

**Kindom Development Co., Ltd. and
Subsidiaries**

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

Second Quarter of 2024 and 2023

Company address : 2F, No. 131, Section 3, Heping E. Rd., Taipei City
Telephone: (02)2378-6789

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Independent Auditors' Review Report

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

Foreword

We have reviewed the accompanying Consolidated Statement of Financial Position of Kindom Development Co., Ltd. and subsidiaries (hereinafter referred to as “the Group”) as of June 30, 2024 and 2023, and the Consolidated Statement of Comprehensive Income for three and six months then ended, as well as the Consolidated Statement of Changes in Equity and of Consolidated Statement of Cash Flows for the six months then ended, and notes to the financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope

We conducted our reviews in accordance with the Statement of Auditing Standards No. 2410 “Review of Financial Information Performed by the Independent Auditor of the Entity.” A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects the consolidated financial position of Kindom Development Co., Ltd. and subsidiaries as of June 30, 2024 and 2023, its consolidated financial performance for the three and six months ended June 30, 2024 and 2023, and its consolidated cash flows for the six months ended June 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

KPMG Taiwan

Yi-Lian Han

Certified Public Accountant:

Kuo-Yang Tseng

Approval reference number : Jin-Guan-Zheng-Shen-Zi No. 1090332798
of the securities authority : Jin-Guan-Zheng-Liu No. 0940129108
August 9, 2024

Kindom Development Co., Ltd. and Subsidiaries

Consolidated Balance Sheet

June 30, 2024, December 31, 2023 and June 30, 2023

Unit: NTD thousand

		2024.6.30		2023.12.31		2023.6.30				2024.6.30		2023.12.31		2023.6.30	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and equity		Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (Note 6(1) and (26))	\$ 16,537,903	29	14,178,534	25	15,120,414	27	2100	Short-term borrowings (Note 6(14) and (26))	\$ 11,731,547	21	15,181,178	26	14,609,164	27
1110	Financial assets at fair value through profit or loss - current (Note 6(2) and (26))	144,681	-	117,984	-	105,293	-	2110	Short-term bills payable (Note 6(13) and (26))	375,800	1	30,000	-	-	-
1140	Contract assets - current (Note 6(23))	2,910,389	5	2,996,809	5	2,707,416	5	2130	Contract liabilities - current (Note 6(23))	3,291,871	6	3,249,651	6	2,752,546	5
1170	Notes and accounts receivable, net (Note 6(4), (23), and (26))	1,708,899	3	1,124,565	2	1,370,953	3	2150	Notes payable (Note 6(26))	321,960	1	299,864	1	313,438	1
1220	Current income tax assets	164	-	217	-	68	-	2170	Accounts payable (Note 6(26))	5,819,746	10	6,028,647	11	5,577,086	10
1300	Inventories - trading (Note 6(5))	8,912	-	9,166	-	9,470	-	2200	Other payables (Note 6(26))	2,392,762	4	1,022,535	2	2,038,507	4
1320	Inventories (for the construction industry) (Note 6(5) and 8)	22,805,209	40	25,316,121	44	21,443,363	39	2230	Current income tax liabilities	574,784	1	653,287	1	351,950	1
1410	Prepayments	297,349	1	251,314	-	282,047	1	2250	Provision - current (Note 6(17))	179,111	-	181,670	-	176,965	-
1476	Other financial assets - current (Note 6(12), (26), and 8)	2,006,506	3	2,504,580	5	2,741,512	5	2251	Provision for employee benefits - current (Note 6(19))	13,046	-	17,054	-	21,666	-
1479	Other current assets - others	40,170	-	44,337	-	66,164	-	2280	Lease liabilities - current (Note 6(16) and (26))	205,730	-	201,443	-	189,225	-
1480	Incremental cost of obtaining contracts - current (Note 6(12))	13,432	-	33,295	-	13,323	-	2321	Corporate bonds maturing within one year or one operating cycle or for which the redemption rights are exercised (Note 6(15) and (26))	1,000,000	2	1,000,000	2	1,000,000	2
		46,473,614	81	46,576,922	81	43,860,023	80	2322	Long-term borrowings due within one year or one operating cycle (Note 6(14) and (26))	204,640	-	204,640	-	204,640	-
Non-current assets:								2399	Other current liabilities - others (Note 6(26))	102,235	-	183,192	-	46,689	-
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6(3) and (26))	35,450	-	35,673	-	8,696	-	Non-current liabilities:		26,213,232	46	28,253,161	49	27,281,876	50
1550	Investment under equity method (Note 6(6))	1,140,840	2	1,143,545	2	1,138,203	2	2530	Corporate bonds payable (Note 6(15) and (26))	2,000,000	4	2,000,000	3	2,000,000	4
1600	Property, plant and equipment (Note 6(8) and 8)	6,124,048	11	6,213,844	11	6,306,685	11	2540	Long-term borrowings (Note 6(14) and (26))	831,240	1	933,560	2	1,335,880	2
1755	Right-of-use assets (Note 6(9))	2,981,534	5	2,905,154	5	3,006,567	6	2573	Deferred income tax liabilities - other	1,231	-	825	-	-	-
1760	Investment property (Note 6(10) and 8)	456,077	1	458,173	1	460,269	1	2580	Lease liabilities - non-current (Note 6(16) and (26))	2,987,714	5	2,941,468	5	3,007,010	5
1780	Intangible assets (Note 6(11))	61,188	-	53,119	-	52,797	-	2640	Net defined benefit liabilities - non-current	-	-	-	-	820	-
1840	Deferred income tax assets	54,833	-	55,397	-	58,793	-	2645	Guarantee deposits received (Note 6(26))	98,396	-	95,271	-	95,093	-
1975	Net defined benefit assets - non-current	6,985	-	7,016	-	5,782	-	2670	Other non-current liabilities - others (Note 6(26))	-	-	-	-	8,168	-
1980	Other financial assets - non-current (Note 6(26) and 8)	95,248	-	63,039	-	60,880	-	Total liabilities		5,918,581	10	5,971,124	10	6,446,971	11
1995	Other non-current assets - others	51,954	-	52,744	-	65,096	-	Equity attributable to owners of the parent company (Note 6(21)):		32,131,813	56	34,224,285	59	33,728,847	61
		11,008,157	19	10,987,704	19	11,163,768	20	3100	Share capital	5,541,701	9	5,541,701	10	5,541,701	10
								3200	Capital reserve	1,472,805	3	1,472,401	3	1,451,905	3
								3300	Retained earnings	15,214,508	26	13,074,843	22	11,354,397	20
								3400	Other equity	(28,509)	-	(28,435)	-	(28,832)	-
								3500	Treasury stock	(98,702)	-	(98,702)	-	(98,702)	-
										22,101,803	38	19,961,808	35	18,220,469	33
								36XX	Non-controlling interests (Note 6(7))	3,248,155	6	3,378,533	6	3,074,475	6
								Total equity		25,349,958	44	23,340,341	41	21,294,944	39
Total assets		\$ 57,481,771	100	57,564,626	100	55,023,791	100	Total liabilities and equity		\$ 57,481,771	100	57,564,626	100	55,023,791	100

(Please refer to the attached Notes to the Consolidated Financial Statements)

Chairman: Chih-Kang Ma

Manager: Sheng-An Chang

Accounting supervisor: Shu-Lian Chang

Kindom Development Co., Ltd. and Subsidiaries
Consolidated Statement of Comprehensive Income
April 1 to June 30, 2024 and 2023 and January 1 to June 30, 2024 and 2023

Unit: NTD thousand

		April to June 2024		April to June 2023		January to June 2024		January to June 2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Note 6(18) and (23))	\$ 10,344,329	100	4,442,079	100	15,156,986	100	8,934,744	100
5000	Operating cost (Note 6(5) and (19))	6,686,977	65	3,252,631	73	9,974,762	66	6,489,815	73
	Gross operating profit	3,657,352	35	1,189,448	27	5,182,224	34	2,444,929	27
	Operating expenses:								
6100	Sales and marketing expenses (Note 6(19))	113,284	1	28,182	1	156,054	1	68,744	1
6200	Administrative expenses (Note 6(19) and (24))	555,074	5	417,405	9	985,241	6	833,357	9
6450	Expected credit impairment reversal gain (Note 6(4))	(6,893)	-	79	-	(6,937)	-	(78)	-
		661,465	6	445,666	10	1,134,358	7	902,023	10
	Net operating profit	2,995,887	29	743,782	17	4,047,866	27	1,542,906	17
	Non-operating income and expenses:								
7100	Interest revenue (Note 6(25))	48,520	1	37,406	1	79,805	1	68,411	1
7010	Other income (Note 6(25))	496	-	319	-	496	-	319	-
7020	Other gains and losses (Note 6(25))	28,518	-	(23,291)	(1)	59,128	-	(19,323)	-
7050	Financial costs (Note 6(25))	(55,626)	(1)	(67,399)	(1)	(122,372)	(1)	(139,598)	(2)
7060	Share of profit or loss of affiliated companies and joint ventures under equity method (Note 6(6))	2,532	-	1,649	-	3,602	-	3,679	-
		24,440	-	(51,316)	(1)	20,659	-	(86,512)	(1)
	Net income before tax from continuing operations	3,020,327	29	692,466	16	4,068,525	27	1,456,394	16
7950	Less: Income tax expenses (Note 6(20))	520,790	5	253,499	6	712,868	5	410,762	4
	Net income for the period	2,499,537	24	438,967	10	3,355,657	22	1,045,632	12
8300	Other comprehensive income:								
8310	Items not reclassified into profit or loss								
8316	Unrealized valuation gains or losses on investments in equity instruments measured at fair value through other comprehensive income	(298)	-	(3,029)	-	(223)	-	(3,813)	-
8360	Items that may be reclassified subsequently to profit or loss								
8361	Exchange differences on translation of financial statements of foreign operations	29	-	45	-	100	-	17	-
8300	Other comprehensive income for the period (net amount after tax)	(269)	-	(2,984)	-	(123)	-	(3,796)	-
	Total comprehensive income for the period	\$ 2,499,268	24	435,983	10	3,355,534	22	1,041,836	12
	Net profit for the period attributable to:								
8610	Owner of the parent company	\$ 2,382,462	23	195,152	4	3,135,371	21	675,740	8
8620	Non-controlling interests	117,075	1	243,815	6	220,286	1	369,892	4
		\$ 2,499,537	24	438,967	10	3,355,657	22	1,045,632	12
	Total comprehensive income attributable to:								
8710	Owner of the parent company	\$ 2,382,336	23	193,102	4	3,135,297	21	673,452	8
8720	Non-controlling interests	116,932	1	242,881	6	220,237	1	368,384	4
		\$ 2,499,268	24	435,983	10	3,355,534	22	1,041,836	12
9750	Basic earnings per share (NTD) (Note 6(22))	\$ 4.40		0.36		5.79		1.25	
9850	Diluted earnings per share (NTD) (Note 6(22))	\$ 4.39		0.36		5.77		1.25	

(Please refer to the attached Notes to the Consolidated Financial Statements)

