196,104)	(187,663)
Net assets	<u>\$ 4,242,334</u>	<u>4,186,431</u>	<u>3,466,765</u>
Carrying amount of non-controlling interests	<u>\$ 2,212,307</u>	<u>2,195,666</u>	<u>1,702,433</u>

	<u>Apr. - Jun. 2023</u>	<u>Apr. - Jun. 2022</u>	<u>Jan. - Jun. 2023</u>	<u>Jan. - Jun. 2022</u>
Operating revenue	\$ 3,951,296	2,809,119	7,221,852	5,003,006
Net income	\$ 364,339	147,630	531,635	292,421
Other comprehensive income	(261)	(42,084)	8,227	(61,241)
Total comprehensive income	<u>\$ 364,078</u>	<u>105,546</u>	<u>539,862</u>	<u>231,180</u>
Net profit attributable to non-controlling interests in this period	<u>\$ 228,177</u>	<u>117,199</u>	<u>336,792</u>	<u>242,402</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ 227,237</u>	<u>116,432</u>	<u>335,283</u>	<u>241,722</u>
Cash flows from operating activities	\$ 482,604	(331,046)	343,191	1,175,513
Cash flows from investing activities	(8,107)	(4,921)	(5,391)	(4,348)
Cash flows from financing activities	(278,782)	9,557	(490,644)	(190,886)
Net increase in cash and cash equivalents	<u>\$ 195,715</u>	<u>(326,410)</u>	<u>(152,844)</u>	<u>980,279</u>

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
LTD. and Subsidiaries (continued)**

(8) Property, Plant, and Equipment

Details of changes in cost, depreciation, and impairment loss of property, plant and equipment of the Group are as follows:

	<b>Land</b>	<b>Buildings</b>	<b>Leasehold improvements</b>	<b>Other equipment (including transportation equipment, office equipment, machinery, other equipment and leased assets)</b>	<b>Construction in progress</b>	<b>Total</b>
Cost or deemed cost:						
Balance as of January 1, 2023	\$ 3,607,479	4,367,565	1,025,254	431,222	8,471	9,439,991
Addition	-	3,257	78	22,911	123	26,369
Transfer into (out of)	-	10,202	-	5,977	(8,166)	8,013
Disposal and scrap	-	(1,024)	(4,335)	(48,026)	-	(53,385)
Adjustment of decoration works	-	-	-	-	(305)	(305)
Balance as of June 30, 2023	<b>\$ 3,607,479</b>	<b>4,380,000</b>	<b>1,020,997</b>	<b>412,084</b>	<b>123</b>	<b>9,420,683</b>
Balance as of January 1, 2022	\$ 3,567,078	4,355,494	1,047,652	391,669	3,452	9,365,345
Addition	-	2,933	1,791	16,214	573	21,511
Transfer from prepayments	-	339	-	84	-	423
Disposal and scrap	-	(21,345)	-	(4,407)	-	(25,752)
Adjustment of decoration works	-	-	(20,270)	543	-	(19,727)
Reclassifications	53,200	12,667	-	(811)	-	65,056
Balance as of June 30, 2022	<b>\$ 3,620,278</b>	<b>4,350,088</b>	<b>1,029,173</b>	<b>403,292</b>	<b>4,025</b>	<b>9,406,856</b>
Depreciation and impairment losses						
Balance as of January 1, 2023	\$ 14,000	1,953,912	805,394	287,458	-	3,060,764
Depreciation for the year	-	57,496	23,164	25,324	-	105,984
Disposal and scrap	-	(1,024)	(3,700)	(48,026)	-	(52,750)
Balance as of June 30, 2023	<b>\$ 14,000</b>	<b>2,010,384</b>	<b>824,858</b>	<b>264,756</b>	<b>-</b>	<b>3,113,998</b>
Balance as of January 1, 2022	\$ -	1,857,836	755,840	248,433	-	2,862,109
Depreciation for the year	-	55,370	24,867	20,712	-	100,949
Disposal and scrap	-	(21,345)	-	(4,407)	-	(25,752)
Reclassifications	7,000	6,177	-	(365)	-	12,812
Balance as of June 30, 2022	<b>\$ 7,000</b>	<b>1,898,038</b>	<b>780,707</b>	<b>264,373</b>	<b>-</b>	<b>2,950,118</b>
Carrying amount:						
January 1, 2023	<b>\$ 3,593,479</b>	<b>2,413,653</b>	<b>219,860</b>	<b>143,764</b>	<b>8,471</b>	<b>6,379,227</b>
June 30, 2023	<b>\$ 3,593,479</b>	<b>2,369,616</b>	<b>196,139</b>	<b>147,328</b>	<b>123</b>	<b>6,306,685</b>
January 1, 2022	<b>\$ 3,567,078</b>	<b>2,497,658</b>	<b>291,812</b>	<b>143,236</b>	<b>3,452</b>	<b>6,503,236</b>
June 30, 2022	<b>\$ 3,613,278</b>	<b>2,452,050</b>	<b>248,466</b>	<b>138,919</b>	<b>4,025</b>	<b>6,456,738</b>

As of June 30, 2023, December 31, 2022, and June 30, 2022, for information regarding the details on the guarantees on financing amount limits, please refer to Note 8.

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
LTD. and Subsidiaries (continued)**

(9) Right-of-use assets

Details of changes in cost and depreciation of leased land, houses and buildings, and transport equipment of the Group are as follows:

	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Total</u>
Cost of right-of-use assets:				
Balance as of January 1, 2023	\$ 2,302	3,841,187	25,368	3,868,857
Addition	12,309	1,371	3,791	17,471
Transfer out - Lease expires	-	-	(4,342)	(4,342)
Reclassifications	87	-	-	87
Balance as of June 30, 2023	<u>\$ 14,698</u>	<u>3,842,558</u>	<u>24,817</u>	<u>3,882,073</u>
Balance as of January 1, 2022	\$ -	3,884,636	16,789	3,901,425
Addition	-	2,939	-	2,939
Lease modifications	-	(87,497)	-	(87,497)
Re-evaluation	-	22,970	-	22,970
Transfer out - Lease expires	-	-	(872)	(872)
Balance as of June 30, 2022	<u>\$ -</u>	<u>3,823,048</u>	<u>15,917</u>	<u>3,838,965</u>
Depreciation and impairment losses of the right-of-use assets:				
Balance as of January 1, 2023	\$ -	757,943	12,478	770,421
Depreciation for the period	2,574	102,344	4,509	109,427
Transfer out - Lease expires	-	-	(4,342)	(4,342)
Balance as of June 30, 2023	<u>\$ 2,574</u>	<u>860,287</u>	<u>12,645</u>	<u>875,506</u>
Balance as of January 1, 2022	\$ -	555,481	9,215	564,696
Depreciation for the period	-	100,632	2,770	103,402
Transfer out - Lease expires	-	-	(872)	(872)
Balance as of June 30, 2022	<u>\$ -</u>	<u>656,113</u>	<u>11,113</u>	<u>667,226</u>
Carrying amount:				
January 1, 2023	<u>\$ 2,302</u>	<u>3,083,244</u>	<u>12,890</u>	<u>3,098,436</u>
June 30, 2023	<u>\$ 12,124</u>	<u>2,982,271</u>	<u>12,172</u>	<u>3,006,567</u>
January 1, 2022	<u>\$ -</u>	<u>3,329,155</u>	<u>7,574</u>	<u>3,336,729</u>
June 30, 2022	<u>\$ -</u>	<u>3,166,935</u>	<u>4,804</u>	<u>3,171,739</u>

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
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(10) Investment property

Details of the Group's investment property are as follows:

	<u>Land and improvements</u>	<u>Buildings</u>	<u>Total</u>
Cost or deemed cost:			
Balance as of January 1, 2023	\$ 282,087	213,814	495,901
Balance as of June 30, 2023	<u>\$ 282,087</u>	<u>213,814</u>	<u>495,901</u>
Balance as of January 1, 2022	\$ 335,287	216,663	551,950
Transfer to Property, Plant, and Equipment	<u>(53,200)</u>	<u>(12,667)</u>	<u>(65,867)</u>
Balance as of June 30, 2022	<u>\$ 282,087</u>	<u>203,996</u>	<u>486,083</u>
Depreciation and impairment losses			
Balance as of January 1, 2023	\$ -	33,536	33,536
Depreciation for the year	<u>-</u>	<u>2,096</u>	<u>2,096</u>
Balance as of June 30, 2023	<u>\$ -</u>	<u>35,632</u>	<u>35,632</u>
Balance as of January 1, 2022	\$ -	50,288	50,288
Depreciation for the year	<u>-</u>	<u>2,138</u>	<u>2,138</u>
Transfer to Property, Plant, and Equipment	<u>-</u>	<u>(13,177)</u>	<u>(13,177)</u>
Balance as of June 30, 2022	<u>\$ -</u>	<u>39,249</u>	<u>39,249</u>
Carrying amount:			
January 1, 2023	<u>\$ 282,087</u>	<u>180,278</u>	<u>462,365</u>
June 30, 2023	<u>\$ 282,087</u>	<u>178,182</u>	<u>460,269</u>
January 1, 2022	<u>\$ 335,287</u>	<u>166,375</u>	<u>501,662</u>
June 30, 2022	<u>\$ 282,087</u>	<u>164,747</u>	<u>446,834</u>

There is no significant difference between the fair value or the investment property of the group and the information disclosed in Note 6(10) to the 2022 annual consolidated financial statements.

As of June 30, 2023, December 31, 2022, and June 30, 2022, for information regarding the group's investment property pledged as collateral, please refer to Note 8.

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
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(11) Intangible assets

The changes in the costs and amortization of the group's intangible assets are detailed as follows:

	<u>Franchise</u>	<u>Trademarks and patents</u>	<u>Computer software and others</u>	<u>Total</u>
Cost:				
Balance as of January 1, 2023	\$ 54,199	500	137,541	192,240
Capitalized R&D	-	-	3,799	3,799
Transfer from prepayments	-	-	1,567	1,567
Disposal	-	-	(59,136)	(59,136)
Balance as of June 30, 2023	<u>\$ 54,199</u>	<u>500</u>	<u>83,771</u>	<u>138,470</u>
Balance as of January 1, 2022	\$ 54,199	500	127,972	182,671
Capitalized R&D	-	-	2,614	2,614
Balance as of June 30, 2022	<u>\$ 54,199</u>	<u>500</u>	<u>130,586</u>	<u>185,285</u>
Amortization and impairment loss:				
Balance as of January 1, 2023	\$ 36,622	500	101,244	138,366
Amortization for the year	1,737	-	4,706	6,443
Disposal	-	-	(59,136)	(59,136)
Balance as of June 30, 2023	<u>\$ 38,359</u>	<u>500</u>	<u>46,814</u>	<u>85,673</u>
Balance as of January 1, 2022	\$ 33,147	500	94,620	128,267
Amortization for the year	1,738	-	3,594	5,332
Balance as of June 30, 2022	<u>\$ 34,885</u>	<u>500</u>	<u>98,214</u>	<u>133,599</u>
Carrying amount:				
January 1, 2023	<u>\$ 17,577</u>	<u>-</u>	<u>36,297</u>	<u>53,874</u>
June 30, 2023	<u>\$ 15,840</u>	<u>-</u>	<u>36,957</u>	<u>52,797</u>
January 1, 2022	<u>\$ 21,052</u>	<u>-</u>	<u>33,352</u>	<u>54,404</u>
June 30, 2022	<u>\$ 19,314</u>	<u>-</u>	<u>32,372</u>	<u>51,686</u>

As of June 30, 2023, December 31, 2022, and June 30, 2022, none of the intangible assets of the Group has been pledged as collateral.