Chairman:
Chih-Kang Ma

Manager:
Sheng-An Chang

Accounting supervisor:
Shu-Lian Chang

Kindom Development Co., Ltd. and Subsidiaries

Consolidated Statement of Changes in Equity

January 1 to June 30, 2024 and 2023

Unit: NTD thousand

	Equity attributable to owners of the parent company											
	Retained earnings						Other equity		Treasury stock	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
	Common stock capital	Capital reserve	Legal reserve	Special reserves	Undistributed earnings	Total	Exchange differences on translation of financial statements of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive income				
Balance as of January 1, 2023	\$ 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 for the period	-	-	-	-	675,740	675,740	-	-	-	675,740	369,892	1,045,632
Other comprehensive income in the current period	-	-	-	-	-	-	14	(2,302)	-	(2,288)	(1,508)	(3,796)
Total comprehensive income for the period	-	-	-	-	675,740	675,740	14	(2,302)	-	673,452	368,384	1,041,836
Provision for legal reserve	-	-	233,682	-	(233,682)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(183)	183	-	-	-	-	-	-	-
Common stock cash dividends	-	-	-	-	(969,798)	(969,798)	-	-	-	(969,798)	-	(969,798)
Overdue dividends not received	-	336	-	-	-	-	-	-	-	336	62	398
Increase/decrease in non-controlling equity	-	-	-	-	-	-	-	-	-	-	(342,940)	(342,940)
Balance as of June 30, 2023	\$ 5,541,701	1,451,905	2,736,352	26,544	8,591,501	11,354,397	(29,479)	647	(98,702)	18,220,469	3,074,475	21,294,944
Balance as of January 1, 2024	\$ 5,541,701	1,472,401	2,736,352	26,544	10,311,947	13,074,843	(29,496)	1,061	(98,702)	19,961,808	3,378,533	23,340,341
Net income for the period	-	-	-	-	3,135,371	3,135,371	-	-	-	3,135,371	220,286	3,355,657
Other comprehensive income in the current period	-	-	-	-	-	-	84	(158)	-	(74)	(49)	(123)
Total comprehensive income for the period	-	-	-	-	3,135,371	3,135,371	84	(158)	-	3,135,297	220,237	3,355,534
Provision for legal reserve	-	-	239,619	-	(239,619)	-	-	-	-	-	-	-
Provision of special reserve	-	-	-	1,891	(1,891)	-	-	-	-	-	-	-
Distribution of cash dividends	-	-	-	-	(995,706)	(995,706)	-	-	-	(995,706)	-	(995,706)
Difference between the equity price and book value of the subsidiary's equity actually acquired or disposed of	-	12	-	-	-	-	-	-	-	12	(12)	-
Overdue dividends not received	-	392	-	-	-	-	-	-	-	392	93	485
Increase/decrease in non-controlling equity	-	-	-	-	-	-	-	-	-	-	(350,696)	(350,696)
Balance as of June 30, 2024	\$ 5,541,701	1,472,805	2,975,971	28,435	12,210,102	15,214,508	(29,412)	903	(98,702)	22,101,803	3,248,155	25,349,958

(Please refer to the attached Notes to the Consolidated Financial Statements)

Chairman: Chih-Kang Ma

Manager: Sheng-An Chang

Accounting supervisor: Shu-Lian Chang

Kindom Development Co., Ltd. and Subsidiaries

Consolidated Statement of Cash Flows

January 1 to June 30, 2024 and 2023

	Unit: NTD thousand	
	January to June 2024	January to June 2023
Cash flow from operating activities:		
Net income before tax for the current period	\$ 4,068,525	1,456,394
Adjustments:		
Income and expenses		
Depreciation expense	221,357	217,507
Amortization expense	12,358	6,443
Reversal gain of expected credit impairment	(6,937)	(78)
Net gains from financial assets and liabilities measured at fair value through profit or loss	(26,697)	(7,659)
Interest expense	122,372	139,598
Interest revenue	(79,805)	(68,411)
Dividend income	(496)	(319)
Share of income from affiliated companies and joint ventures accounted for using the equity method	(3,602)	(3,679)
Losses from disposal of property, plant and equipment	-	273
Total income and expense	238,550	283,675
Changes in operating assets/liabilities:		
Net changes in assets related to operating activities:		
Increase of financial assets measured at fair value through profit or loss	-	(168)
Decrease (increase) of contract assets	86,420	(1,031,477)
Decrease (increase) of notes and accounts receivable	(577,397)	779,277
Decrease (increase) in inventory	2,630,268	(243,059)
Increase in prepayments	(53,502)	(92,484)
Decrease of other current assets	7,824	18,047
Decrease of other financial assets - current	503,270	933,672
Decrease (increase) of incremental cost of obtaining a contract	19,863	(3,345)
Decrease in net defined benefit assets - non-current	31	38
Increase of other non-current assets	(1)	(1)
Total net changes in assets related to operating activities	2,616,776	360,500
Net changes in liabilities related to operating activities:		
Increase in contract liabilities	42,220	706,741
Increase (decrease) of notes payable	22,096	(79,224)
Decrease in accounts payable	(208,901)	(378,820)
Increase (decrease) of other payables	27,134	(173,164)
Employee benefit liabilities - current (decrease)	(4,008)	1,492
increase		
Debt reserve - current decrease	(2,559)	(6,271)
Increase (decrease) of other current liabilities	(80,957)	5,903
Decrease in net defined benefit liability	-	(1)
Decrease in other non-current liabilities	-	(8,168)
Total net changes in liabilities related to operating activities	(204,975)	68,488
Total net changes in assets and liabilities related to operating activities	2,411,801	428,988
Total adjustment items	2,650,351	712,663
Cash inflow from operations	6,718,876	2,169,057
Income tax paid	(794,088)	(717,841)
Net cash inflow from operating activities	5,924,788	1,451,216

Kindom Development Co., Ltd. and Subsidiaries
Consolidated Statement of Cash Flows (Continued)
January 1 to June 30, 2024 and 2023

Unit: NTD thousand

	<u>January to June 2024</u>	<u>January to June 2023</u>
Cash flow from investing activities:		
Acquisition of property, plant and equipment	(35,282)	(34,705)
Disposal of property, plant and equipment	-	362
Acquisition of intangible assets	(11,932)	(3,799)
Decrease (increase) of other financial assets - non-current	(32,209)	12,686
Increase in prepayment for equipment	(1,278)	(888)
Interest received	80,916	70,593
Dividends received	496	319
Net cash inflow from investing activities	<u>711</u>	<u>44,568</u>
Cash flow from financing activities:		
Increase in short-term borrowings	4,200,524	2,303,617
Decrease in short-term borrowings	(7,650,155)	(2,720,309)
Increase in short-term bills payable	1,423,600	200,000
Decrease in short-term bills payable	(1,077,800)	(200,000)
Repayment of corporate bonds	-	(1,000,000)
Repayment of long-term borrowings	(102,320)	(102,320)
Increase (decrease) in guarantee deposits	3,125	(1,111)
Lease principal repayment	(138,054)	(135,720)
Interest paid	(225,150)	(242,464)
Net cash outflow from financing activities	<u>(3,566,230)</u>	<u>(1,898,307)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>100</u>	<u>17</u>
Increase (decrease) in cash and cash equivalents for the current period	2,359,369	(402,506)
Opening balance of cash and cash equivalents	<u>14,178,534</u>	<u>15,522,920</u>
Closing balance of cash and cash equivalents	<u>\$ 16,537,903</u>	<u>15,120,414</u>

(Please refer to the attached Notes to the Consolidated Financial Statements)

Chairman:
Chih-Kang Ma

Manager:
Sheng-An Chang

Accounting supervisor:
Shu-Lian Chang

Kindom Development Co., Ltd. and Subsidiaries
Notes to the consolidated financial statements
Second Quarter of 2024 and 2023
(Unless otherwise stated, all amounts are in NTD thousand)

I. Company history

Kindom Development Co., Ltd. (hereinafter referred to as “the Company”) was established in November 1979 with the approval of the Ministry of Economic Affairs. Its registered address is 2F., No. 131, Section 3, Heping East Road, Daan District, Taipei City, Taiwan. The Company and its subsidiaries (hereinafter referred to as the “consolidated company”) are mainly engaged in the construction of public housing, the rental or sale of commercial buildings, general construction, department stores, supermarkets, and international trading.

II. Date and procedure for approving the financial statements

This consolidated financial statement was approved by the Board of Directors on August 9, 2024.

III. Application of new and revised standards and interpretations

(I) The impact of the adoption of the new and revised standards and interpretations approved by the Financial Supervisory Commission

The consolidated company began to apply the following newly amended IFRSs on January 1, 2024, and there was no significant impact on the consolidated financial statements.

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

(II) Impacts of not adopting the IFRS recognized by the FSC

The consolidated company has assessed that the application of the following newly amended IFRSs effective from January 1, 2025 will not cause significant impact on the consolidated financial statements.

- Amendments to IAS 21 “Lack of Exchangeability”

(III) New and revised standards and interpretations not yet approved by the FSC

The standards and interpretations that have been issued and amended by the IASB but have not yet been approved by the FSC may be relevant to the consolidated company as follows:

Notes to the consolidated financial statements (Continued)

New or amended standards	Major amendments	Effective date of IASB's announcement
IFRS 18 "Presentation and Disclosure in Financial Statements"	The new standard introduces three types of income and expense, two income statement subtotals, and a single note on management's performance measurement. These three amendments and enhanced guidance on how information are divided into financial statements have laid the foundation for better and more consistent information provided to users, and will affect all companies.	January 1, 2027
IFRS 18 "Presentation and Disclosure in Financial Statements"	<p>· More structured income statement: Under existing standards, companies use different formats to present their operating results, making it difficult for investors to compare the financial performance of different companies. The new standard adopts a more structured income statement, introduces a newly defined subtotal of "operating income," and stipulates that all income, expenses and losses are classified into three new different categories based on the company's main operating activities.</p> <p>· Management Performance Measurement (MPM): The new standard introduces the definition of MPM, and requires companies to explain why each measurement could provide useful information, and how the indicators are calculated and adjusted with the amounts recognized in accordance with the IFRSs.</p> <p>• Detailed information: The new standard includes guidance on how to strengthen the grouping of information in the financial statements. This includes guidance on whether the information should be included in the main financial statements or further broken down in notes.</p>	January 1, 2027

The consolidated company is currently evaluating the impact of the above standards and interpretations on the financial position and operating results of the consolidated company. The relevant impact will be disclosed when the evaluation is completed.

The consolidated company expects the following other new and amendments to standards that have not yet been approved to have no significant impact on the consolidated financial

Notes to the consolidated financial statements (Continued)

statements.

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”
- Amendments to IFRS 17 “Insurance Contracts” and IFRS 17
- IFRS 19 “Disclosure Initiative—Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards

IV. Summary of significant accounting policies

(I) Declaration of compliance

The consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as the “Regulations”) and IAS No. 34 “Interim Financial Reporting” endorsed and issued into effect by the FSC. This consolidated financial statement does not include all necessary information to be disclosed in the entire annual financial statements prepared in accordance with the IFRS, IAS, interpretations and interpretation announcements approved and issued by the FSC (hereinafter referred to as “IFRS approved by the FSC”).

Except for the following, the significant accounting policies adopted in this consolidated financial statement are the same as those in the 2023 consolidated financial statements. For relevant information, please refer to Note 4 to the 2023 consolidated financial statements.

(II) Basis for consolidation

1. Subsidiaries included in the consolidated financial statements

Investment company Name	Name of subsidiary	Nature of business	Percentage of equity held			Description
			2024.6.30	2023.12.31	2023.6.30	
The Company	Kedge Construction Co., Ltd. (Kedge Construction)	Comprehensive Construction Activities, etc.	34.18%	34.18%	34.18%	The Company has acquired more than half of the company’s board seats
”	Global Mall Co., Ltd. (Global Mall)	Supermarkets, department stores, international trading, wholesale and retail of medical equipment, and more.	84.02%	84.02%	84.02%	Subsidiaries with voting shares held by the Company exceeding 50% of the total number of issued shares
Kedge Construction	Jiequn Investment Co., Ltd. (Jiequn Investment)	General investment	99.98%	99.98%	99.98%	Subsidiaries with voting shares held by Kedge Construction exceeding 50% of the total number of issued shares
”	Guanqing Electromechanical Co., Ltd. (Guanqing Electromechanical) (Note)	Electrical Appliance Installation and Fire Safety Equipment Installation Engineering	99.97%	99.96%	99.96%	Subsidiaries with voting shares held by Kedge Construction exceeding 50% of the total number of issued shares
Jointly held by Guanqing Electromechanical and Jiequn Investment	Dingtian Construction Co., Ltd. (Dingtian Construction)	Comprehensive Construction Activities, etc.	100.00%	100.00%	100.00%	Subsidiaries with voting shares held by the consolidated company exceeding 50% of the total number of issued shares
Global Mall	KGM Co., Ltd.	Investing and operating	100.00%	100.00%	100.00%	Subsidiaries with voting

Notes to the consolidated financial statements (Continued)

Investment company Name	Name of subsidiary	Nature of business	Percentage of equity held			Description
			2024.6.30	2023.12.31	2023.6.30	
	(KGM)	the overall planning of shopping malls in mainland China, supporting engineering consulting, shopping mall leasing planning and consulting.				shares held by the Global Mall exceeding 50% of the total number of issued shares
"	Guan Hua Co., Ltd. (Global Mall Nangang Store) (Guan Hua)	Department stores, supermarkets, non-store retailing, and more.	100.00%	100.00%	100.00%	Subsidiaries with voting shares held by the Global Mall exceeding 50% of the total number of issued shares
"	Guan Cheng Co., Ltd. (Global Mall Banqiao Store)	Department stores, supermarkets, non-store retailing, and more.	100.00%	100.00%	100.00%	Subsidiaries with voting shares held by the Global Mall exceeding 50% of the total number of issued shares
Guan Cheng Co., Ltd. (Global Mall Banqiao Store)	Guan You Co., Ltd. (Global Mall Zuoying Store)	Department stores, supermarkets, non-store retailing, and more.	100.00%	100.00%	100.00%	Subsidiaries with more than 50% of the issued shares with voting rights held by Guan Cheng.

Note: Kedge Construction had acquired 1,000 shares of Kuan Ching Electromechanical as a gift in January 2024 from a non-related party.

2. Subsidiaries not included in the consolidated financial statements: None.

(III) Classification criteria for current and non-current assets and liabilities

The consolidated company's assets that meet one of the following conditions are classified as current assets; assets other than current assets are classified as non-current assets:

1. The asset is expected to be realized, or intended to be sold or consumed in its normal business cycle;
2. The asset is held mainly for the purpose of trading;
3. The asset is realized within 12 months after the reporting period; or
4. The asset is cash or cash equivalents (as defined by IAS 7), unless the exchange of the asset or its use to settle a liability at least twelve months after the reporting period are restricted.

The consolidated company's liabilities that meet one of the following conditions are classified as current liabilities, and all liabilities other than current liabilities are classified as non-current liabilities:

1. The liability is expected to be settled in the normal business cycle;
2. The liability is held mainly for the purpose of trading;
3. The liability is expected to be settled within 12 months after the reporting period; or
4. At the end of the reporting period, the consolidated company does not have the right to defer the settlement of the liability for at least 12 months after the reporting period.

(IV) Income tax

The consolidated company measured and disclosed the interim income tax expense in accordance with International Accounting Standard No. 34 "Interim Financial Report" Paragraph B12.

Income tax expense is measured by multiplying the net profit before tax during the interim

Notes to the consolidated financial statements (Continued)

reporting period by the management's best estimate of the average effective tax rate for the year, and fully recognized as current income tax expense.

(V) Employee benefits

The interim pension of defined benefit plan is calculated in accordance with the actuarial pension cost rate on the reporting date of the previous year, from the beginning of the year to the end of the current period. The plan is adjusted accordingly to major market fluctuation and major shrinkage, repayment or other major one-time events after the reporting date.

V. Major accounting judgments, estimates, and major sources of uncertainty for assumptions

When the management prepares these consolidated financial statements in accordance with the preparation standards and IAS No. 34 "Interim Financial Reporting" approved by the FSC, the management must make judgments, estimates and assumptions about the application of accounting policies and the effects of the reported amounts of the Company's assets, liabilities, revenues and expenses. Actual results may differ from estimates.

In preparing the consolidated financial statements, the significant judgments made by the management in adopting the accounting policies of the consolidated company and the main sources of estimation uncertainty are consistent with Note 5 to the 2023 consolidated financial statements.

VI. Description of important accounting items

Except for the following, there is no material difference between the descriptions of the major accounting items in the consolidated financial statements and the consolidated financial statements of 2023. For relevant information, please refer to Note 6 of the consolidated financial statements of 2023.

(I) Cash and cash equivalent

	2024.6.30	2023.12.31	2023.6.30
Cash and petty cash	\$ 12,201	12,271	12,171
Bank deposits			
Check deposits	2,375,538	1,991,787	2,219,710
Demand deposits	4,238,487	2,646,939	1,576,329
Time deposit	6,143,808	6,953,754	9,211,060
Cash equivalents	3,767,869	2,573,783	2,101,144
	\$ 16,537,903	14,178,534	15,120,414

The maturity intervals of the above cash equivalents are July to August 2024, January to March 2024, and July to August 2023, and the interest rate intervals are 1.38%-1.40%, 1.30%-1.36%, and 1.26%-1.29%.

For the interest rate risk and sensitivity analysis disclosure of the consolidated company's financial assets and liabilities, please refer to Note 6(26).

Notes to the consolidated financial statements (Continued)

(II) Financial assets measured at fair value through profit or loss

	<u>2024.6.30</u>	<u>2023.12.31</u>	<u>2023.6.30</u>
Financial assets mandatorily measured at fair value through profit or loss:			
Listed (OTC) company stocks	\$ <u>144,681</u>	<u>117,984</u>	<u>105,293</u>

1. Please refer to Note 6(25) for the amount remeasured at fair value and recognized in profit or loss.
2. The consolidated company's financial assets were not provided as collateral on June 30, 2024, December 31, 2023, and June 30, 2023.

(III) Financial assets measured at fair value through other comprehensive income

	<u>2024.6.30</u>	<u>2023.12.31</u>	<u>2023.6.30</u>
Equity instruments measured at fair value through other comprehensive income:			
Stock of domestic (OTC) listed companies - Fubon Financial Preferred Shares C (FBFHCPSC)	\$ 1,734	1,780	1,861
Stock of domestic emerging (listed) companies - Clientron Corp.	376	445	691
Stock of domestic non-listed (OTC) companies - Everterminal Co., Ltd.	1,704	1,744	1,722
Stock of domestic (OTC) listed companies - Global Views Commonwealth Publishing Group	6,360	6,428	4,422
Stock of domestic (OTC) listed companies - Taiwan Calcom International Computer Graphic Co., Ltd.	-	-	-
Stock of domestic non-listed (OTC) companies - Preferred stock of Ta Shee Resort Co., Ltd.	25,276	25,276	-
Total	\$ <u>35,450</u>	<u>35,673</u>	<u>8,696</u>

1. The investments in these equity instruments held by the consolidated company are long-term strategic investments and are not held for trading purposes, and therefore have been designated to be measured at fair value through other comprehensive income.
2. The dividend income from the consolidated company's equity instrument investment specified above as measured at fair value through other comprehensive income recognized for the three and six months ended June 30, 2024 and 2023 was NTD 496 thousand, NTD 319 thousand, NTD 496 thousand, and NTD 319 thousand, respectively.

Notes to the consolidated financial statements (Continued)

3. The consolidated company did not dispose of the strategic investment from January 1 to June 30, 2024 and 2023, and the accumulated gain or loss during that period was not transferred within the equity.
4. Please refer to Note 6(26) for credit risk (including impairment of debt instrument investment) and market risk information.
5. The above financial assets have not been provided as collateral guarantees.

(IV) Notes and accounts receivable

	2024.6.30	2023.12.31	2023.6.30
Notes receivable	\$ 9,340	2,637	374
Accounts receivable	1,700,775	1,130,103	1,378,597
Less: Loss allowance	(1,216)	(8,175)	(8,018)
	<u>\$ 1,708,899</u>	<u>1,124,565</u>	<u>1,370,953</u>

The consolidated company uses simplified method to estimate expected credit losses for all notes and accounts receivable, that is, using expected credit losses throughout the duration. For this measurement, such notes and accounts receivable are the common credit risk characteristics of the ability to pay all amounts due in the contract terms and are grouped and included in the forward-looking information. The expected credit loss of the consolidated company's notes and accounts receivable is analyzed as follows:

	2024.6.30		
	Carrying amount of notes and accounts receivable	Weighted average rate of expected credit losses	Allowance for expected credit losses during the duration
Not past due	\$ 1,708,899	-	-
Overdue for more than 90 days	1,216	100%	1,216
	<u>\$ 1,710,115</u>		<u>1,216</u>

	2023.12.31		
	Carrying amount of notes and accounts receivable	Weighted average rate of expected credit losses	Allowance for expected credit losses during the duration
Not past due	\$ 1,124,565	-	-
Overdue for more than 90 days	8,175	100%	8,175
	<u>\$ 1,132,740</u>		<u>8,175</u>

Notes to the consolidated financial statements (Continued)

	2023.6.30		
	Carrying amount of notes and accounts receivable	Weighted average rate of expected credit losses	Allowance for expected credit losses during the duration
Not past due	\$ 1,370,953	-	-
Overdue for more than 90 days	8,018	100%	8,018
	<u>\$ 1,378,971</u>		<u>8,018</u>

The changes in the allowance for notes and accounts receivable of the consolidated company are as follows:

	January to June 2024	January to June 2023
Opening balance	\$ 8,175	8,096
Recognized impairment loss	614	-
Reversal of impairment loss	(7,551)	(78)
The irrecoverable amount written off in the current year	(22)	-
Closing balance	<u>\$ 1,216</u>	<u>8,018</u>

The consolidated company's accounts receivable were not provided as collateral on June 30, 2024, December 31, 2023, and June 30, 2023.

(V) Inventory

	2024.6.30	2023.12.31	2023.6.30
Inventories - Trading	\$ 8,912	9,166	9,470
Inventories - Construction			
Prepayments for building and land	248,642	28,320	-
Construction site	1,574,990	1,214,861	1,371,643
Building and land under construction	11,816,044	16,986,514	13,916,938
Buildings and land for sale	9,165,533	7,086,426	6,154,782
Subtotal	22,805,209	25,316,121	21,443,363
Total	<u>\$ 22,814,121</u>	<u>25,325,287</u>	<u>21,452,833</u>

1. For the six months ended June 30, 2024 and 2023, the amount of provision for reversal of valuation losses due to sales of inventories was NTD 0 and NTD 16,739 thousand, respectively.
2. The inventory costs recognized as sales costs and expenses from January 1 to June 30, 2024 and 2023 were NTD 5,482,629 thousand and NTD 1,138,758 thousand, respectively.
3. The consolidated company's building in progress from January 1 to June 30, 2024 and 2023 was calculated at the capitalization interest rates of 2.353% and 2.189%, respectively. For the capitalized interest amount, please refer to Note 6(25).

Notes to the consolidated financial statements (Continued)

4. The consolidated company entrusted the legal parking spaces for sale to others for an amount of NTD 11,649 thousand on June 30, 2024, December 31, 2023, and June 30, 2023, respectively.
5. Please refer to Note 8 for the consolidated company's inventories provided as collateral for June 30, 2024, December 31, 2023, and June 30, 2023.