(12) Other financial assets - current and incremental costs of obtaining a contract

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Other financial assets - current	\$ 2,741,512	3,675,772	2,112,103
Incremental costs of obtaining a contract	13,323	9,978	10,729
	<u>\$ 2,754,835</u>	<u>3,685,750</u>	<u>2,122,832</u>

1. Other financial assets - current

For details on collateral pledged on restricted assets (loans and reserve accounts and trust), refundable deposits on constructions, and time deposits and bank accounts that do not meet the definition of cash equivalents, please refer to Note 8.



**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
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2. Incremental costs of obtaining a contract - current

The Group expected to recover the commissions paid to the third-party real estate agent and bonus paid to the internal sales department and thus recognized these costs as assets. These are amortized when sales revenue is recognized. In the periods from January 1 to June 30, 2023 and 2022, the amortization costs recognized were NT\$8,505 thousand and NT\$45,059 thousand, respectively.

(13) Short-term and long-term loans/long-term loans due within one year or one operating cycle

The details, conditions, and terms for short-term and long-term loans of the Group are as follows:

<b>2023.6.30</b>			
<b>Currency</b>	<b>Interest rate collars</b>	<b>Maturity year</b>	<b>Amount</b>
Secured bank loans	NTD	2.05%~2.71%	2023~2027 \$ 12,215,168
Unsecured bank loans	NTD	1.70%~2.70%	2023~2028 <u>3,934,516</u>
Total			<b><u>\$ 16,149,684</u></b>
Current			\$ 14,813,804
Non-current			<u>1,335,880</u>
Total			<b><u>\$ 16,149,684</u></b>
<b>2022.12.31</b>			
<b>Currency</b>	<b>Interest rate collars</b>	<b>Maturity year</b>	<b>Amount</b>
Secured bank loans	NTD	1.79%~2.56%	2023~2027 \$ 12,223,318
Unsecured bank loans	NTD	1.57%~2.44%	2023~2024 <u>4,445,378</u>
Total			<b><u>\$ 16,668,696</u></b>
Current			\$ 15,230,496
Non-current			<u>1,438,200</u>
Total			<b><u>\$ 16,668,696</u></b>
<b>2022.6.30</b>			
<b>Currency</b>	<b>Interest rate collars</b>	<b>Maturity year</b>	<b>Amount</b>
Secured bank loans	NTD	1.66%~2.29%	2022~2027 \$ 12,308,098
Unsecured bank loans	NTD	1.43%~2.44%	2022~2023 <u>4,344,156</u>
Total			<b><u>\$ 16,652,254</u></b>
Current			\$ 14,961,734
Non-current			<u>1,690,520</u>
Total			<b><u>\$ 16,652,254</u></b>

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
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1. Issuance and repayment of loans

In the periods from January 1 to June 30, 2023 and 2022, the increases in loans were NT\$2,303,617 thousand and NT\$1,527,369 thousand, respectively; the amounts of repayments were NT\$2,822,629 thousand and NT\$1,472,080 thousand, respectively.

2. Collateral

For details on the group's assets used as collateral for bank loans, please refer to Note 8.

(14) Bonds payable and convertible corporate bond due within one year or one operating cycle, and current portion of convertible corporate bond

Details on corporate bonds payable are as follows:

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Secured ordinary corporate bonds - current	\$ 1,000,000	2,000,000	1,000,000
Secured ordinary corporate bonds - non-current	2,000,000	2,000,000	3,000,000
Total	<u>\$ 3,000,000</u>	<u>4,000,000</u>	<u>4,000,000</u>

1. In the periods from January 1 to June 30, 2023 and 2022, the Group did not issue corporate bonds payable. For 2022 relevant information, please refer to Note 6(14) to the 2022 Consolidated Financial Statements.

2. For details on the aforementioned secured ordinary corporate bonds, please refer to Note 8.

(15) Lease liabilities

The carrying amount of lease liability is as follows:

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Current	<u>\$ 189,225</u>	<u>191,062</u>	<u>179,953</u>
Non-current	<u>\$ 3,007,010</u>	<u>3,123,422</u>	<u>3,154,102</u>

Refer to Note 6(25) for the details on the analysis of maturity profile of the Group's lease liabilities.

The amount of lease liabilities recognized in income is as follows:

	<u>Apr. - Jun. 2023</u>	<u>Apr. - Jun. 2022</u>	<u>Jan. - Jun. 2023</u>	<u>Jan. - Jun. 2022</u>
Interest expense on lease liability	<u>\$ 14,187</u>	<u>15,190</u>	<u>28,477</u>	<u>29,772</u>
Expenses relating to short-term leases and low-value asset leases	<u>\$ 6,258</u>	<u>2,550</u>	<u>14,961</u>	<u>4,298</u>
Lease subsidies related to COVID-19 (other income)	<u>\$ -</u>	<u>1,682</u>	<u>-</u>	<u>3,641</u>

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
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The amount of lease liabilities recognized in statements of cash flows is as follows:

	<b>Jan. - Jun. 2023</b>	<b>Jan. - Jun. 2022</b>
Variable lease payments not accounted for in lease liability	<b>\$ 54,147</b>	<b>59,057</b>
Total cash used in lease	<b>\$ 233,305</b>	<b>219,600</b>

1. Lease of buildings and constructions

- (1) The land on Gongyuan Road in Pingtung City Schedule in Contract is leased from Pingtung Irrigation Association. The lease term was 20 years and the lease payment was of a certain percentage of the land according to the contract assessed by the government. In the second half of 2011, the lease was extended for another ten years. A loyalty fee of NT\$16,000 thousand was paid to obtain the right of first refusal in the two years prior to the lease expiration date and to renew the lease with pre-negotiated terms and conditions.
- (2) The mall in Nangang HSR station is leased from Taiwan Railways Administration, MOTC under a service concession contract. The lease term is sixteen years (including a year for leasehold improvement), and the lease payment, or the annual concession fee, includes both a flat amount and a percentage of retail sales revenue.
- (3) The mall and parking lot in Linkou A8 Chang Gung Memorial Hospital Station of MRT Taoyuan Airport Line is leased from Asia Pacific Development Co. The lease term is twenty years starting from the first date of operation, and the lease payment on the mall is the greater of a flat fee or a percentage of retail sales revenue.
- (4) The mall in A9 Linkou Station of MRT Taoyuan Airport Line is leased from the Bureau of High Speed Rail and the Railway Bureau, MOTC under the "Lease Contract of Shopping Mall at Linkou Station of the Taiwan Taoyuan International Airport Access MRT System" and "Lease Contract of Shopping Mall at A19 Station of the Taiwan Taoyuan International Airport Access MRT System", respectively. The lease term is 20 years starting from the contract commencement date, and the lease payment is the greater of the flat concession fee committed in the contract or a variable concession fee. The variable operating concession fee is a percentage of retail sales revenue and non-operating income of actual operation, plus lease payments on the land and buildings.
- (5) The Group leases office and store space at the Banqiao Station Mall from the Taiwan Railway Administration. The lease term is 16 years, with a fixed royalty payment, with no increase in the first four years and an annual increase of 3% in the fifth year based on the previous year's amount. In addition to the fixed royalty, the operating royalty shall be paid based on a certain percentage of turnover.

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
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(6) The Consolidated Company and the Taiwan Railway Administration, Ministry of Transportation and Communications (hereinafter referred to as "TAT") entered into an operating and investment contract for the "New Zuoying Station Building", under which TAT will provide the commercial space on the east and west sides of the shopping mall from B1F to 4F of the New Zuoying Station Building and entrust the Consolidated Company with the construction (for a period of one year) and operation (for a period of twelve years), after which the operating right will be vested in TAT. The lease payment, or the annual concession fee, includes both a flat amount and a percentage of retail sales revenue.

2. Other leases

The Group leases land and transportation equipment and the lease duration is two to four years. The Group leases office equipment, outdoor fixed-spot advertising, and reception center. These leases are for short-term and low-value items, and the Group chooses to apply the exemption recognition requirement instead of recognizing their right-of-use assets and lease liabilities.

(16) Provisions

	<b>2023.6.30</b>	<b>2022.12.31</b>	<b>2022.6.30</b>
Warranty provisions	<b>\$ 176,965</b>	<b>183,236</b>	<b>180,643</b>

There were no major changes in the group's provisions in the periods from January 1 to June 30, 2023 and 2022. For relevant information, please refer to Note 6(16) to the 2022 Consolidated Financial Statements.

The aforementioned provisions for warranties are mainly related to construction contracts and estimated based on the historical warranty claim data of various projects. These provisions are expected to be claimed within a year from the completion of construction projects.

(17) Operating lease (lessor)

The Group leases its investment properties and recognizes the leases that do not transfer of the substantial risks and rewards incident to ownership of an underlying asset under as operating leases. Refer to Note 6(10) for details.

The maturity analysis of the lease payment is listed as follows according to the non-discounted future cash flows of lease receivable after the reporting date:

	<b>2023.6.30</b>	<b>2022.12.31</b>	<b>2022.6.30</b>
Less than 1 year	\$ 9,726	9,726	5,726
1~2 years	9,726	9,726	5,726
2~3 years	9,726	9,726	5,726
3~4 years	9,726	9,726	5,726
4~5 years	9,726	9,726	5,726
Above 5 years	24,453	29,316	15,905
Non-discounted future cash flows of lease	<b>\$ 73,083</b>	<b>77,946</b>	<b>44,535</b>

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
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The rental income generated from investment property for the periods from April 1 to June 30, 2023 and 2022, and from January 1 to June 30, 2023 and 2022 was NT\$2,432 thousand, NT\$1,437 thousand, NT\$4,863 thousand, and NT\$2,926 thousand, respectively. There have not been major maintenance or repair expenses incurred.