(VI) Investment under equity method

The consolidated company's investment under equity method on the financial reporting date is as follows:

	2024.6.30	2023.12.31	2023.6.30
Affiliated enterprise	\$ 116,230	116,360	114,663
Joint venture	1,024,610	1,027,185	1,023,540
	<u>\$ 1,140,840</u>	<u>1,143,545</u>	<u>1,138,203</u>

1. Affiliated enterprises

The information on affiliates that are significant to the consolidated company is as follows:

Name of affiliated enterprise	The nature of the relationship with the Company	Principal place of business/Country of incorporation	Proportion of ownership interests and voting rights		
			2024.6.30	2023.12.31	2023.6.30
Hon Hui Zhu Gao Co., Ltd.	Department stores, supermarkets, non-store retailing, and more.	Taiwan	20%	20%	20%

The summarized financial information of the affiliates that are material to the consolidated company are as follows. The financial information has been adjusted with the amounts included in the IFRS financial statements of each affiliate to reflect the fair value adjustment and adjustment for accounting policy difference due to the acquisition of the affiliates:

Summary financial information of Hon Hui Zhu Gao Co., Ltd.:

	2024.6.30	2023.12.31	2023.6.30
Current assets	\$ 370,672	239,119	300,634
Non-current assets	1,713,878	1,845,065	200,000
Current liabilities	(1,039)	(1,209)	(112)
Non-current liabilities	(1,581,830)	(1,581,830)	-
Net assets	<u>\$ 501,681</u>	<u>501,145</u>	<u>500,522</u>
Net assets attributable to the consolidated company	<u>\$ 100,336</u>	<u>100,229</u>	<u>100,104</u>

	April to June 2024	April to June 2023	January to June 2024	January to June 2023
Operating revenue	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the consolidated financial statements (Continued)

	April to June 2024	April to June 2023	January to June 2024	January to June 2023
Net income (loss) from continuing operations	\$ 476	978	535	747
Total comprehensive income	<u>\$ 476</u>	<u>978</u>	<u>535</u>	<u>747</u>
Total comprehensive income attributable to the consolidated company	<u>\$ 95</u>	<u>195</u>	<u>107</u>	<u>149</u>

The consolidated company's affiliated companies under equity method are individually insignificant, and their summarized financial information is as follows. The financial information is the amount included in the consolidated financial statements of the consolidated company:

	2024.6.30	2023.12.31	2023.6.30
Summarized book value of equity in affiliated companies that are not significant at the end of the period	<u>\$ 15,894</u>	<u>16,131</u>	<u>14,559</u>

	April to June 2024	April to June 2023	January to June 2024	January to June 2023
Shares attributable to the consolidated company:				
Net income (loss) from continuing operations	\$ 542	38	(237)	167
Total comprehensive income	<u>\$ 542</u>	<u>38</u>	<u>(237)</u>	<u>167</u>

2. Joint ventures

The consolidated company, Clevo Co. and Hua Tai Investment Corporation jointly participated in the urban renewal project for public buildings on the E1E2 street corner in the dedicated area of the Taipei Main Station. In accordance with the joint venture agreement, the three parties jointly established Tua Tiann Co., Ltd., and the proportion of shareholding as of June 30, 2024 was 51%, 24.5%, and 24.5%, respectively, and the investment amount was NTD 1,020,000 thousand, NTD 490,000 thousand, and NTD 490,000 thousand, respectively.

The joint venture company and the Taipei City Housing and Urban Renewal Center signed the "Taipei Main Station Dedicated Area E1E2 Street Plan Public Office Urban Renewal Project" contract in September 2022. According to the contract, the joint venture company needs to transfer the ownership of the commercial facilities of the project through the signing of the "Lease Contract for Shopping Malls in High Development Zones" and the "Lease Contract in Low Development Zones" with the Taiwan Railways Administration within 1 month after the ownership transfer and within 3 months from the completion of the restoration and reuse of the open space in the designated area. The leaseback period is 20 years.

Notes to the consolidated financial statements (Continued)

The following table summarizes the financial information of the Tua Tiann Co., Ltd., and the fair value adjustments at the time of acquisition and accounting policy differences. The purpose of this presentation is to adjust the aggregated financial information to the book value of the consolidated company's equity in Tua Tiann Co., Ltd.

	2024.6.30	2023.12.31	2023.6.30	
Percentage of ownership interests	51%	51%	51%	
Current assets	\$ 2,022,416	2,015,168	2,010,603	
Non-current assets	103	138	163	
Current liabilities	(13,443)	(1,147)	(3,719)	
Non-current liabilities	(36)	(71)	(106)	
Net assets	\$ 2,009,040	2,014,088	2,006,941	
Cash and cash equivalents	\$ 103,994	102,539	185,805	
The consolidated company's share of net assets	\$ 1,024,610	1,027,185	1,023,540	
Book value of joint venture equity	\$ 1,024,610	1,027,185	1,023,540	
	April to June 2024	April to June 2023	January to June 2024	January to June 2023
Operating revenue	\$ -	-	-	-
Net income from continuing operations for the period	\$ 3,716	2,776	7,318	6,594
Total comprehensive income	\$ 3,716	2,776	7,318	6,594
Operating expenses	\$ 20	21	37	41
Interest revenue	\$ 4,666	4,446	9,186	8,285
Interest expense	\$ -	1	1	2
Income tax expense	\$ 930	1,648	1,830	1,648
The consolidated company's share of total comprehensive income	\$ 1,895	1,416	3,732	3,363

3. Guarantee

As of June 30, 2024, December 31, 2023, and June 30, 2023, the consolidated

Notes to the consolidated financial statements (Continued)

company's investments under the equity method were not provided as collateral.

(VII) Subsidiaries with significant non-controlling interests

The non-controlling interests of the subsidiaries that are significant to the consolidated company are as follows:

Name of subsidiary	Principal place of business/ Country of incorporation	Proportion of ownership interests and voting rights in non-controlling interests		
		2024.6.30	2023.12.31	2023.6.30
Kedge Construction and its subsidiaries	Taiwan	65.82%	65.82%	65.82%

The summarized financial information of the above subsidiaries is as follows. The financial information has been prepared in accordance with the IFRSs recognized by the FSC and has reflected the fair value adjustment made by the consolidated company on the acquisition date and the adjustment made for the difference in accounting policy. The financial information is the amount of the consolidated company's transactions before writing off:

Summarized financial information of the Kedge Construction and its subsidiaries:

	2024.6.30	2023.12.31	2023.6.30
Current assets	\$ 11,778,664	11,819,601	11,270,761
Non-current assets	946,268	765,294	661,174
Current liabilities	(7,773,001)	(7,586,014)	(7,496,508)
Non-current liabilities	(188,516)	(192,984)	(193,093)
Net assets	<u>\$ 4,763,415</u>	<u>4,805,897</u>	<u>4,242,334</u>
Book value of non-controlling equity at the end of period	<u>\$ 2,341,755</u>	<u>2,476,890</u>	<u>2,212,307</u>

	April to June 2024	April to June 2023	January to June 2024	January to June 2023
Operating revenue	<u>\$ 3,508,266</u>	<u>3,951,296</u>	<u>6,510,670</u>	<u>7,221,852</u>
Net income for the period	\$ 134,770	364,339	256,231	531,635
Other comprehensive income	149,420	(261)	184,032	8,227
Total comprehensive income	<u>\$ 284,190</u>	<u>364,078</u>	<u>440,263</u>	<u>539,862</u>
Net income for the period attributable to non-controlling interests	<u>\$ 100,789</u>	<u>228,177</u>	<u>182,656</u>	<u>336,792</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ 100,643</u>	<u>227,237</u>	<u>182,592</u>	<u>335,283</u>

Notes to the consolidated financial statements (Continued)

	April to June 2024	April to June 2023	January to June 2024	January to June 2023
Cash flow from operating activities	\$ 808,652	482,604	114,042	343,191
Cash flow from investing activities	(6,462)	(8,107)	(5,406)	(5,391)
Cash flow from financing activities	(3,223)	(278,782)	(7,232)	(490,644)
Increase in cash and cash equivalents	<u>\$ 798,967</u>	<u>195,715</u>	<u>101,404</u>	<u>(152,844)</u>

(VIII) Property, plant and equipment

Changes in the cost, depreciation and impairment loss of the property, plant and equipment of the consolidated company are as follows:

	Land	Buildings	Leasehold improvements	Other equipment (including transportation, office, machinery, other equipment and leased assets)	Constructio n in progress	Total
Cost or recognized cost:						
Balance as of January 1, 2024	\$ 3,607,479	4,381,650	1,015,457	432,839	560	9,437,985
Addition	-	6,847	946	8,341	-	16,134
Transfer in (out)	-	560	-	-	(560)	-
Reclassification	-	-	-	1,124	-	1,124
Disposal and scrap	-	-	-	(425)	-	(425)
Balance as of June 30, 2024	<u>\$ 3,607,479</u>	<u>4,389,057</u>	<u>1,016,403</u>	<u>441,879</u>	<u>-</u>	<u>9,454,818</u>
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 in (out)	-	10,202	-	5,977	(8,166)	8,013
Disposal and scrap	-	(1,024)	(4,335)	(48,026)	-	(53,385)
Decoration engineering adjustment	-	-	-	-	(305)	(305)
Balance as of June 30, 2023	<u>\$ 3,607,479</u>	<u>4,380,000</u>	<u>1,020,997</u>	<u>412,084</u>	<u>123</u>	<u>9,420,683</u>
Depreciation and impairment loss:						
Balance as of January 1, 2024	\$ 14,000	2,068,287	846,555	295,299	-	3,224,141
Depreciation in the current year	-	58,008	20,855	28,191	-	107,054
Disposal and scrap	-	-	-	(425)	-	(425)

Notes to the consolidated financial statements (Continued)

	<u>Land</u>	<u>Buildings</u>	<u>Leasehold improvements</u>	<u>Other equipment (including transportation, office, machinery, other equipment and leased assets)</u>	<u>Constructio n in progress</u>	<u>Total</u>
Balance as of June 30, 2024	\$ 14,000	2,126,295	867,410	323,065	-	3,330,770
Balance as of January 1, 2023	\$ 14,000	1,953,912	805,394	287,458	-	3,060,764
Depreciation in the current 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	\$ 14,000	2,010,384	824,858	264,756	-	3,113,998
Book value:						
January 1, 2024	\$ 3,593,479	2,313,363	168,902	137,540	560	6,213,844
June 30, 2024	\$ 3,593,479	2,262,762	148,993	118,814	-	6,124,048
January 1, 2023	\$ 3,593,479	2,413,653	219,860	143,764	8,471	6,379,227
June 30, 2023	\$ 3,593,479	2,369,616	196,139	147,328	123	6,306,685

Please refer to Note 8 for the details of the financing guarantee provided on June 30, 2024, December 31, 2023 and June 30, 2023.

(IX) Right-of-use assets

The details of changes in the cost and depreciation of the land, buildings and transportation equipment leased by the consolidated company are as follows:

	<u>Land</u>	<u>Buildings</u>	<u>Transportati on equipment</u>	<u>Total</u>
Cost of right-of-use assets:				
Balance as of January 1, 2024	\$ 17,965	3,845,158	20,233	3,883,356
Addition	599	132,636	1,807	135,042
Transferred out - lease expiry	(4,786)	(888)	(2,605)	(8,279)
Lease revaluation	-	53,545	-	53,545
Balance as of June 30, 2024	\$ 13,778	4,030,451	19,435	4,063,664
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
Transferred out - lease expiry	-	-	(4,342)	(4,342)

Notes to the consolidated financial statements (Continued)

	Land	Buildings	Transportati on equipment	Total
Reclassification	87	-	-	87
Balance as of June 30, 2023	<u><u>\$ 14,698</u></u>	<u><u>3,842,558</u></u>	<u><u>24,817</u></u>	<u><u>3,882,073</u></u>
Depreciation and impairment loss of right-of-use assets:				
Balance as of January 1, 2024	\$ 6,979	962,701	8,522	978,202
Current depreciation	4,349	103,761	4,097	112,207
Transferred out - lease expiry	(4,786)	(888)	(2,605)	(8,279)
Balance as of June 30, 2024	<u><u>\$ 6,542</u></u>	<u><u>1,065,574</u></u>	<u><u>10,014</u></u>	<u><u>1,082,130</u></u>
Balance as of January 1, 2023	\$ -	757,943	12,478	770,421
Current depreciation	2,574	102,344	4,509	109,427
Transferred out - lease expiry	-	-	(4,342)	(4,342)
Balance as of June 30, 2023	<u><u>\$ 2,574</u></u>	<u><u>860,287</u></u>	<u><u>12,645</u></u>	<u><u>875,506</u></u>
Book value:				
January 1, 2024	<u><u>\$ 10,986</u></u>	<u><u>2,882,457</u></u>	<u><u>11,711</u></u>	<u><u>2,905,154</u></u>
June 30, 2024	<u><u>\$ 7,236</u></u>	<u><u>2,964,877</u></u>	<u><u>9,421</u></u>	<u><u>2,981,534</u></u>
January 1, 2023	<u><u>\$ 2,302</u></u>	<u><u>3,083,244</u></u>	<u><u>12,890</u></u>	<u><u>3,098,436</u></u>
June 30, 2023	<u><u>\$ 12,124</u></u>	<u><u>2,982,271</u></u>	<u><u>12,172</u></u>	<u><u>3,006,567</u></u>

(X) Investment property

The consolidated company's investment property is detailed as follows:

	Land and improvements	Buildings	Total
Cost or recognized cost:			
Balance as of January 1, 2024	\$ 282,087	213,814	495,901
Balance as of June 30, 2024	<u><u>\$ 282,087</u></u>	<u><u>213,814</u></u>	<u><u>495,901</u></u>
Balance as of January 1, 2023	\$ 282,087	213,814	495,901
Balance as of June 30, 2023	<u><u>\$ 282,087</u></u>	<u><u>213,814</u></u>	<u><u>495,901</u></u>
Depreciation and impairment loss:			

Notes to the consolidated financial statements (Continued)

	Land and improvements	Buildings	Total
Balance as of January 1, 2024	\$ -	37,728	37,728
Depreciation in the current year	-	2,096	2,096
Balance as of June 30, 2024	\$ -	39,824	39,824
Balance as of January 1, 2023	\$ -	33,536	33,536
Depreciation in the current year	-	2,096	2,096
Balance as of June 30, 2023	\$ -	35,632	35,632
Carrying amount:			
January 1, 2024	\$ 282,087	176,086	458,173
June 30, 2024	\$ 282,087	173,990	456,077
January 1, 2023	\$ 282,087	180,278	462,365
June 30, 2023	\$ 282,087	178,182	460,269

There is no significant difference between the fair value of the investment property of the consolidated company and the information disclosed in Note 6(10) to the 2023 consolidated financial statements.

Please refer to Note 8 for the consolidated company's investment property provided as collateral for June 30, 2024, December 31, 2023, and June 30, 2023.

(XI) Intangible assets

The cost and amortization of the consolidated company's intangible assets are as follows:

	Concession right	Trademarks and Patents	Computer software and others	Total
Cost:				
Balance as of January 1, 2024	\$ 54,199	500	105,402	160,101
Acquired separately	-	-	11,932	11,932
Reclassified from prepayments	-	-	8,495	8,495
Balance as of June 30, 2024	\$ 54,199	500	125,829	180,528
Balance as of January 1, 2023	\$ 54,199	500	137,541	192,240
Acquired separately	-	-	3,799	3,799
Reclassified from prepayments	-	-	1,567	1,567
Disposal	-	-	(59,136)	(59,136)
Balance as of June 30, 2023	\$ 54,199	500	83,771	138,470
Amortization and impairment loss:				
Balance as of January 1, 2024	\$ 40,096	500	66,386	106,982

Notes to the consolidated financial statements (Continued)

	Concession right	Trademarks and Patents	Computer software and others	Total
Current amortization	1,736	-	10,622	12,358
Balance as of June 30, 2024	<u>\$ 41,832</u>	<u>500</u>	<u>77,008</u>	<u>119,340</u>
Balance as of January 1, 2023	\$ 36,622	500	101,244	138,366
Current amortization	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>
Book value:				
January 1, 2024	<u>\$ 14,103</u>	<u>-</u>	<u>39,016</u>	<u>53,119</u>
June 30, 2024	<u>\$ 12,367</u>	<u>-</u>	<u>48,821</u>	<u>61,188</u>
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>

The consolidated company's intangible assets were not provided as collateral on June 30, 2024, December 31, 2023, and June 30, 2023.

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

	2024.6.30	2023.12.31	2023.6.30
Other financial assets - current	\$ 2,006,506	2,504,580	2,741,512
Incremental cost of obtaining a contract	13,432	33,295	13,323
	<u>\$ 2,019,938</u>	<u>2,537,875</u>	<u>2,754,835</u>

1. Other financial assets - current

Restricted assets (borrowings, reserve accounts of corporate bonds, and trust payments), construction deposits, certificates of deposit not meeting the definition of cash equivalents, and bank accounts are used as collateral, refer to Note 8 for the details.

2. Incremental cost of obtaining a contract - current

The consolidated company expects to recover the commission paid to the agency for the acquisition of real estate sales contracts or the bonuses from the internal sales department's own sales and construction projects, so it is recognized as an asset. They are amortized when the revenue from sales of buildings and land is recognized. For the six months ended June 30, 2024 and 2023, NTD 36,995 thousand and NTD 8,505 thousand were recognized as sales and marketing expenses, respectively.

(XIII) Short-term bills payable

The details of short-term bills payable by the consolidated company are as follows:

	2024.6.30	2023.12.31	2023.6.30
Commercial paper payable	<u>\$ 375,800</u>	<u>30,000</u>	<u>-</u>

The amounts added for the six months ended June 30, 2024 and 2023 were NTD

Notes to the consolidated financial statements (Continued)

1,423,600 thousand and NTD 200,000 thousand, respectively, with the interest rates ranging from 2.498%-2.658%; the repayments were NTD 1,077,800 thousand and NTD 200,000 thousand.

(XIV) Long-term and short-term loans/Long-term loans due within one year or one operating cycle

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

2024.6.30				
	Type of currency	Interest rate range	Year to maturity	Amount
Secured bank loan	NTD	2.33%~2.73%	2025-2027	\$ 9,481,401
Unsecured bank borrowings	NTD	1.82%~2.96%	2025-2028	3,286,026
Total				<u>\$ 12,767,427</u>
Liquidity				\$ 11,936,187
Non-current				831,240
Total				<u>\$ 12,767,427</u>
2023.12.31				
	Type of currency	Interest rate range	Year to maturity	Amount
Secured bank loan	NTD	2.05%~2.57%	113~117	\$ 12,838,945
Unsecured bank borrowings	NTD	1.69%~2.83%	113~117	3,480,433
Total				<u>\$ 16,319,378</u>
Liquidity				\$ 15,385,818
Non-current				933,560
Total				<u>\$ 16,319,378</u>
2023.6.30				
	Type of currency	Interest rate range	Year to maturity	Amount
Secured bank loan	NTD	2.05%~2.71%	112~116	\$ 12,215,168
Unsecured bank borrowings	NTD	1.70%~2.70%	2023~2028	3,934,516
Total				<u>\$ 16,149,684</u>
Liquidity				\$ 14,813,804
Non-current				1,335,880
Total				<u>\$ 16,149,684</u>

1. Issuance and repayment of loans

The amounts added from January 1 to June 30, 2024 and 2023 were NTD 4,200,524 thousand and NTD 2,303,617 thousand, respectively; the amounts repaid were NTD 7,752,475 thousand and NTD 2,822,629 thousand, respectively.

2. Collateral for bank borrowings

Notes to the consolidated financial statements (Continued)

For the consolidated company's assets pledged as collateral for bank loans, please refer to Note 8.

(XV) Corporate bonds payable/Corporate bonds due within one year or one business cycle or with resale rights exercised

The consolidated company's bonds payable details are as follows:

	2024.6.30	2023.12.31	2023.6.30
Secured common corporate bonds - current	\$ 1,000,000	1,000,000	1,000,000
Secured common corporate bonds - non-current	2,000,000	2,000,000	2,000,000
Total	<u>\$ 3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>

1. The consolidated company did not issue corporate bonds payable during January 1 to June 30, 2024 and 2023. For relevant information, please refer to Note 6(15) to the 2023 consolidated financial statements.
2. Please refer to Note 8 for the description of the collateral provided for the aforementioned secured ordinary corporate bonds.

(XVI) Lease liabilities

The carrying amount of the consolidated company's lease liabilities is as follows:

	2024.6.30	2023.12.31	2023.6.30
Current	<u>\$ 205,730</u>	<u>201,443</u>	<u>189,225</u>
Non-current	<u>\$ 2,987,714</u>	<u>2,941,468</u>	<u>3,007,010</u>

Please refer to Note 6(26) Financial Instruments for maturity analysis.

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

	April to June 2024	April to June 2023	January to June 2024	January to June 2023
Interest expense of lease liabilities	<u>\$ 13,715</u>	<u>14,187</u>	<u>27,413</u>	<u>28,477</u>
Expenses of short-term and low-price leases	<u>\$ 14,128</u>	<u>6,258</u>	<u>26,649</u>	<u>14,961</u>

The amounts recognized in the statement of cash flows are as follows:

	January to June 2024	January to June 2023
Variable lease payments not included in the measurement of lease liabilities	<u>\$ 59,866</u>	<u>54,147</u>
Total cash outflow for leases	<u>\$ 251,982</u>	<u>233,305</u>

1. Lease of buildings and structures

- (1) The consolidated company leased the land of Pingtung Gongyuan Section from the Pingtung Management Office, Irrigation Agency, Ministry of Agriculture. The lease term

Notes to the consolidated financial statements (Continued)

was originally 20 years. The rent was calculated and paid at a certain percentage of the declared land value in accordance with the contract. In the second half of 2011, the lease term was extended for ten years and a royalty of NTD 16,000 thousand was paid. The consolidated company may sign a contract with the lessor two years before the lease contract expires, and the priority is given to the lessee according to the renewal terms negotiated by both parties.

- (2) The consolidated company leased the Nangang Station Shopping Mall from State-owned Taiwan Railway Corporation, Ltd., for a lease term of 16 years (including a construction period of one year), lease payment's royalty has to be paid in a fixed amount each year, and the operating royalty has to be paid according to a certain percentage of turnover.
- (3) The consolidated company signed a lease contract for the shopping mall and parking lot of the co-construction building of MRT Airport Chang Gung Hospital (A8) Station with Asia Pacific Development Corporation. The lease term is 20 years from the commencement of operation, and the shopping mall part is calculated at a minimum of basic rent and the commission from operating, whichever is higher is used for calculation.
- (4) The consolidated company signed the following lease contracts "Taoyuan International Airport MRT Linkou Station Shopping Mall" and the "Taiwan Taoyuan International Airport MRT A19 Station Shopping Mall Lease Project" with the High-speed Railway Engineering Bureau and the Ministry of Transportation's Railway Bureau, respectively. For lease contracts, the lease period is 20 years from the day after the signing of the contract, and the royalty payment is the higher of the bidding operating royalty or the actual operating royalty. The actual business royalty is calculated based on a certain percentage of the turnover and non-operating income; the land rent and building rent are also required to be paid.
- (5) The consolidated company leased the Banqiao Station Shopping Mall from State-owned Taiwan Railway Corporation, Ltd. for office space and storefronts. The lease term is 16 years. The rent is paid with the fixed royalty, which is unchanged from the first to the fourth year. The amount was increased by 3% of the previous year rent starting from the fifth year. In addition to the fixed royalty, there was still an operating royalty to be paid based on a certain percentage of turnover. In May 2024, both parties completed the renewal agreement and extended the lease term for six years. In addition to fixed rent payments, a royalty also needed to be paid at a certain percentage of the revenue, and rents should be paid at a certain percentage of the announced land value and area rented.
- (6) The consolidated company signed the "New Zuoying Station Building" operation investment contract with State-owned Taiwan Railway Corporation, Ltd. The company will provide the commercial space on the east and west sides of the shopping mall from the underground 1F to the above ground 4F of the New Zuoying Station Building , and

Notes to the consolidated financial statements (Continued)

the consolidated company is entrusted for renovation (for one year) and operation (for twelve years). After the expiration, the operation right will belong to the company. In addition to a fixed royalty every year, rent payments include operating royalty based on a certain percentage of turnover. In June 2024, both parties completed the renewal agreement and extended the lease term for five years. In addition to fixed rent payments, a royalty also needed to be paid at a certain percentage of the revenue, and rents should be paid at a certain percentage of the announced land value and area rented.