(18) Employee benefits

1. Defined benefit plans

There were no major market fluctuations, significant reduction, liquidation or other one-time-only significant events in the previous fiscal year. Therefore, the Group measures and discloses the interim period pension costs based on the actuated amount on December 31, 2022 and 2021.

The details of the expenses recognized by the group are as follows:

	<u>Apr. - Jun. 2023</u>	<u>Apr. - Jun. 2022</u>	<u>Jan. - Jun. 2023</u>	<u>Jan. - Jun. 2022</u>
Operating costs	<u>\$ 60</u>	<u>53</u>	<u>137</u>	<u>159</u>
Operating expenses	<u>\$ 71</u>	<u>698</u>	<u>250</u>	<u>891</u>

2. Defined contribution plans

The pension expenses under the Group's defined contribution plans are as follows, and have been appropriated to the Bureau of Labor Insurance.

	<u>Apr. - Jun. 2023</u>	<u>Apr. - Jun. 2022</u>	<u>Jan. - Jun. 2023</u>	<u>Jan. - Jun. 2022</u>
Operating costs	<u>\$ 5,011</u>	<u>4,450</u>	<u>10,064</u>	<u>8,693</u>
Operating expenses	<u>\$ 5,782</u>	<u>5,370</u>	<u>11,444</u>	<u>10,549</u>

3. Short-term compensated absences liabilities

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Short-term compensated absences liabilities	<u>\$ 21,666</u>	<u>20,174</u>	<u>19,785</u>

(19) Income tax

1. The details of the Group's income tax expenses are as follows:

	<u>Apr. - Jun. 2023</u>	<u>Apr. - Jun. 2022</u>	<u>Jan. - Jun. 2023</u>	<u>Jan. - Jun. 2022</u>
Current tax expenses				
Accrued in current period	\$ 147,975	106,692	266,632	226,083
Surtax on unappropriated earnings	88,413	110,645	88,413	110,645
Adjustments to income tax expenses of previous period	492	(2,656)	553	(2,656)
Land value increment tax	<u>17,801</u>	<u>19,096</u>	<u>57,716</u>	<u>37,229</u>
	<u>254,681</u>	<u>233,777</u>	<u>413,314</u>	<u>371,301</u>
Deferred income tax expenses				
Occurrence and reversal of temporary differences	<u>(1,182)</u>	<u>1,236</u>	<u>(2,552)</u>	<u>6,464</u>
Income tax expenses on units in continuing operation	<u>\$ 253,499</u>	<u>235,013</u>	<u>410,762</u>	<u>377,765</u>

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
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2. The Company's consolidated corporate income tax settlement and declaration have been approved by the tax authorities until the year 2021.

(20) Capital and other equity interest

Apart from the matters described in the following paragraphs, there were no major changes in the Group's capital and other equity in the periods from January 1 to June 30, 2023 and 2022. For relevant information, please refer to Note 6(20) to the 2022 consolidated financial statements.

1. Capital reserve

The details of capital reserve were as follows:

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Shares premium	\$ 827,906	827,906	827,906
Premium on conversion of corporate bonds	236,408	236,408	236,408
Treasury stock transactions	325,201	325,201	295,974
Gains on disposal of assets	34,912	34,912	34,912
Others	<u>27,478</u>	<u>27,142</u>	<u>27,142</u>
	<u><b>\$ 1,451,905</b></u>	<u><b>1,451,569</b></u>	<u><b>1,422,342</b></u>

In accordance with the Company Act, realized capital surplus can only be distributed to shareholders based on their original shareholding percentage as new shares or cash dividends after offsetting losses. The aforementioned realized capital reserve includes capital reserve resulting from premium on issuance of capital stock and earnings from donated assets received. In accordance with the processing standards regarding issuers' collection and issuance of negotiable securities, the capital reserve for capital has to be appropriated, and the total amount of appropriation every year shall not exceed 10% of the paid-in capital.

2. Retained earnings

The Company's Articles of Incorporation, amended and approved at the shareholders' meeting on June 19, 2023, state that the company's earnings must first be used to offset any deficits from prior years before paying income taxes. After this, 10% of the remaining balance is to be set aside as a legal reserve, and a special reserve will be established in accordance with relevant laws and regulations. If there is any balance left, it can be distributed to shareholders as dividends, including bonus dividends, as proposed by the Board of Directors and approved at the shareholders' meeting. However, if the earnings are to be distributed in cash, the Board of Directors must have two-thirds of its members present and obtain approval from a majority of those present, as stated in Article 240, Paragraph 5 of the Company Act. The distribution must be reported to the shareholders' meeting.

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
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(1) Legal reserve

When there is no loss in the company, the legal reserve will be used to issue new shares or cash dividends upon resolution by the Shareholders' Meeting, to the limit of the part of the reserve that has exceeded 25% of the paid-in capital.

(2) Special reserve

In compliance with FSC regulations, distributable earnings should be calculated by adding the net decrease in other stockholders' equity to the special reserve set aside for the current year. This sum should then be added to the current period's net income after tax and the amount of undistributed earnings for the current period, along with the special reserve set aside for the prior period's undistributed earnings. It is important to note that the special reserve from prior periods' undistributed earnings cannot be distributed and does not include the accumulated other shareholders' equity from prior periods. If the amount debited to the other shareholders' equity is reversed subsequently, the reversed amount may be distributed. As of June 30, 2023, the balance of special reserve was NT\$26,544 thousand.

(3) Earnings distribution

The 2022 and 2021 distribution of earnings were proposed by the Board meeting on June 19, 2023 and resolved at the shareholders' meeting on June 29, 2022, respectively. The dividends distributed to owners are as follows:

	2022		2021	
	Dividend rate (NT\$)	Amount	Dividend rate (NT\$)	Amount
Dividends to common shareholders:				
Cash	\$ 1.75	<u>969,798</u>	2.50	<u>1,385,425</u>

3. Treasury stock

- (1) On August 5, 2022, the Board of Directors made the decision to repurchase 1,000,000 shares of treasury stock. The purpose of this repurchase was to transfer shares to employees between August 10, 2022 and October 6, 2022. As of June 30, 2023, the Company has successfully completed the repurchase, with a total purchase amount of NT\$27,520 thousand and a total treasury stock amount of NT\$27,506 thousand. As of June 30, 2023, the number of uncanceled shares was 1,000 thousand shares.

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
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(2) As of June 30, 2023 and 2022, the Company's common stock held by the group was as follows:

Subsidiary name	2023.6.30			2022.6.30		
	Number of shares	Carrying amount (Note)	Market value	Number of shares	Carrying amount (Note)	Market value
Kedge Construction	550	\$ 1,222	16,555	550	1,222	17,930
Jiequn Investment Co., Ltd.	9,373	55,384	282,130	9,373	55,384	305,563
Guanqing Electromechanical	1,768	14,590	53,208	1,768	14,590	57,627
	<b>11,691</b>	<b>\$ 71,196</b>	<b>351,893</b>	<b>11,691</b>	<b>71,196</b>	<b>381,120</b>

Note: In addition, the total amount attributable to non-controlling interests was NT\$137,036 thousand.

4. Other equity items (net of tax)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Non-controlling interests	Total
Balance as of January 1, 2023	\$ (29,493)	2,949	(5,172)	(31,716)
The exchange differences yielded by net assets of overseas operating institutions	14	-	3	17
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(2,302)	(1,511)	(3,813)
Balance as of June 30, 2023	<b>\$ (29,479)</b>	<b>647</b>	<b>(6,680)</b>	<b>(35,512)</b>
Balance as of January 1, 2022	\$ (29,652)	2,925	(5,223)	(31,950)
The exchange differences yielded by net assets of overseas operating institutions	98	-	18	116
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(1,654)	(679)	(2,333)
Balance as of June 30, 2022	<b>\$ (29,554)</b>	<b>1,271</b>	<b>(5,884)</b>	<b>(34,167)</b>



**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
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(21) Earnings per Share

The amounts of earnings per share and diluted earnings per share are as follows:

	<u>Apr. - Jun. 2023</u>	<u>Apr. - Jun. 2022</u>	<u>Jan. - Jun. 2023</u>	<u>Jan. - Jun. 2022</u>
<b>Basic earnings per share</b>				
Net income attributable to the holders of common shares of the company	<u>\$ 195,152</u>	<u>446,010</u>	<u>675,740</u>	<u>1,276,365</u>
Weighted average number of ordinary shares outstanding	<u>541,479</u>	<u>542,479</u>	<u>541,479</u>	<u>542,479</u>
	<u>\$ 0.36</u>	<u>0.82</u>	<u>1.25</u>	<u>2.35</u>
<b>Diluted earnings per share</b>				
Net income attributable to the holders of common shares of the company (diluted)	<u>\$ 195,152</u>	<u>446,010</u>	<u>675,740</u>	<u>1,276,365</u>
Weighted average number of ordinary shares outstanding	541,479	542,479	541,479	542,479
Influence of employees' share bonus	360	821	930	1,519
Weighted average number of ordinary shares outstanding (after adjusting the impact of diluting potential ordinary shares)	<u>541,839</u>	<u>543,300</u>	<u>542,409</u>	<u>543,998</u>
	<u>\$ 0.36</u>	<u>0.82</u>	<u>1.25</u>	<u>2.35</u>

(22) Revenue of Customer Contract

1. Disaggregation of revenue

	<u>Apr. - Jun. 2023</u>			
	<u>Development business unit</u>	<u>Construction</u>	<u>Shopping mall</u>	<u>Total</u>
Main regional markets:				
Taiwan	<u>\$ 692,511</u>	<u>3,352,367</u>	<u>397,201</u>	<u>4,442,079</u>
Main products/services:				
Sales of real estate developments	\$ 633,811	-	-	633,811
Sales of construction contracts	56,039	3,352,367	-	3,408,406
Sales commission from department store retailers	-	-	311,490	311,490
Service revenue	-	-	7,816	7,816
Rental income	2,661	-	37,315	39,976
Other income	-	-	40,580	40,580
	<u>\$ 692,511</u>	<u>3,352,367</u>	<u>397,201</u>	<u>4,442,079</u>