2. Other leases

The consolidated company leases land and transportation equipment for a lease term of two to four years. In addition, the consolidated company leases office equipment, outdoor advertising, and reception centers. These leases are short-term and low-value leases that the consolidated company chooses to be exempted from recognition but do not recognize its related right-of-use assets and lease liabilities.

(XVII) Provisions

	2024.6.30	2023.12.31	2023.6.30
Warranty reserve	<u>\$ 179,111</u>	<u>181,670</u>	<u>176,965</u>

There was no significant change in the consolidated company's liability provisions during the six months ended June 30, 2024 and 2023. Please refer to Note 6(17) of the 2023 consolidated financial statements for relevant information.

The consolidated company's reserve for warranty and liability referred to above is mainly related to the engineering contracting, which is estimated based on the historical warranty data of various projects. The consolidated company expects that the liability will be incurred more than one year after the engineering acceptance.

(XVIII) Operating lease - lessor's lease

The consolidated company leases out its investment properties. Since it has not transferred almost all the risks and rewards attached to the ownership of the underlying assets, the lease contracts are classified as operating leases. Please refer to Note 6(10) Investment properties.

The maturity analysis of lease payments is shown in the following table based on the total undiscounted lease payments to be received after the reporting date:

	2024.6.30	2023.12.31	2023.6.30
Less than 1 year	\$ 9,726	9,726	9,726
1 to 2 years	9,726	9,726	9,726
2-3 years	9,726	9,726	9,726
3-4 years	9,726	9,726	9,726
4-5 years	9,726	9,726	9,726
Over 5 years	16,453	21,316	24,453
Total undiscounted lease payments	<u>\$ 65,083</u>	<u>69,946</u>	<u>73,083</u>

Notes to the consolidated financial statements (Continued)

The rent income generated from the investment property during the three and six months ended June 30, 2024 and 2023 were NTD 2,432 thousand and NTD 4,863 thousand; furthermore, there was no significant maintenance and repair expense.

(XIX) Employee benefits

1. Defined benefit plan

Since there was no significant market fluctuation, significant curtailment, settlement or other major one-time events after the end of the previous fiscal year, the consolidated company adopted the actuarial pension decision on December 31, 2023 and 2022 for the cost measurement and pension cost disclosed in the interim period.

The details of expenses recognized by the consolidated company as follows:

	April to June 2024	April to June 2023	January to June 2024	January to June 2023
Operating cost	\$ 47	60	120	137
Operating expenses	\$ 69	71	152	250

2. Defined contribution plan

The pension expenses under the consolidated company's defined contribution plan are as follows, which have been appropriated to the Bureau of Labor Insurance:

	April to June 2024	April to June 2023	January to June 2024	January to June 2023
Operating cost	\$ 4,645	5,011	9,498	10,064
Operating expenses	\$ 6,048	5,782	12,089	11,444

3. Liabilities for short-term paid leave

	2024.6.30	2023.12.31	2023.6.30
Short-term paid leave of absence	\$ 13,046	17,054	21,666

(XX) Income tax

1. The details of income tax expenses of the consolidated company are as follows:

	April to June 2024	April to June 2023	January to June 2024	January to June 2023
Current income tax expense				
Occurred in the current period	\$ 338,604	147,975	489,198	266,632
Imposition on undistributed earnings	89,261	88,413	89,598	88,413
Adjustment of the current income tax of the previous period	(3,692)	492	(4,556)	553
Land Value Increment Tax	95,393	17,801	137,658	57,716
	519,566	254,681	711,898	413,314
Deferred income tax expense				

Notes to the consolidated financial statements (Continued)

	April to June 2024	April to June 2023	January to June 2024	January to June 2023
Occurrence and reversal of temporary difference	1,224	(1,182)	970	(2,552)
Income tax expenses of continuing operations	<u>\$ 520,790</u>	<u>253,499</u>	<u>712,868</u>	<u>410,762</u>

2. The income tax returns of the consolidated company's profit-seeking business have been audited by the tax authorities up to 2022.

(XXI) Capital and other equity

Except for the following, there were no significant changes in the capital and other equity of the consolidated company during the six months ended June 30, 2024 and 2023. For relevant information, please refer to the 2023 consolidated financial statements Note 6(21).

1. Capital reserve

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

	2024.6.30	2023.12.31	2023.6.30
Issued stock premium	\$ 827,906	827,906	827,906
Premium of corporate bond conversion	236,408	236,408	236,408
Treasury stock trading	345,697	345,697	325,201
Gain on disposal of assets	34,912	34,912	34,912
Others	27,882	27,478	27,478
	<u>\$ 1,472,805</u>	<u>1,472,401</u>	<u>1,451,905</u>

Pursuant to the Company Act, capital reserves shall be first used to make up for losses before issuing new shares or cash based on realized capital reserve according to the original shareholding ratio. The realized capital reserve mentioned in the preceding paragraph includes the premium of shares issued in excess of the par value and the income from gifts received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the total amount of capital reserve for capitalization each year shall not exceed 10% of the paid-in capital.

2. Retained earnings

In accordance with the amended Articles of Incorporation approved by the Company's shareholders' meeting on June 19, 2023, if there is a profit after the final account, tax should be first paid followed by setting aside an amount for the accumulated loss, and then 10% of the profit should be appropriated as legal reserve, and the legal provision and reversal of special reserve. If there is any surplus, the board of directors shall draft a proposal for the distribution of shareholders' dividends and submit it to the shareholders' meeting for resolution, but if this earnings distribution is made in cash, in accordance with Article 240, paragraph 5 of the Company Act, the board is to seek approval from the shareholders

Notes to the consolidated financial statements (Continued)

meeting to authorize the board of directors to handle the matter and to report to the shareholders' meeting. The approval is considered obtained with the consent of more than half of the attending directors at the meeting attended by more than two-thirds of the board of directors.

(1) Legal reserve

When the Company has no losses, the shareholders' meeting may resolve to issue new shares or cash from the legal reserve, provided that such reserve exceeds 25% of the paid-in capital.

(2) Special reserve

According to the regulations of the FSC, when the Company distributes the distributable earnings, the difference between the net amount debited to other shareholders' equity and the balance of the special reserve is added to the items other than the current net profit after tax. This amount is added to the current undistributed earnings and the prior undistributed earnings that are set aside as special reserve; the amount of reduction of other shareholders' equity accumulated in the previous period is set aside from the undistributed earnings of the prior period as special reserve and shall not be distributed. If the amount debited to other shareholders' equity is reversed afterwards, the reversed amount may be distributed as earnings. As of June 30, 2024, the special reserve balance amounted to NTD 28,435 thousand.

(3) Earnings distribution

The Company's board of directors on March 12, 2024 resolved the amount of cash dividends for the 2023 earnings appropriation proposal and on June 19, 2023, the shareholders meeting resolved the 2022 earnings appropriation. The amount of dividends distributed to the shareholders is as follows:

	2023		2022	
	Stock dividend rate (NTD)	Amount	Stock dividend rate (NTD)	Amount
Dividends distributed to common stock shareholders:				
Cash	\$ 1.80	<u><u>\$ 995,706</u></u>	1.75	<u><u>969,798</u></u>

3. Treasury stock

The consolidated company's shares held on June 30, 2024 and 2023 are as follows:

Name of subsidiary	2024.6.30			Unit: Thousand shares 2023.6.30		
	Number of shares	Book value (Note)	Market price	Number of shares	Book value (Note)	Market price
Kedge Construction	550 \$	1,222	30,030	550	1,222	16,555

Notes to the consolidated financial statements (Continued)

Name of subsidiary	2024.6.30			2023.6.30		
	Number of shares	Book value (Note)	Market price	Number of shares	Book value (Note)	Market price
Jiequn Investment Co., Ltd.	9,373	55,384	511,770	9,373	55,384	282,130
Kuan Ching Electromechanical	1,768	14,590	96,517	1,768	14,590	53,208
	11,691	\$ 71,196	638,317	11,691	71,196	351,893

Note: In addition, the amount of deductions attributable to non-controlling equity totaled NTD 137,036 thousand.

4. Other equity (net amount after tax)

	Exchange differences on translation of financial statements of foreign operations	Unrealized gains or losses on financial assets at fair value through other comprehensive income	Non-controlling interests	Total
Balance as of January 1, 2024	\$ (29,496)	1,061	(5,397)	(33,832)
Exchange differences arising from the translation of net assets of foreign operations	84	-	16	100
Unrealized gains or losses on financial assets at fair value through other comprehensive income	-	(158)	(65)	(223)
Balance as of June 30, 2024	\$ (29,412)	903	(5,446)	(33,955)
Balance as of January 1, 2023	\$ (29,493)	2,949	(5,172)	(31,716)
Exchange differences arising from the translation of net assets of foreign operations	14	-	3	17
Unrealized gains or losses on financial assets at fair value through other comprehensive income	-	(2,302)	(1,511)	(3,813)
Balance as of June 30, 2023	\$ (29,479)	647	(6,680)	(35,512)

(XXII) Earnings per share

Calculations of the consolidated company's basic earnings per share and diluted earnings per share are as follows:

	April to June 2024	April to June 2023	January to June 2024	January to June 2023
Basic earnings per share				
Net profit attributable to the Company's common stock shareholders	\$ 2,382,462	195,152	3,135,371	675,740
Weighted average outstanding common stock	541,479	541,479	541,479	541,479
	\$ 4.40	0.36	5.79	1.25
Diluted earnings per share				

Notes to the consolidated financial statements (Continued)

	April to June 2024	April to June 2023	January to June 2024	January to June 2023
Net income attributable to the Company's common stock shareholders (diluted)	<u>\$ 2,382,462</u>	<u>195,152</u>	<u>3,135,371</u>	<u>675,740</u>
Weighted average outstanding common stock	541,479	541,479	541,479	541,479
Effect of employee stock compensation	<u>1,297</u>	<u>360</u>	<u>1,732</u>	<u>930</u>
Weighted average outstanding common stock shares (after adjusting the potential dilutive effect of the common stock shares)	<u>542,776</u>	<u>541,839</u>	<u>543,211</u>	<u>542,409</u>
	<u>\$ 4.39</u>	<u>0.36</u>	<u>5.77</u>	<u>1.25</u>