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**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
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		<b>Apr. - Jun. 2023</b>			
		<b>Development business unit</b>	<b>Construction</b>	<b>Shopping mall</b>	<b>Total</b>
Timing of revenue recognition:					
Transfer of products upon a point in time	\$	633,811	-	354,998	339,457
Gradually transferred revenue over time		2,661	-	42,203	38,890
Gradually transferred construction over time		56,039	3,352,367	-	-
		<b>\$ 692,511</b>	<b>3,352,367</b>	<b>397,201</b>	<b>4,442,079</b>
		<b>Apr. - Jun. 2022</b>			
		<b>Development business unit</b>	<b>Construction</b>	<b>Shopping mall</b>	<b>Total</b>
Main regional markets:					
Taiwan	\$	<b>2,003,323</b>	<b>2,422,089</b>	<b>269,527</b>	<b>4,694,939</b>
Main products/services:					
Sales of real estate developments	\$	1,944,081	-	-	1,944,081
Sales of construction contracts		49,914	2,422,089	-	2,472,003
Sales commission from department store retailers		-	-	211,482	211,482
Service revenue		7,688	-	5,919	13,607
Rental income		1,640	-	28,355	29,995
Other income		-	-	23,771	23,771
		<b>\$ 2,003,323</b>	<b>2,422,089</b>	<b>269,527</b>	<b>4,694,939</b>
Timing of revenue recognition:					
Transfer of products upon a point in time	\$	1,951,769	-	254,250	2,206,019
Gradually transferred revenue over time		1,640	-	15,277	16,917
Gradually transferred construction over time		49,914	2,422,089	-	2,472,003
		<b>\$ 2,003,323</b>	<b>2,422,089</b>	<b>269,527</b>	<b>4,694,939</b>

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
LTD. and Subsidiaries (continued)**

	<b>Jan. - Jun. 2023</b>			
	<b>Development business unit</b>	<b>Construction</b>	<b>Shopping mall</b>	<b>Total</b>
Main regional markets:				
Taiwan	<b>\$ 1,981,548</b>	<b>6,153,344</b>	<b>799,852</b>	<b>8,934,744</b>
Main products/services:				
Sales of real estate developments	\$ 1,850,586	-	-	1,850,586
Sales of construction contracts	125,672	6,153,344	-	6,279,016
Sales commission from department store retailers	-	-	635,508	635,508
Service revenue	-	-	14,753	14,753
Rental income	5,290	-	78,750	84,040
Other income	-	-	70,841	70,841
	<b>\$ 1,981,548</b>	<b>6,153,344</b>	<b>799,852</b>	<b>8,934,744</b>
Timing of revenue recognition:				
Transfer of products upon a point in time	\$ 1,850,586	-	711,440	2,562,026
Gradually transferred revenue over time	5,290	-	88,412	93,702
Gradually transferred construction over time	125,672	6,153,344	-	6,279,016
	<b>\$ 1,981,548</b>	<b>6,153,344</b>	<b>799,852</b>	<b>8,934,744</b>
	<b>Jan. - Jun. 2022</b>			
	<b>Development business unit</b>	<b>Construction</b>	<b>Shopping mall</b>	<b>Total</b>
Main regional markets:				
Taiwan	<b>\$ 4,806,916</b>	<b>4,227,209</b>	<b>641,861</b>	<b>9,675,986</b>
Main products/services:				
Sales of real estate developments	\$ 4,722,177	-	-	4,722,177
Sales of construction contracts	68,798	4,227,209	-	4,296,007
Sales commission from department store retailers	-	-	521,199	521,199
Service revenue	12,623	-	12,713	25,336
Rental income	3,318	-	58,041	61,359
Other income	-	-	49,908	49,908
	<b>\$ 4,806,916</b>	<b>4,227,209</b>	<b>641,861</b>	<b>9,675,986</b>
Timing of revenue recognition:				
Transfer of products upon a point in time	\$ 4,734,800	-	611,348	5,346,148
Gradually transferred revenue over time	3,318	-	30,513	33,831
Gradually transferred construction over time	68,798	4,227,209	-	4,296,007
	<b>\$ 4,806,916</b>	<b>4,227,209</b>	<b>641,861</b>	<b>9,675,986</b>

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
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2. Contract balances

	<b>2023.6.30</b>	<b>2022.12.31</b>	<b>2022.6.30</b>
Notes and accounts receivable	\$ 1,378,971	2,157,943	1,091,793
Less: Loss allowance	<u>(8,018)</u>	<u>(8,096)</u>	<u>(8,707)</u>
Total	<b><u>\$ 1,370,953</u></b>	<b><u>2,149,847</u></b>	<b><u>1,083,086</u></b>
Contract assets - construction	\$ 2,707,416	1,675,939	1,995,038
Less: Loss allowance	<u>-</u>	<u>-</u>	<u>-</u>
Total	<b><u>\$ 2,707,416</u></b>	<b><u>1,675,939</u></b>	<b><u>1,995,038</u></b>
Contract liabilities - construction	\$ 2,000,320	1,635,353	1,746,872
Contract liabilities - buildings	628,129	306,601	479,885
Contract liabilities - gym	12,445	12,011	11,223
Contract liabilities - customer loyalty points	36,216	17,009	34,937
Contract liabilities - vouchers	<u>75,436</u>	<u>74,831</u>	<u>69,033</u>
Total	<b><u>\$ 2,752,546</u></b>	<b><u>2,045,805</u></b>	<b><u>2,341,950</u></b>

For details of notes and accounts receivable and their impairments, please refer to Note 6(4).

The fluctuations in contract assets and contract liabilities primarily result from the time gap between when the Group delivers goods or services to clients to fulfill their obligations and when clients make payments. There were no other material changes during the periods from April 1 to June 30, 2023 and 2022, and from January 1 to June 30, 2023 and 2022.

As of June 30, 2023, the prepayments of real estate pre-sales and the related interests were retained in trust accounts of identified banks and recognized as other financial assets - current in the amount of NT\$81,142 thousand. Details on the trust accounts were as follows:

<b>Project code</b>	<b>2023.6.30</b>
101A	<b><u>\$ 81,142</u></b>

(23) Remunerations to employees and directors

The company's Articles of Incorporation stipulate that, after annual earnings first offset against any deficit, a minimum of 0.5% shall be allocated as employee compensation and a maximum of 2% as directors' remuneration. However, profits must first be taken to offset cumulative losses if any.

The estimated employee remunerations for the periods from April 1 to June 30, 2023 and 2022, and from January 1 to June 30, 2023 and 2022, were NT\$2,035 thousand, NT\$11,149 thousand, NT\$10,848 thousand, and NT\$26,777 thousand, respectively. Similarly, the estimated director remunerations for these periods were NT\$2,035 thousand, NT\$11,149 thousand, NT\$10,848 thousand, and NT\$26,777 thousand. These amounts were calculated by multiplying the company's net income before tax for each period by the percentage specified in the company's Article of Incorporation, excluding remunerations to employees and directors.

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
LTD. and Subsidiaries (continued)**

These remunerations were recorded as expenses for each period. If the actual distribution is different from the estimation, the difference will be accounted for as changes in accounting estimates and recognized in profit or loss for the following year. If remuneration to employees is resolved to be distributed in stock, the number of shares is determined by dividing the amount of remuneration by the closing price of the shares on the day prior to the Board of Directors' meeting.

The actual distribution of employee remuneration for the years 2022 and 2021 was NT\$41,942 thousand and NT\$53,929 thousand, respectively. Similarly, the actual distribution of director remuneration for the same years amounted to NT\$41,942 thousand and NT\$53,929 thousand. There were no discrepancies between the estimated and actual distributions. Please consult the MOPS for further details.

(24) Non-operating income and expenses

1. Interest income

The details of interest income of the Group are as follows:

	<u>Apr. - Jun. 2023</u>	<u>Apr. - Jun. 2022</u>	<u>Jan. - Jun. 2023</u>	<u>Jan. - Jun. 2022</u>
Bank deposits (including short-term securities)	\$ 37,288	14,617	68,109	20,825
Loans and receivables	89	860	200	1,453
Construction refundable deposits (including deposits)	10	26	75	284
Other interest income	19	896	27	905
	<u>\$ 37,406</u>	<u>16,399</u>	<u>68,411</u>	<u>23,467</u>

2. Other income

The details of other income of the group are as follows:

	<u>Apr. - Jun. 2023</u>	<u>Apr. - Jun. 2022</u>	<u>Jan. - Jun. 2023</u>	<u>Jan. - Jun. 2022</u>
Dividend income	<u>\$ 319</u>	<u>363</u>	<u>319</u>	<u>363</u>

3. Other gains or losses

The details of other gains or losses of the Group are as follows:

	<u>Apr. - Jun. 2023</u>	<u>Apr. - Jun. 2022</u>	<u>Jan. - Jun. 2023</u>	<u>Jan. - Jun. 2022</u>
Gains on foreign exchange	\$ 912	1,526	460	3,084
Net gain of financial assets measured at fair value through profit or loss	7,339	(26,864)	7,659	(26,071)
Gain/loss on disposal of property, plant, and equipment	(635)	-	(273)	-
Government grant income	-	1,903	-	3,862
Rental income	268	157	536	331
Other income	70,577	30,607	76,525	45,483
Others	(101,752)	(319)	(104,230)	(651)
	<u>\$ (23,291)</u>	<u>7,010</u>	<u>(19,323)</u>	<u>26,038</u>

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
LTD. and Subsidiaries (continued)**

4. Finance costs

The details of financial costs of the Group are as follows:

	<u>Apr. - Jun. 2023</u>	<u>Apr. - Jun. 2022</u>	<u>Jan. - Jun. 2023</u>	<u>Jan. - Jun. 2022</u>
Interest expenses				
Bank loans	\$ 95,390	78,795	186,800	149,461
Interests on deposits in advance for public land development	-	-	85	34
Transaction fees and interests on corporate bonds	12,530	17,421	25,675	34,650
Lease liabilities	14,126	15,190	28,377	29,772
Others	278	253	587	468
Less: Capitalization of interest	<u>(54,925)</u>	<u>(32,867)</u>	<u>(101,926)</u>	<u>(63,838)</u>
	<u><b>\$ 67,399</b></u>	<u><b>78,792</b></u>	<u><b>139,598</b></u>	<u><b>150,547</b></u>

(25) Financial Instruments

Apart from the matters described in the following paragraphs, there have been no significant changes in the fair value of the Group's financial instruments and exposures to credit risk, liquidity risk, and market risk arising from financial instruments. For further details, please refer to Note 6(25) of the 2022 consolidated financial statements.

1. Liquidity risk

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

	<u>Book value</u>	<u>Contractual cash flows</u>	<u>Less than 1 year</u>	<u>1 - 3 years</u>	<u>3 - 5 years</u>	<u>Over 5 years</u>
<b>June 30, 2023</b>						
Non-derivative financial liabilities						
Long-/short-term loans (including current portion due within one year)	\$ 16,149,684	16,554,195	11,700,683	2,651,749	2,201,763	-
Ordinary corporate bonds (including within one year)	3,000,000	3,027,862	1,002,580	2,025,282	-	-
Notes, accounts and other payables	7,929,031	7,929,031	5,913,143	2,015,888	-	-
Guarantee deposits received	95,093	95,093	-	95,093	-	-
Other current and non-current liabilities (Long-term liabilities)	24,504	24,636	16,446	8,190	-	-
Lease liabilities (including current portion)	<u>3,196,235</u>	<u>3,699,507</u>	<u>241,428</u>	<u>483,548</u>	<u>468,616</u>	<u>2,505,915</u>
	<u><b>\$ 30,394,547</b></u>	<u><b>31,330,324</b></u>	<u><b>18,874,280</b></u>	<u><b>7,279,750</b></u>	<u><b>2,670,379</b></u>	<u><b>2,505,915</b></u>
<b>December 31, 2022</b>						
Non-derivative financial liabilities						
Long-/short-term loans (including current portion due within one year)	\$ 16,668,696	17,134,531	10,927,881	4,413,182	1,793,468	-
Ordinary corporate bonds (including within one year)	4,000,000	4,039,600	2,007,375	2,032,225	-	-
Notes, accounts and other payables	7,257,175	7,257,175	5,373,925	1,883,250	-	-
Guarantee deposits received	96,204	96,204	-	96,204	-	-
Other current and non-current liabilities (Long-term liabilities)	32,672	32,892	16,490	16,402	-	-
Lease liabilities (including current portion)	<u>3,314,484</u>	<u>3,845,738</u>	<u>245,058</u>	<u>470,844</u>	<u>464,549</u>	<u>2,665,287</u>
	<u><b>\$ 31,369,231</b></u>	<u><b>32,406,140</b></u>	<u><b>18,570,729</b></u>	<u><b>8,912,107</b></u>	<u><b>2,258,017</b></u>	<u><b>2,665,287</b></u>

(Continued on next page)

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
LTD. and Subsidiaries (continued)**

(Continued from last page)

June 30, 2022	Book value	Contractual cash flows	Less than 1 year	1 - 3 years	3 - 5 years	Over 5 years
Non-derivative financial liabilities						
Long-/short-term loans (including current portion due within one year)	\$ 16,652,254	17,076,790	8,643,517	6,370,075	2,063,198	-
Ordinary corporate bonds (including within one year)	4,000,000	4,056,387	1,005,725	2,031,018	1,019,644	-
Notes, accounts and other payables	7,170,420	7,170,420	5,488,891	1,681,529	-	-
Guarantee deposits received	95,713	95,713	-	95,713	-	-
Other current and non-current liabilities (Long-term liabilities)	40,840	41,170	16,534	24,636	-	-
Lease liabilities (including current portion)	<u>3,334,055</u>	<u>3,890,394</u>	<u>236,772</u>	<u>467,027</u>	<u>461,417</u>	<u>2,725,178</u>
	<u>\$ 31,293,282</u>	<u>32,330,874</u>	<u>15,391,439</u>	<u>10,669,998</u>	<u>3,544,259</u>	<u>2,725,178</u>

The Group does not anticipate any significant changes in the timing or amount of cash flows analyzed on the due date.

2. Interest rate analysis

The interest rate risk exposure of financial assets and financial liabilities of the Group is described in the liquidity risk management of this Note.

The following sensitivity analysis is based on the interest rate exposure of derivatives and non-derivatives on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The interest rate fluctuation of 1% increase or decrease is used internally for reporting the interest rate to management and is the assessment by management regarding the reasonable and possible changes in interest rates.

For the six-month periods ending on June 30, 2023 and 2022, if the interest rate were to increase or decrease by 1% while other factors remained unchanged, the Group's pre-tax profit would decrease or increase by NT\$80,748 thousand or NT\$83,261 thousand, respectively. After capitalizing interest, net profit would decrease or increase by NT\$46,672 thousand and NT\$58,468 thousand, respectively. This is primarily due to the Group's floating rate loans.

3. Other price risk

If the equity securities price changes on the reporting date (the same basis is adopted for the analysis for both periods, with the assumption that other variable factors remain unchanged), the impacts on the comprehensive gains or losses are as follows:

Securities price on the reporting date	Jan. - Jun. 2023		Jan. - Jun. 2022	
	Other comprehensive income after tax	Net profit after tax	Other comprehensive income after tax	Net profit after tax
Increase by 10%	<u>\$ 870</u>	<u>10,529</u>	<u>1,013</u>	<u>9,853</u>
Decrease by 10%	<u>\$ (870)</u>	<u>(10,529)</u>	<u>(1,013)</u>	<u>(9,853)</u>

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
LTD. and Subsidiaries (continued)**

4. Fair value information

(1) Type and fair value of financial instruments

Financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are measured on a recurring basis. The carrying amount and fair value of various financial assets and financial liabilities (including fair value level information; the carrying amount of financial instruments not measured at fair value is the reasonable approximation of fair value and the lease liabilities do not have to be revealed according to provisions) are listed as follows:

	<b>2023.6.30</b>				
	<b>Book value</b>	<b>Fair value</b>			<b>Total</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	\$ 105,293	105,293	-	-	105,293
Financial assets at fair value through other comprehensive income	\$ 8,696	2,552	-	6,144	8,696
Financial assets at amortized cost					
Cash and cash equivalents	\$15,120,414	-	-	-	-
Notes and accounts receivable	1,370,953	-	-	-	-
Other financial assets-current	2,741,512	-	-	-	-
Other financial assets-non-current	60,880	-	-	-	-
Subtotal	19,293,759	-	-	-	-
<b>Total</b>	<b>\$19,407,748</b>	<b>107,845</b>	<b>-</b>	<b>6,144</b>	<b>113,989</b>

	<b>2023.6.30</b>				
	<b>Book value</b>	<b>Fair value</b>			<b>Total</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Financial liabilities measured at amortized costs					
Long-/short-term loans (including current portion due within one year)	\$ 16,149,684	-	-	-	-
Notes, accounts and other payables	7,929,031	-	-	-	-
Corporate bonds payable (including current portion)	3,000,000	-	-	-	-
Other current liabilities (Long-term liabilities)	16,336	-	-	-	-
Other non-current liabilities (Long-term liabilities)	8,168	-	-	-	-
Lease liabilities (including current portion)	3,196,235	-	-	-	-
Guarantee deposits received	95,093	-	-	-	-
<b>Total</b>	<b>\$ 30,394,547</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
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	2022.12.31				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	\$ 97,466	97,466	-	-	97,466
Financial assets at fair value through other comprehensive income	\$ 12,509	2,438	-	10,071	12,509
Financial assets at amortized cost					
Cash and cash equivalents	\$15,522,920	-	-	-	-
Notes, accounts and other receivables	2,149,847	-	-	-	-
Other financial assets-current	3,675,772	-	-	-	-
Other financial assets-non-current	73,566	-	-	-	-
Subtotal	21,422,105	-	-	-	-
Total	<b>21,532,080</b>	<b>99,904</b>	<b>-</b>	<b>10,071</b>	<b>109,975</b>
Financial liabilities measured at amortized costs					
Long-/short-term loans (including current portion due within one year)	\$16,668,696	-	-	-	-
Notes, accounts and other payables	7,257,175	-	-	-	-
Corporate bonds payable (including current portion)	4,000,000	-	-	-	-
Other current liabilities (Long-term liabilities)	16,336	-	-	-	-
Other non-current liabilities (Long-term liabilities)	16,336	-	-	-	-
Lease liabilities (including current portion)	3,314,484	-	-	-	-
Guarantee deposits received	96,204	-	-	-	-
Total	<b>31,369,231</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	2022.6.30				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	\$ 98,529	98,529	-	-	98,529
Financial assets at fair value through other comprehensive income	\$ 10,131	2,619	-	7,512	10,131

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**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
LTD. and Subsidiaries (continued)**

(Continued from last page)

	2022.6.30				
	Book value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at amortized cost					
Cash and cash equivalents	\$17,890,764	-	-	-	-
Notes and accounts receivable	1,086,267	-	-	-	-
Other financial assets-current	2,108,922	-	-	-	-
Other financial assets-non-current	<u>77,527</u>	-	-	-	-
Subtotal	<u>21,163,480</u>	-	-	-	-
Total	<u><b>\$21,272,140</b></u>	<u><b>101,148</b></u>	<u><b>-</b></u>	<u><b>7,512</b></u>	<u><b>108,660</b></u>
Financial liabilities measured at amortized costs					
Long-/short-term loans (including current portion due within one year)	\$16,652,254	-	-	-	-
Notes, accounts and other payables	7,170,420	-	-	-	-
Corporate bonds payable (including current portion)	4,000,000	-	-	-	-
Other current liabilities (Long-term liabilities)	16,336	-	-	-	-
Other non-current liabilities (Long-term liabilities)	24,504	-	-	-	-
Lease liabilities (including current portion)	3,334,055	-	-	-	-
Guarantee deposits received	<u>95,713</u>	-	-	-	-
Total	<u><b>\$31,293,282</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>-</b></u>

(2) Valuation techniques of financial instruments measured at fair value

Non-derivative financial instruments

Financial instruments traded in active markets are based on quoted market prices. A quoted price of a financial instrument obtained from main exchanges and on-the-run bonds from Taipei Exchange can be used as a basis to determine the fair value of the listed companies' equity and debt instruments, as it is a quoted price in an active market.

If a quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial unions, pricing agencies, or governing authorities, and such price can actually reflect those traded frequently in the market, then the financial instrument is considered to have a quoted price in an active market. If a financial instrument is not in accordance with the definition mentioned above, then it is considered to be without a quoted price in an active market. In general, low trading volumes and high or increasing bid-ask spreads are indications that a market is not active.

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
LTD. and Subsidiaries (continued)**

The categories and characteristics of fair value measurement for the financial instruments with active markets are as follows:

- The fair value of financial instruments that have active markets and standard terms and conditions are determined with reference to quoted market prices (e.g., publicly traded stocks).

The categories and characteristics of fair value measurement for the financial instruments without active markets are as follows:

- Equity instruments without active market quotes: the fair value is derived from comparable companies in the market and is determined by multiplying the investee's EBITDA with P/E ratio of comparable companies listed in the market. The calculation is then discounted for lack of marketability.