(XXIII) Revenue from customer contracts

1. Breakdown of revenue

		April to June 2024		
		Building department	Construction Department	Department of Department Stores Total
Key regional markets:				
Taiwan		<u>\$ 7,410,015</u>	<u>2,516,088</u>	<u>418,226</u>
Main product/service lines:				
Revenue from sales of real estate	\$ 7,272,584	-	-	7,272,584
Construction contract revenue	134,810	2,516,088	-	2,650,898
Net income from counters	-	-	343,601	343,601
Revenue from service provision	-	-	8,251	8,251
Rental income	2,621	-	39,882	42,503
Other income	<u>-</u>	<u>-</u>	<u>26,492</u>	<u>26,492</u>
		<u>\$ 7,410,015</u>	<u>2,516,088</u>	<u>418,226</u>
Timing of revenue recognition:				
Commodities transferred at a certain point in time	\$ 7,272,584	-	373,489	7,646,073
Income gradually transferred over time	2,621	-	44,737	47,358
Construction transferred over time	<u>134,810</u>	<u>2,516,088</u>	<u>-</u>	<u>2,650,898</u>
		<u>\$ 7,410,015</u>	<u>2,516,088</u>	<u>418,226</u>

Notes to the consolidated financial statements (Continued)

April to June 2023				
	Building department	Construction Department	Department of Department Stores	Total
Key regional markets:				
Taiwan	\$ 692,511	3,352,367	397,201	4,442,079
Main product/service lines:				
Revenue from sales of real estate	\$ 633,811	-	-	633,811
Construction contract revenue	56,039	3,352,367	-	3,408,406
Net income from counters	-	-	311,490	311,490
Revenue from service provision	-	-	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>
Timing of revenue recognition:				
Commodities transferred at \$ a certain point in time	633,811	-	354,998	988,809
Income gradually transferred over time	2,661	-	42,203	44,864
Construction transferred over time	56,039	3,352,367	-	3,408,406
	<u>\$ 692,511</u>	<u>3,352,367</u>	<u>397,201</u>	<u>4,442,079</u>
January to June 2024				
	Building department	Construction Department	Department of Department Stores	Total
Key regional markets:				
Taiwan	\$ 9,441,529	4,869,323	846,134	15,156,986
Main product/service lines:				
Revenue from sales of real estate	\$ 9,122,827	-	-	9,122,827
Construction contract revenue	313,457	4,869,323	-	5,182,780
Net income from counters	-	-	700,853	700,853
Revenue from service	-	-	15,444	15,444

Notes to the consolidated financial statements (Continued)

January to June 2024				
	Building department	Construction Department	Department of Department Stores	Total
provision				
Rental income	5,245	-	78,308	83,553
Other income	-	-	51,529	51,529
	<u>\$ 9,441,529</u>	<u>4,869,323</u>	<u>846,134</u>	<u>15,156,986</u>
Timing of revenue recognition:				
Commodities transferred at a certain point in time	\$ 9,122,827	-	758,149	9,880,976
Income gradually transferred over time	5,245	-	87,985	93,230
Construction transferred over time	313,457	4,869,323	-	5,182,780
	<u>\$ 9,441,529</u>	<u>4,869,323</u>	<u>846,134</u>	<u>15,156,986</u>
January to June 2023				
	Building department	Construction Department	Department of Department Stores	Total
Key regional markets:				
Taiwan	<u>\$ 1,981,548</u>	<u>6,153,344</u>	<u>799,852</u>	<u>8,934,744</u>
Main product/service lines:				
Revenue from sales of real estate	\$ 1,850,586	-	-	1,850,586
Construction contract revenue	125,672	6,153,344	-	6,279,016
Net income from counters	-	-	635,508	635,508
Revenue from service provision	-	-	14,753	14,753
Rental income	5,290	-	78,750	84,040
Other income	-	-	70,841	70,841
	<u>\$ 1,981,548</u>	<u>6,153,344</u>	<u>799,852</u>	<u>8,934,744</u>
Timing of revenue recognition:				
Commodities transferred at \$	1,850,586	-	711,440	2,562,026

Notes to the consolidated financial statements (Continued)

	January to June 2023			
	Building department	Construction Department	Department of Stores	Total
a certain point in time				
Income gradually transferred over time	5,290	-	88,412	93,702
Construction transferred over time	125,672	6,153,344	-	6,279,016
	<u>\$ 1,981,548</u>	<u>6,153,344</u>	<u>799,852</u>	<u>8,934,744</u>

2. Contract balance

	2024.6.30	2023.12.31	2023.6.30
Notes and accounts receivable	\$ 1,710,115	1,132,740	1,378,971
Less: Loss allowance	(1,216)	(8,175)	(8,018)
Total	<u>\$ 1,708,899</u>	<u>1,124,565</u>	<u>1,370,953</u>
Contract assets - construction projects	\$ 2,910,389	2,996,809	2,707,416
Less: Loss allowance	-	-	-
Total	<u>\$ 2,910,389</u>	<u>2,996,809</u>	<u>2,707,416</u>
Contract liabilities - construction projects	\$ 2,260,389	2,036,374	2,000,320
Contract liabilities - sales of buildings and land	899,183	1,102,830	628,129
Contract liabilities - gym	13,595	12,491	12,445
Contract liabilities - bonus points	30,487	17,681	36,216
Contract liabilities - gift vouchers	88,217	80,275	75,436
Total	<u>\$ 3,291,871</u>	<u>3,249,651</u>	<u>2,752,546</u>

Please refer to Note 6(4) for the disclosure of the impairment of notes and accounts receivable in detail.

Changes in contract assets and contract liabilities are mainly due to the difference between the time when the consolidated company transfers goods or services to customers to meet the performance obligation and the time when the customer makes payment. There were no other significant changes for the three and six months ended June 30, 2024 and 2023.

(XXIV) Remuneration to employees and directors

According to the Articles of Incorporation of the Company, if there is profit in the year, no less than 0.5% of the profit shall be appropriated as employee's remuneration and no more

Notes to the consolidated financial statements (Continued)

than 2% as director's remuneration. However, if the Company still has accumulated losses, an amount shall be reserved in advance to offset the losses.

The Company's estimated employees remuneration for the three and six months ended June 30, 2024 and 2023 were NTD 55,457 thousand, NTD 2,035 thousand, NTD 70,822 thousand, and NTD 10,848 thousand, respectively, and the estimated directors remuneration were NTD 55,457 thousand, NTD 2,035 thousand, NTD 70,822 thousand, and NTD 10,848 thousand, respectively. The estimate is based on the net income before tax of each period deducting the remuneration of employees and directors, and multiplied by the distribution percentage of the remuneration of employees and directors as stipulated in the Articles of Incorporation of the Company, and is reported as operating expenses for the period. If there is a discrepancy between the actual distributed amount and the estimated figure in the following year, it shall be treated as a change in accounting estimates and recognized as profit or loss of the following year. If the board of directors decides to pay employees' remuneration in shares, the number of shares will be calculated based on the closing price of the common stock on the day before the resolution of the board meeting.

In 2023 and 2022, the Company provided NTD 43,167 thousand and NTD 41,942 thousand for remuneration to employees, and NTD 43,167 thousand and NTD 41,942 thousand for directors' remuneration, respectively, which were in line with the amounts resolved by the board of directors, and the relevant information can be found on the Market Observation Post System.

(XXV) Non-operating income and expenses

1. Interest revenue

The interest income of the consolidated company is detailed as follows:

	April to June 2024	April to June 2023	January to June 2024	January to June 2023
Bank deposits (including interest of short-term commercial papers)	\$ 48,401	37,288	79,525	68,109
Loans and receivables	91	89	207	200
Construction deposits paid (including deposits)	2	10	8	75
Other interest income	26	19	65	27
	\$ 48,520	37,406	79,805	68,411

2. Other income

The consolidated company's other income is detailed as follows:

	April to June 2024	April to June 2023	January to June 2024	January to June 2023
Dividend income	\$ 496	319	496	319

3. Other gains and losses

Notes to the consolidated financial statements (Continued)

The consolidated company's other gains and losses are detailed as follows:

	<u>April to June 2024</u>	<u>April to June 2023</u>	<u>January to June 2024</u>	<u>January to June 2023</u>
Gain on foreign currency exchange	\$ 152	912	2,247	460
Financial assets income measured at fair value through profit or loss	17,670	7,339	26,697	7,659
Losses from disposal of property, plant and equipment	-	(635)	-	(273)
Rental income	327	268	644	536
Other income	21,434	70,577	41,036	76,525
Other expenses	(11,065)	(101,752)	(11,496)	(104,230)
	<u>\$ 28,518</u>	<u>(23,291)</u>	<u>59,128</u>	<u>(19,323)</u>

4. Financial costs

The consolidated company's financial costs are detailed as follows:

	<u>April to June 2024</u>	<u>April to June 2023</u>	<u>January to June 2024</u>	<u>January to June 2023</u>
Interest expense				
Bank borrowings	\$ 90,566	95,390	185,724	186,800
Interests paid in lieu of cash	-	-	53	85
Corporate bond interest and service charge	13,893	12,530	27,786	25,675
Interest on lease liabilities	13,621	14,126	27,221	28,377
Other	336	278	690	587
Less: capitalized interest	(62,790)	(54,925)	(119,102)	(101,926)
	<u>\$ 55,626</u>	<u>67,399</u>	<u>122,372</u>	<u>139,598</u>

(XXVI) Financial instruments

Except for the following, there was no significant change in the fair value of the consolidated company's financial instruments and the exposure to credit risk, liquidity risk and market risk due to the financial instruments. For relevant information, please refer to the 2023 consolidated financial statements Note 6(26).

1. Liquidity risk

The contractual maturities of financial liabilities are shown in the following table, including estimated interest but excluding the effect of the agreement on the net amount.

	<u>Carrying amount</u>	<u>Contractual cash flow</u>	<u>Within one year</u>	<u>1-3 years</u>	<u>3-5 years</u>	<u>Over 5 years</u>
June 30, 2024						
Non-derivative financial liabilities						
Long-term and short-term borrowings (including current portion)	\$ 12,767,427	13,601,108	4,758,845	7,053,930	1,788,333	-
Short-term bills payable	375,800	375,800	375,800	-	-	-
Ordinary corporate bonds (within one year)	3,000,000	3,086,277	1,003,616	1,007,627	1,075,034	-

Notes to the consolidated financial statements (Continued)

	Carrying amount	Contractual cash flow	Within one year	1-3 years	3-5 years	Over 5 years
Notes, accounts and other payables	8,534,468	8,534,468	6,634,254	1,900,214	-	-
Guarantee deposits received	98,396	98,396	-	98,396	-	-
Other current and non-current liabilities (long-term liabilities)	8,168	8,190	8,190	-	-	-
Lease liabilities (including those due within one year)	3,193,444	3,658,860	258,029	540,893	542,038	2,317,900
	\$ 27,977,703	29,363,099	13,038,734	10,601,060	3,405,405	2,317,900

December 31, 2023

Non-derivative financial liabilities						
Long-term and short-term borrowings (including current portion)	\$ 16,319,378	17,849,165	11,196,087	1,465,535	5,187,543	-
Short-term bills payable	30,000	30,000	30,000	-	-	-
Ordinary corporate bonds (within one year)	3,000,000	3,101,984	1,007,605	1,010,619	1,083,760	-
Notes, accounts and other payables	7,351,046	7,351,046	5,395,040	1,956,006	-	-
Guarantee deposits received	95,271	95,271	-	95,271	-	-
Other current and non-current liabilities (long-term liabilities)	16,336	16,402	16,402	-	-	-
Lease liabilities (including those due within one year)	3,142,911	3,618,252	251,400	467,004	465,898	2,433,950
	\$ 29,954,942	32,062,120	17,896,534	4,994,435	6,737,201	2,433,950

June 30, 2023

Non-derivative financial liabilities						
Long-term and short-term borrowings (including current portion)	\$ 16,149,684	16,554,195	11,700,683	2,651,749	2,201,763	-
Ordinary corporate bonds (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 those due within one year)	3,196,235	3,699,507	241,428	483,548	468,616	2,505,915
	\$ 30,394,547	31,330,324	18,874,280	7,279,750	2,670,379	2,505,915

The consolidated company does not expect the maturity of the cash flows will be significantly earlier or the actual amount will be significantly different.