(3) Changes in Level 3 financial assets

	<u>Measured at fair value through other comprehensive income Equity instruments without public quotes</u>
January 1, 2023	<u>\$ 10,071</u>
June 30, 2023	<u>\$ 6,144</u>
January 1, 2022	<u>\$ 9,547</u>
June 30, 2022	<u>\$ 7,512</u>

The aforementioned total gains or losses were included in "unrealized gain (loss) from financial assets measured at FVTOCI." Among them, the assets still held on June 30, 2023 and 2022 are as follows:

	<u>Apr. - Jun. 2023</u>	<u>Apr. - Jun. 2022</u>	<u>Jan. - Jun. 2023</u>	<u>Jan. - Jun. 2022</u>
Total profit or loss				
Recognized in other comprehensive income (reported in "Unrealized gain (loss) on valuation of financial assets at fair value through other comprehensive income")	<u>\$ (2,970)</u>	<u>(2,358)</u>	<u>(3,927)</u>	<u>(2,035)</u>

(26) Financial risk management

There is no significant difference between the goals and policies of the Group's financial risk management and the information disclosed in Note 6(26) to the 2022 Consolidated Financial Statements.

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
LTD. and Subsidiaries (continued)**

(27) Capital management

The goals, policies, and procedures of the 2022 capital management align with the information disclosed in the 2022 annual consolidated financial statements. There are no significant differences between the aggregated quantitative data of the projects used for capital management in this period and the information disclosed in the 2022 Consolidated Financial Statements. For relevant information, please refer to Note 6(27) to the 2022 Consolidated Financial Statements.

(28) Investment and financing activities for non-cash transaction

The Group's non-cash investing and financing activities for the six months ended to June 30, 2023 and 2022 are as follows:

1. For details right-of-use assets obtained by lease, please refer to Note 6(9).
2. Acquisition of property, plant, and equipment follows:

	<b>Jan. - Jun. 2023</b>	<b>Jan. - Jun. 2022</b>
Procurement of Property, Plant, and Equipment	\$ 26,369	21,511
Add: Payables for equipment at the beginning of the period	27,286	80,081
Less: Payables for equipment at the end of period	(18,950)	(40,864)
	<b>\$ 34,705</b>	<b>60,728</b>

**7. Related-Party Transactions**

(1) Name of related parties and relations

The affiliates which have trading with the Group within the period of the consolidated financial statements are as follows:

<b>Name of related party</b>	<b>Relationship with the Group</b>
Kindom Yu San Education Foundation	The entity's chairman is the second-degree relative of the company's chairman.
Tua Tiann Co., Ltd.	is a joint venture of the Group.
ReadyCom Information Technology Service Co., Ltd.	Associates

(2) Transactions with related parties

1. The Group donated a total of NT\$6,000 thousand and NT\$15,500 thousand to other related parties in the period from January 1 to June 30, 2023 and 2022 for the promotion of foundation affairs.
2. The Group leased part of the office building to other related parties and the joint venture company, with lease terms of one and three years, respectively. The rent income was NT\$51 thousand, NT\$14 thousand, NT\$65 thousand and NT\$28 thousand for the periods from April 1 to June 30, 2023 and 2022, and from January 1 to June 30, 2023 and 2022.

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
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3. In December 2021, the group entered into an information professional consulting service contract with ReadyCom Information Technology Service, with a total contract value of NT\$50 thousand per month, for which NT\$150 thousand had been paid as of June 30, 2023. The contract was terminated in 2023.

4. Debt situation

The details of debt between parties and the Group are as follows:

<b>Accounting Subject</b>	<b>Category and Name of Related Party</b>	<b>2023.6.30</b>	<b>2022.12.31</b>	<b>2022.6.30</b>
Other receivables	Joint venture	\$ 1,594	-	-
Other payables	Associates	-	150	-

(3) Key management personnel transactions

Remuneration to major management personnel includes:

	<b>Apr. - Jun. 2023</b>	<b>Apr. - Jun. 2022</b>	<b>Jan. - Jun. 2023</b>	<b>Jan. - Jun. 2022</b>
Short-term employee benefits	\$ 33,774	28,015	76,428	61,205
Benefits after retirement	74	65	146	140
	<b>\$ 33,848</b>	<b>28,080</b>	<b>76,574</b>	<b>61,345</b>

## 8. Pledged Assets

The details of the carrying value of pledged assets and restricted assets guaranteed by the Group are as follows:

<b>Name of assets</b>	<b>Pledge guarantee object</b>	<b>2023.6.30</b>	<b>2022.12.31</b>	<b>2022.6.30</b>
Buildings and land held for sale	Bank loans	\$ 5,637,459	6,136,065	6,449,648
Land held for construction	"	211,953	1,724,867	1,739,371
Construction in progress	"	11,436,915	8,876,318	9,789,219
Investment properties and net value of property, plant, and equipment	Bank loans and corporate bonds payable	6,264,424	6,299,209	6,331,361
Other financial assets-current	Bank loans, pre-sales payments in trust accounts, guarantees, bonds payable, and restricted assets guarantee	2,077,144	2,541,820	1,212,930
Other financial assets - non-current	Guarantees and pre-sales payments in trust accounts	51,016	50,802	50,795
		<b>\$ 25,678,911</b>	<b>25,629,081</b>	<b>25,573,324</b>

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
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Note: The shares pledged as collateral for the subsidiary's bank borrowings amounted to 223,414 thousand shares in June 30, 2023, December 31, 2022, and June 30, 2022.

**9. Significant Contingent Liabilities and Unrecognized Contract Commitments**

(1) Significant unrecognized contract commitments:

1. The total amount of significant construction contracts is as follows:

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Amount of construction contracts	\$ 40,906,961	42,465,890	41,630,132
Amount of payments received	\$ 19,213,407	14,488,226	9,868,305

2. The total amount of sales contracts signed before and after the completion of construction is as follows:

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Amount of sales contracts signed	\$ 5,358,613	3,166,981	3,317,440
Amount of payments received per contracts	\$ 628,129	306,601	479,885

3. For details on lease agreements of the Group's business in shopping mall management as of June 30, 2023, December 31, 2022, and June 30, 2022, please refer to Note 6(15). Details of the performance bond in relation to obligations under these agreements are as follows:

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Refundable notes	\$ 232,550	232,550	232,550

4. Details on refundable deposits and notes paid for co-developments with land owners and third party developers as follows:

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Refundable deposits	\$ 486,591	686,090	691,388
Guarantees in trust accounts	\$ 1,712,205	1,552,737	1,427,368

5. As of June 30, 2023, December 31, 2022 and June 30, 2022, the guaranteed notes for projects were amounted to NT\$57,992 thousand, NT\$57,992 thousand and NT\$881,342 thousand, respectively.

6. As of June 30, 2023, December 31, 2022 and June 30, 2022, the Group had issued bank guarantee letters amounting to NT\$3,657,020 thousand, NT\$4,279,154 thousand and NT\$4,455,007 thousand, respectively, for the construction warranty performance guarantee and prepayment guarantee.

7. The Board meeting in December of 2022 and 2021 approved the Group's commitment to donate NT\$18,000 thousand and NT\$20,000 thousand in 2023 and 2022 respectively to the Kindom Yu San Education Foundation for the advancement of foundation activities.

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
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8. In November 2021, the Group entered into a contract with Taiwan Power Company (Taipower) for the urban renewal project of the former Nangang site (AR-1-2) of the Taipower northern storage and transportation center. Under the terms of the contract, the Group is obligated to lease back all commercial facilities (including parking spaces) that Taipower participated in the rights transformation and distribution. The lease term is ten years, with an option to renew for an additional ten years. The lease contract for the relevant commercial facilities and premises will be signed one year prior to obtaining the license.
9. If the Group's joint venture company (Tua Tiann Co., Ltd.) mentioned in Note 6(6) has entered into a contract with Taipei City Housing and Urban Renewal Center in September 2022 for the "Taipei Vehicle Specific Zone Station E1E2 Contour Publicly-Owned Urban Renewal Project," the Group will be jointly and severally responsible for the contract's compensation and performance.
10. In December 2022, the Group signed a contract with the National Center for Housing and Urban Renewal (NCHUR) to provide capital contribution and support for urban renewal projects. As part of the agreement, the Group is obligated to lease the commercial facilities connected to the administrative office building for a duration of 20 years.

**10. Significant Disaster Loss: None**

**11. Significant Events after the End of the Financial Reporting Period: None**

**12. Others**

- (1) The employee benefits, depreciation, depletion, and amortization expenses are summarized by function as follows:

Function Nature	Apr. - Jun. 2023			Apr. - Jun. 2022		
	Operating costs	Operating Expenses	Total	Operating costs	Operating Expenses	Total
Employee benefit expenses						
Salaries and wages	146,776	160,746	307,522	141,081	160,635	301,716
Labor insurance and national health insurance	12,904	11,358	24,262	11,279	10,200	21,479
Pension expenses	5,071	5,853	10,924	4,503	6,068	10,571
Other employee benefits expenses	3,677	10,374	14,051	3,378	7,427	10,805
Depreciation	6,003	104,242	110,245	2,149	101,180	103,329
Amortization	80	3,437	3,517	-	2,608	2,608

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
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Function Nature	Jan. - Jun. 2023			Jan. - Jun. 2022		
	Operating costs	Operating Expenses	Total	Operating costs	Operating Expenses	Total
Employee benefit expenses						
Salaries and wages	305,192	327,820	633,012	256,358	321,088	577,446
Labor insurance and national health insurance	25,412	26,835	52,247	20,717	21,922	42,639
Pension expenses	10,201	11,694	21,895	8,852	11,440	20,292
Other employee benefits expenses	7,954	17,706	25,660	6,973	14,885	21,858
Depreciation	9,722	207,785	217,507	4,300	202,189	206,489
Amortization	80	6,363	6,443	-	5,332	5,332

(2) Seasonality of operation: The operation of the Group is not affected by seasonal or periodic factors.

### 13. Disclosure Notes

#### (1) Information on Significant Transactions

During the period of January 1 to June 30, 2023, the group will disclose information regarding significant transactions in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers." The disclosed information is outlined below:

1. Loans provided for others: None.
2. Endorsements/Guarantees Provided for Others:

Unit: NT\$ thousand

No.	Name of endorsement/guarantee provider	Subject of endorsements/guarantees		Limit on endorsements/guarantees provided for a single party	Maximum balance for this period	Closing balance of endorsement/guarantees	Actual amount used	Amount of endorsement/guarantees collateralized with assets	Ratio of accumulated endorsement/guarantees to net equity per latest financial statements	Maximum endorsement/guarantee amount	Endorsement/guarantees provided by parent company to subsidiaries	Endorsement/guarantees provided by subsidiaries to parent company	Endorsement/guarantee provided to subsidiary in China
		Name of Company	Relationship (Note 1)										
1	Kedge Construction	Kindom Development	Parent company and subsidiary	\$ 8,484,290	14,192	14,192	14,192	-	0.33%	8,484,290	N	Y	N
2	Dingtian Construction	Kindom Development	Parent company and subsidiary	51,161	14,192	14,192	14,192	-	27.74%	51,161	N	Y	N
2	"	Kedge Construction	Parent company and subsidiary	7,674,154	1,376,500	1,376,500	1,376,500	-	2,690.53%	15,348,308	N	Y	N
3	Global Mall	Guan Hua	2	6,473,153	110,000	110,000	20,000	-	2.04%	10,788,589	Y	N	N
3	"	Guan Cheng	2	6,473,153	61,550	61,550	61,550	-	1.14%	10,788,589	Y	N	N
3	"	Guan You	2	6,473,153	180,000	180,000	-	-	3.34%	10,788,589	Y	N	N

Note 1: Types of relationship that the endorsement/guarantee provider has with the guaranteed party:

- (1) An entity with which it does business.
- (2) A company in which the company directly or indirectly holds more than 50% of the voting shares.
- (3) A company that directly or indirectly holds more than 50% of the voting shares in the company.
- (4) Between the companies in which the company directly or indirectly holds more than 90% of the voting shares.



**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
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- (5) A company fulfills its contractual obligations by providing mutual endorsement/guarantee for another company in the same industry or for joint builders for purposes of undertaking a construction project.
- (6) All capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.
- (7) Companies in the same industry provide among themselves joint and security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 2: Taipei City Government requested the Company to provide joint and several security, so Kedge Construction, approved by the Board on March 21, 2002 and March 25, 2010, provided endorsements/guarantees for the Company.

Note 3: Per Kedge Construction's policies and procedures on endorsements/guarantees, the maximum aggregate amount allowable for endorsements/guarantees to third parties shall not exceed 200% of its net equity as stated in its latest financial statement, and limits on endorsements/guarantees provided to a single entity shall not exceed 200% of its net equity as stated in its latest financial statement. The aggregate amount of endorsements/guarantees on all construction projects shall not exceed 10 times of its net equity as stated in its latest financial statement, and the aggregate amount of endorsements/guarantees on a single construction project shall not exceed 5 times of its net equity as stated in its latest financial statement.

Note 4: Per Dingtian's policies and procedures on endorsements/guarantees, the maximum aggregate amount allowable for endorsements/guarantees to third parties shall not exceed 100% of its net equity as stated in its latest financial statement, and limits on endorsements/guarantees provided to a single entity shall not exceed 100% of its net equity as stated in its latest financial statement. The aggregate amount of endorsements/guarantees on all construction projects shall not exceed 300 times of its net equity as stated in its latest financial statement, and the aggregate amount of endorsements/guarantees on a single construction project shall not exceed 150 times of its net equity as stated in its latest financial statements.

Note 5: According to Global Mall's policies and procedures on endorsements/guarantees, the total amount permitted for endorsements/guarantees to third parties must not exceed 200% of its net equity as stated in its most recent financial statement. Additionally, the limits on endorsements/guarantees given to a single entity must not exceed 120% of its net equity as stated in its most recent financial statements.

Note 6: The above transactions had been written off in preparing the consolidated financial report.

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
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3. Marketable securities (excluding equity investments in subsidiaries, associates, and joint ventures) held at the reporting date:

Unit: NT\$ thousand/ thousand shares

Investing Company	Type and name of securities	Relationship with the securities issuer	Account title in book	End of period				Remark
				Number of shares	Book value	Percentage of shareholding	Fair value (Note)	
Kindom Development	Stock - Fubon Financial Holding Co Ltd.	-	Financial assets at fair value through profit or loss - current	604	36,712	- %	36,712	
"	Stock - Everterminal Co. Ltd.	-	Financial assets measured at FVTOCI - non-current	99	1,722	0.20 %	1,722	
"	Stock - Clientron Corp.	-	"	29	691	0.05 %	691	
"	Stock - Fubon Financial Holding Co Ltd. Preferred Shares C	-	"	12	674	- %	674	
Jiequn Investment Co., Ltd.	Stock - Fubon Financial Holding Co Ltd.	-	Financial assets at fair value through profit or loss - current	563	34,258	- %	34,258	
"	Stock - SinoPac Securities Corporation	-	"	224	3,895	- %	3,895	
"	Stock - Fubon Financial Holding Co Ltd. Preferred Shares C	-	Financial assets measured at FVTOCI - non-current	11	629	- %	629	
"	Stock - Huei Ding Computer	-	"	405	-	0.78 %	-	
Guangqing Electromechanical	Stock - Fubon Financial Holding Co Ltd.	-	Financial assets at fair value through profit or loss - current	500	30,428	- %	30,428	
"	Stock - Fubon Financial Holding Co Ltd. Preferred Shares C	-	Financial assets measured at FVTOCI - non-current	10	558	- %	558	
"	Stock - Commonwealth Publishing Group	-	"	177	4,422	0.59 %	4,422	

Note: If the market price is not available, the carrying amount of the security at the reporting date is determined as the market price.

4. Accumulated amount of buying or selling the same marketable securities at NT\$300 million or more than 20% of the paid-in capital: None.
5. Acquisition of individual real estate properties at costs of at least NT\$300 million or 20% of the paid-in capital: None.
6. Disposal of real estate at prices exceeding NT\$ 300 million or 20% of the paid-in capital:

Unit: NT\$ thousand

Disposing company	Asset title	Date of event	Date of acquisition	Carrying amount	Transaction amount	Payment collection status	Gain or loss on disposal	Transaction counterparty	Relationship	Purpose of disposal	Reference for price determination	Other stipulations of the transaction
Kindom Development	Inventories - buildings and land held for sale	2022.12~2023.05	Not applicable: inventories sold, not acquired	N/A	1,165,026	1,165,026	N/A	More than one third party	Non-related party	Selling inventories	Reference based on market price	None

Note 1: The amounts above are expressed before taxes.

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
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7. Related-party transactions for purchases and sales with amounts exceeding NT\$100 million or 20% of the paid-in capital:

Unit: NT\$ thousand

Companies involved in purchases (sales)	Name of transaction counterparty	Relationship	Transaction Situation				Transactions with Terms Different from Others		Notes/accounts receivable (or payable)		Remark
			Purchases (Sales)	Amount (Note 1)	Percentage of total purchases (sales)	Loan period	Unit price	Loan period	Balance	Percentage of total notes/accounts receivable (payable)	
Kindom Development	Kedge Construction	Investees valued under equity method	Contracting	1,022,176	68.82%	50% due immediately and 50% due in 60 days	Equivalent to other transactions	Slightly longer than normal	(644,246)	(60.70)%	Note 2
Kedge Construction	Kindom Development	Investor in which Kedge Construction is accounted for using equity method	Contracting	(1,022,176)	(13.41)%	Receive payment by installment per contract and slightly longer than a normal transaction	"	"	644,246	24.75%	"

Note 1: Refers to the valuation amount for current period

Note 2: The above-mentioned transactions have been written off at the preparation of the consolidated financial statements.

8. Receivables from related parties with amounts exceeding NT\$100 million or 20% of the paid-in capital:

Unit: NT\$ thousand

The companies that record such transactions as receivables	Transaction counterparty	Relationship	Balance of receivables from related parties	Turnover Rate	Receivable Overdue		Amounts received in subsequent periods	Allowance for losses appropriated
					Amount	Action taken		
Kedge Construction	Kindom Development	Investor in which Kedge Construction is accounted for using equity method	644,246	3.32	-	-	83,053	-

Note: The above-mentioned transactions have been written off at the preparation of the consolidated financial statements.

9. Derivative financial instrument transactions: None.
10. Business relationships and significant inter-company transactions among parent and subsidiaries:

No.	Company name	Transaction counterparty	Relationship with trader	Transactions			As a percentage of consolidated revenue or total assets
				Ledger Account	Amount	Terms and conditions	
0	The Company	Kedge Construction	1	Cost of construction	1,044,359	50% due immediately and 50% due in 60 days	11.69%
0	The Company	Kedge Construction	1	Buildings and land held for sale	86,129	50% due immediately and 50% due in 60 days	0.16%
0	The Company	Kedge Construction	1	Construction in progress	150,565	50% due immediately and 50% due in 60 days	0.27%
0	The Company	Kedge Construction	1	Notes and accounts payable-related parties	644,246	50% due immediately and 50% due in 60 days	1.17%
0	The Company	Kedge Construction	1	Operating revenue	3,286	Once a quarter	0.04%
0	The Company	Kedge Construction	1	Non-operating revenue	2,857	100% due immediately	0.03%
0	The Company	Kedge Construction	1	Operating expenses	1,680	Once a quarter	0.02%

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**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
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No.	Company name	Transaction counterparty	Relationship with trader	Transactions			As a percentage of consolidated revenue or total assets
				Ledger Account	Amount	Terms and conditions	
0	The Company	Dingtian Construction	1	Cost of construction	22,469	50% due immediately and 50% due in 60 days	0.25%
0	The Company	Dingtian Construction	1	Construction in progress	2,088	50% due immediately and 50% due in 60 days	-%
0	The Company	Dingtian Construction	1	Notes and accounts payable-related parties	11,578	50% due immediately and 50% due in 60 days	0.02%
0	The Company	Dingtian Construction	1	Operating revenue	49	Once a quarter	-%
0	The Company	Guanqing Electromechanical	1	Operating revenue	49	Once a quarter	-%
0	The Company	Global Mall	1	Non-operating revenue	1,429	Once a month	0.02%
1	Kedge Construction	The Company	2	Operating revenue	1,044,359	50% due immediately and 50% due in 60 days	11.69%
1	Kedge Construction	The Company	2	Operating costs	236,694	50% due immediately and 50% due in 60 days	2.65%
1	Kedge Construction	The Company	2	Notes and accounts receivable-related parties, contract assets	644,246	50% due immediately and 50% due in 60 days	1.17%
1	Kedge Construction	The Company	2	Operating revenue	1,680	Once a quarter	0.02%
1	Kedge Construction	The Company	2	Operating expenses	6,143	Once a quarter, 100% due immediately	0.07%
2	Dingtian Construction	The Company	2	Operating revenue	22,469	50% due immediately and 50% due in 60 days	0.25%
2	Dingtian Construction	The Company	2	Operating costs	2,088	50% due immediately and 50% due in 60 days	0.02%
2	Dingtian Construction	The Company	2	Notes and accounts receivables-related parties	11,578	50% due immediately and 50% due in 60 days	0.02%
2	Dingtian Construction	The Company	2	Lease liabilities	49	Once a quarter	-%
3	Guanqing Electromechanical	The Company	2	Lease liabilities	49	Once a quarter	-%
4	Global Mall	The Company	2	Operating expenses	1,429	Once a month	0.02%
4	Global Mall	Guan Cheng	3	Accounts receivable-related parties	29,271	Once a year, credit on 30 days	0.05%
4	Global Mall	Guan Cheng	3	Operating revenue	26,234	Once a year	0.29%
4	Global Mall	Guan Hua	3	Accounts receivable-related parties	8,877	Once a year, credit on 30 days	0.02%
4	Global Mall	Guan Hua	3	Operating revenue	8,302	Once a year	0.09%
4	Global Mall	Guan You	3	Accounts receivable-related parties	2,242	Once a year, credit on 30 days	-%
4	Global Mall	Guan You	3	Operating revenue	2,155	Once a year	0.02%
5	Guan Cheng	Global Mall	3	Accounts payable - related parties	29,271	Once a year, credit on 30 days	0.05%
5	Guan Cheng	Global Mall	3	Operating expenses	26,234	Once a year	0.29%
6	Guan Hua	Global Mall	3	Other payables-Related parties	8,877	Once a year, credit on 30 days	0.02%
6	Guan Hua	Global Mall	3	Operating expenses	8,302	Once a year	0.09%
7	Guan You	Global Mall	3	Other payables-Related parties	2,242	Once a year, credit on 30 days	-%
7	Guan You	Global Mall	3	Operating expenses	2,155	Once a year	0.02%

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
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Note 1: Instruction for numbering.

1. The parent company is numbered 0.
2. Subsidiaries are sorted in a numerical order starting from 1.

Note 2: The type of relations with transaction party is marked as follows:

1. Parent company to subsidiaries.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3: The above-mentioned transactions have been written off at the preparation of the consolidated financial statements.

(2) Information on Invested Companies:

The information on the group's investees in the period from January 1 to June 30, 2023 is as follows:

Unit: NT\$ thousand/ thousand shares

Name of Investor	Name of Investee	Location	Principal business	Original investment amount		Ending shareholding			Net income (loss) of the investee	Share of profit/loss of investee	Remark
				End of the period	End of last year	Number of shares	Percentage	Book value			
Kindom Development	Kedge Construction	Taiwan	The comprehensive construction industry, etc.	374,353	374,353	39,873	34.18%	1,230,141	531,635	175,066	Subsidiary
"	Global Mall	Taiwan	Supermarkets, department stores, international trading, wholesale medical equipment, and retail	3,209,395	3,209,395	320,105	84.02%	4,557,137	207,852	174,631	"
"	Tua Tiann	Taiwan	Commercial real estate development	1,020,000	1,020,000	102,000	51.00%	1,023,540	6,594	3,363	Investments accounted for using equity method
Kedge Construction	Jiequn Investment Co., Ltd.	Taiwan	Investment	163,935	163,935	16,396	99.98%	446,528	3,338	3,338	Sub-subsidiary
"	Guanqing Electromechanical	Taiwan	Installation and engineering of electrical and fire safety equipment	81,326	81,326	7,747	99.96%	232,079	4,277	4,275	"
Jiequn Investment Co., Ltd.	Dingtian Construction	Taiwan	The comprehensive construction industry, etc.	16,500	16,500	-	30.00%	15,348	3,381	1,014	Third-tier subsidiary
Guanqing Electromechanical	Dingtian Construction	Taiwan	The comprehensive construction industry, etc.	11,105	11,105	-	70.00%	35,813	3,381	2,367	"
Dingtian Construction	Ready/Com Information Technology Service	Taiwan	Information software services and management consultants, etc.	15,000	15,000	1,400	46.67%	14,559	359	167	Investments accounted for using equity method
Global Mall	Guan Cheng	Taiwan	Department stores, supermarkets, and non-store retailing	280,886	280,886	20,000	100.00%	324,281	63,581	63,581	Sub-subsidiary
Global Mall	Guan Hua	Taiwan	Department stores, supermarkets, and non-store retailing	140,000	140,000	14,000	100.00%	147,725	6,307	6,307	Sub-subsidiary
"	KGM	Hong Kong	Investment and operation of shopping mall in mainland China, including master planning, supporting engineering consulting, and leasing planning and consulting	9,339 (HKD390 thousand)	9,339 (HKD390 thousand)	- (Limited company)	100.00%	1,834	17	17	"

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**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
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Name of Investor	Name of Investee	Location	Principal business	Original investment amount		Ending shareholding			Net income (loss) of the investee	Share of profit/loss of investee	Remark
				End of the period	End of last year	Number of shares	Percentage	Book value			
"	Hon Hui Zhu Gao	Taiwan	Department stores, supermarkets, and non-store retailing	100,000	100,000	10,000	20.00%	100,104	747	149	Investments accounted for using equity method
Guan Cheng	Guan You	Taiwan	Department stores, supermarkets, and non-store retailing	230,006	230,006	13,500	100.00%	92,884	867	867	Third-tier subsidiary

(3) Information on Investments in Mainland China:

1. Relevant information, including names and principal business, on investees in China:  
None.
2. Limitation on investment in mainland China:

Unit: Thousands of USD/RMB/NTD

Cumulative investment remitted from Taiwan to Mainland China at end of the year	Amount of investment approved by the Investment Commission, M.O.E.A.	Limit on amount of investment stipulated by the Investment Commission, M.O.E.A.
1,076,350 (CNY 227,649 ) (Note 1)	USD 38,738	10,932,281 (Note 2)

Note 1: The investment amount from the dissolved company Global Mall (Tianjin) Co., Ltd., which completed the cancellation registration on April 19th, 2021, has been remitted to Global Mall in December of the same year. The remaining amount of NT\$44,054 thousand (HK\$12,400 thousand) was transferred through its parent company KGM.

Note 2: The limited amount is capped at 60% of the parent company's net equity.

3. Significant transactions with investees in mainland China: None

(4) Information on Major Shareholders:

Expressed in shares

Name of substantial shareholders	Shareholding	No. of shares held	Shareholding ratio
Yu-De Investment Co.		105,935,137	19.11%
Mei-Chu, Liu		66,306,202	11.96%

**14. Segment Information**

(1) General information

The Group's reportable segments comprise of development business unit, construction business unit, and shopping mall business unit. The market nature and marketing strategies of each business unit are not identical and hence are explained as follows:

Development segment: Commissions construction companies to develop residential and commercial real estate for rental or sales.

**Notes to the Consolidated Financial Statements of KINDOM DEVELOPMENT CO.,  
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Construction segment: Comprehensively organizes all works involved in constructions, including building and management, as a general contractor.

Shopping mall segment: Manages operations of shopping malls, supermarkets, and businesses in international trading.

(2) Information involving profit or loss, asset, liability and measurement basis and adjustment of reportable segments

The management's resource allocation and performance evaluation are based on the unit's profit before tax (excluding extraordinary profit or loss and exchange gain or loss) in the internal governance report reviewed by the chief operating decision-maker of the Group. As tax expenses (income), extraordinary profit or loss and exchange gain or loss are recognized on the Group level, the Group does not allocate tax expenses (income), extraordinary profit or loss and exchange gain or loss to the reportable segments. Thus, not every reportable segment includes material non-monetary items besides depreciation and amortization in the profit or loss. The reported amounts are in line with the amounts in the reports for operating decision makers.

Except that the pension expenses of each unit are paid in cash to pension plans, the accounting policies of the operating department are the same as the "Summary of Significant Accounting Policies" described in Note 4.

The Group deems inter-unit sales and transfer as third-party transactions. And such transactions are measured at the current market price.

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

Apr. - Jun. 2023					
	Development business unit	Construction	Shopping mall	Adjustments and elimination	Total
Revenue:					
Revenues from external customers	\$ 692,511	3,352,367	397,201	-	4,442,079
Inter-segment income	1,693	598,929	-	(600,622)	-
Total revenue	<b>\$ 694,204</b>	<b>3,951,296</b>	<b>397,201</b>	<b>(600,622)</b>	<b>4,442,079</b>
<b>Reportable segment profits or loss</b>	<b>\$ 300,587</b>	<b>481,239</b>	<b>129,768</b>	<b>(219,128)</b>	<b>692,466</b>
Apr. - Jun. 2022					
	Development business unit	Construction	Shopping mall	Adjustments and elimination	Total
Revenue:					
Revenues from external customers	\$ 2,003,323	2,422,089	269,527	-	4,694,939
Inter-segment income	1,692	387,030	16,231	(404,953)	-
Total revenue	<b>\$ 2,005,015</b>	<b>2,809,119</b>	<b>285,758</b>	<b>(404,953)</b>	<b>4,694,939</b>
<b>Reportable segment profits or loss</b>	<b>\$ 613,464</b>	<b>211,738</b>	<b>1,908</b>	<b>(27,891)</b>	<b>799,219</b>

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	<b>Jan. - Jun. 2023</b>				
	<b>Development business unit</b>	<b>Construction</b>	<b>Shopping mall</b>	<b>Adjustments and elimination</b>	<b>Total</b>
Revenue:					
Revenues from external customers	\$ 1,981,548	6,153,344	799,852	-	8,934,744
Inter-segment income	3,384	1,068,508	-	(1,071,892)	-
<b>Total revenue</b>	<b>\$ 1,984,932</b>	<b>7,221,852</b>	<b>799,852</b>	<b>(1,071,892)</b>	<b>8,934,744</b>
<b>Reportable segment profits or loss</b>	<b>\$ 873,765</b>	<b>690,425</b>	<b>261,799</b>	<b>(369,595)</b>	<b>1,456,394</b>
	<b>Jan. - Jun. 2022</b>				
	<b>Development business unit</b>	<b>Construction</b>	<b>Shopping mall</b>	<b>Adjustments and elimination</b>	<b>Total</b>
Revenue:					
Revenues from external customers	\$ 4,806,916	4,227,209	641,861	-	9,675,986
Inter-segment income	3,384	775,797	28,092	(807,273)	-
<b>Total revenue</b>	<b>\$ 4,810,300</b>	<b>5,003,006</b>	<b>669,953</b>	<b>(807,273)</b>	<b>9,675,986</b>
<b>Reportable segment profits or loss</b>	<b>\$ 1,551,185</b>	<b>391,086</b>	<b>146,236</b>	<b>(173,051)</b>	<b>1,915,456</b>
<b>Assets of reportable segments</b>					
June 30, 2023	\$ 38,879,411	11,931,935	11,796,786	(7,584,341)	55,023,791
December 31, 2022	\$ 39,085,228	11,798,692	12,108,433	(7,129,496)	55,862,857
June 30, 2022	\$ 39,646,143	9,901,938	11,512,004	(6,866,569)	54,193,516
<b>Reportable segment liabilities</b>					
June 30, 2023	\$ 20,658,942	7,689,601	6,402,492	(1,022,188)	33,728,847
December 31, 2022	\$ 20,568,749	7,612,261	6,769,607	(653,208)	34,297,409
June 30, 2022	\$ 22,193,580	6,435,173	6,447,372	(847,083)	34,229,042