2. Interest rate analysis

The interest rate exposure of the consolidated company's financial assets and financial liabilities is described in the liquidity risk management of this note.

The following sensitivity analysis is based on the interest rate risk exposure of the derivative and non-derivative instruments on the reporting date. The analysis of liabilities with floating interest rates is based on the assumption that the amount of liabilities outstanding on the reporting date has been outstanding throughout the year. The rate of change used in the consolidated company's internal reporting of interest rates to key management is an increase or decrease of 1%, which also represents management's assessment of the reasonably possible range of interest rates.

If the interest rate increases or decreases by 1%, and all other variables remain unchanged, the consolidated company's net profit before tax for the six months ended June 30, 2024 and 2023 would decrease or increase by NTD 63,837 thousand and NTD 80,748 thousand, considering that the net profits after interest capitalization would decrease or

Notes to the consolidated financial statements (Continued)

increase by NTD 32,351 thousand and NTD 46,672 thousand, respectively. This was mainly due to the consolidated company's borrowings at variable interest rates.

3. Other pricing risks

If the price of equity securities changes on the reporting date (the two analysis are based on the same basis, and assuming other variables unchanged), the impact on the comprehensive income is as follows:

Securities price on the reporting date	January to June 2024		January to June 2023	
	Other comprehensive income after tax	Profit or loss after tax	Other comprehensive income after tax	Profit or loss after tax
Up 10%	<u>\$ 3,545</u>	<u>14,468</u>	<u>870</u>	<u>10,529</u>
Down 10%	<u>\$ (3,545)</u>	<u>(14,468)</u>	<u>(870)</u>	<u>(10,529)</u>

4. Fair value information

(1) Types and fair values of financial instruments

Financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income of the consolidated company are measured at fair value on a repetitive basis. The carrying amount and fair value of various financial assets and financial liabilities (including fair value hierarchy information, but the carrying amount of financial instruments not measured at fair value is a reasonable approximation of the fair value and lease liabilities, there is no need to disclose the fair value information as required) are as listed below:

2024.6.30					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss					
Non-derivative financial assets	\$ 144,681	144,681	-	-	144,681
mandatorily measured at fair value through profit or loss					
Financial assets measured at fair value through other comprehensive income	\$ 35,450	2,110	25,276	8,064	35,450
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 16,537,903	-	-	-	-
Notes and accounts receivable	1,708,899	-	-	-	-
Other financial assets- Liquidity	2,006,506	-	-	-	-
Other financial assets- Non-current	95,248	-	-	-	-
Subtotal	20,348,556	-	-	-	-

Notes to the consolidated financial statements (Continued)

		2024.6.30			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Total	\$ 20,528,687	146,791	25,276	8,064	180,131
		2024.6.30			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Long-term and short-term borrowings (within one year)	\$ 12,767,427	-	-	-	-
Short-term bills payable	375,800	-	-	-	-
Notes, accounts and other payables	8,534,468	-	-	-	-
Corporate bonds payable (within one year)	3,000,000	-	-	-	-
Other current liabilities (long-term payables)	8,168	-	-	-	-
Lease liabilities (within one year)	3,193,444	-	-	-	-
Guarantee deposits received	98,396	-	-	-	-
Total	\$ 27,977,703	-	-	-	-
		2023.12.31			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	\$ 117,984	117,984	-	-	117,984
Financial assets measured at fair value through other comprehensive income	\$ 35,673	2,225	25,276	8,172	35,673
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 14,178,534	-	-	-	-
Notes and accounts receivable	1,124,565	-	-	-	-
Other financial assets- Liquidity	2,504,580	-	-	-	-
Other financial assets- Non-current	63,039	-	-	-	-
Subtotal	17,870,718	-	-	-	-
Total	\$ 18,024,375	120,209	25,276	8,172	153,657
Financial liabilities measured at					

Notes to the consolidated financial statements (Continued)

	2023.12.31				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
amortized cost					
Long-term and short-term borrowings (within one year)	\$ 16,319,378	-	-	-	-
Short-term bills payable	30,000	-	-	-	-
Notes, accounts and other payables	7,351,046	-	-	-	-
Corporate bonds payable (within one year)	3,000,000	-	-	-	-
Other current liabilities (long-term payables)	16,336	-	-	-	-
Lease liabilities (within one year)	3,142,911	-	-	-	-
Guarantee deposits received	95,271	-	-	-	-
Total	<u>\$ 29,954,942</u>	-	-	-	-
	2023.6.30				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured 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 measured at fair value through other comprehensive income	\$ 8,696	2,552	-	6,144	8,696
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 15,120,414	-	-	-	-
Notes and accounts receivable	1,370,953	-	-	-	-
Other financial assets- Liquidity	2,741,512	-	-	-	-
Other financial assets- Non-current	60,880	-	-	-	-
Subtotal	19,293,759	-	-	-	-
Total	<u>\$ 19,407,748</u>	<u>107,845</u>	-	<u>6,144</u>	<u>113,989</u>
Financial liabilities measured at amortized cost					
Long-term and short-term borrowings (within one year)	\$ 16,149,684	-	-	-	-
Notes, accounts and other payables	7,929,031	-	-	-	-
Corporate bonds payable (within one year)	3,000,000	-	-	-	-
Other current liabilities (long-term payables)	16,336	-	-	-	-
Other non-current liabilities (long-term payables)	8,168	-	-	-	-
Lease liabilities (within one year)	3,196,235	-	-	-	-

Notes to the consolidated financial statements (Continued)

	2023.6.30				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Guarantee deposits received	95,093	-	-	-	-
Total	\$ 30,394,547	-	-	-	-

(2) Valuation technique for the fair value of financial instruments measured at fair value

Non-derivative financial instruments

If there is a quoted market price for the financial instrument, the quoted price on the active market is used as the fair value. The market price announced by the major exchanges and the TPEX for central government bonds that are judged to be popular are the basis for the fair value of TWSE/TPEX-listed equity instruments and debt instruments with open quotations on the active market.

If open quotations of financial instruments can be obtained in a timely manner from exchanges, brokers, underwriters, industrial associations, pricing service institutions or competent authorities, and the prices represent actual and frequently occurring fair market transactions, then the financial instruments have open quotations in the active market. If the above conditions are not met, the market is deemed inactive. Generally speaking, a large spread of the bid-ask spread, a significant increase in the spread of the bid-ask price, or a low trading volume are indicators of an inactive market.

If the financial instruments held by the consolidated company belong to an active market, the fair value is listed as follows by category and attribute:

The fair values of stocks and corporate bonds of TWSE/TPEX listed companies are financial assets and financial liabilities that have standard terms and conditions and are traded in the active market. The fair value is determined by reference to market quotations.

If the financial instruments held by the consolidated company are in the non-active market, the fair value is listed as follows by category and attribute:

Equity instruments without public quotations: The fair value is estimated using the market comparable company method, and the main assumption is the investees' estimated earnings before tax, depreciation and amortization, and the earnings multiplier derived from the market quotations of comparable listed (OTC) companies as basis of measurement. The estimate has adjusted the effect of the discount due to the lack of market liquidity of the equity securities.

(3) Details of changes in level 3

Notes to the consolidated financial statements (Continued)

	Equity instruments at fair value through other comprehensive income without a quoted price
January 1, 2024	<u><u>\$ 8,172</u></u>
June 30, 2024	<u><u>\$ 8,064</u></u>
January 1, 2023	<u><u>\$ 10,071</u></u>
June 30, 2023	<u><u>\$ 6,144</u></u>

The above total profit or loss is reported in the “unrealized valuation gain (loss) of financial assets measured at fair value through other comprehensive gain or loss”. The assets still held on June 30, 2024 and 2023 are as follows:

	April to June 2024	April to June 2023	January to June 2024	January to June 2023
Total profit or loss				
Recognized in other comprehensive income (reported in “Unrealized valuation gain or loss on financial assets measured at fair value through other comprehensive income”)	<u><u>\$ (232)</u></u>	<u><u>(2,970)</u></u>	<u><u>(108)</u></u>	<u><u>(3,927)</u></u>

(XXVII) Financial risk management

There is no significant change in the objectives and policies of the consolidated company’s financial risk management as disclosed in Note 6(27) to the 2023 consolidated financial statements.

(XXVIII) Capital management

The consolidated company’s capital management objectives, policies and procedures are consistent with those disclosed in the 2023 consolidated financial statements; there is no significant change in the aggregated quantitative information of the capital management item with those disclosed in the 2023 consolidated financial statements. Please refer to Note 6(28) of the 2023 consolidated financial statements for relevant information.

(XXIX) Investment and financing activities of non-cash transactions

The non-cash transaction investing activities and fund-raising activities of the consolidated company from January 1 to June 30, 2024 and 2023 are as follows:

1. Please refer to Note 6(9) for the assets used by the Company by way of lease.
2. The property, plant and equipment acquired are as follows:

Notes to the consolidated financial statements (Continued)

	January to June 2024	January to June 2023
Purchase of property, plant and equipment	\$ 16,134	26,369
Add: Payables for equipment, beginning	34,719	27,286
Less: Payables for equipment, ending	(15,571)	(18,950)
	<u>\$ 35,282</u>	<u>34,705</u>

VII. Transactions with related parties

(I) Names of related parties and their relationships

The transaction related parties of the consolidated company during the period of the consolidated financial statements are as follows:

Name of related party	Relationship with the consolidated company
Kindom Yu San Education Foundation	Its Chairman is a relative of second degree of kinship to the Chairman of the Company
Tua Tiann Co., Ltd.	Joint venture of the consolidated company
Readycom Information Services Co., Ltd.	An affiliate of the consolidated company

(II) Transactions with related parties

1. The consolidated company donated NTD 11,000 thousand and NTD 6,000 thousand during January 1 to June 30, 2024 and 2023 to other related parties, respectively, for the promotion of the Foundation.
2. The consolidated company leased parts of its office building to other related parties and the joint venture with lease terms of one year and three years, respectively, for three and six months ended June 30, 2024 and 2023, and the rent revenue were NTD 33 thousand, NTD 51 thousand, NTD 65 thousand, and NTD 65 thousand, respectively.
3. The consolidated company signed an information professional consulting service contract with Readycom Information Services Co., Ltd. in December 2021 for a total contract value of NTD 50 thousand per month. As of December 31, 2023, NTD 150 thousand has been paid and the contract was terminated in 2023.
4. Creditors' rights and liabilities

The claim and liabilities between the consolidated company and the related parties are as follows:

Presentation item	Category of related party	2024.6.30	2023.12.31	2023.6.30
Other receivables	Joint venture	<u>\$ 6,307</u>	<u>-</u>	<u>1,594</u>

(III) Transactions by key management personnel

Remuneration to key management personnel includes:

	April to June 2024	April to June 2023	January to June 2024	January to June 2023
Short-term employee	\$ 49,764	34,770	85,840	77,424

Notes to the consolidated financial statements (Continued)

	April to June 2024	April to June 2023	January to June 2024	January to June 2023
benefits				
Post-employment	69	74	137	146
benefits				
	<u>\$ 49,833</u>	<u>34,844</u>	<u>85,977</u>	<u>77,570</u>

VIII. Pledged assets

The book value of the assets pledged and pledged by the consolidated company as collateral for restricted assets is as follows:

Asset name	Subject matter of pledge guarantee	2024.6.30	2023.12.31	2023.6.30
Buildings and land for sale	Bank borrowings	\$ 6,849,229	5,304,017	5,637,459
Construction site	"	-	211,953	211,953
Building and land under construction	"	11,335,445	15,623,646	11,436,915
Investment property and property, plant and equipment, net	Bank borrowings and corporate bonds payable	6,175,589	6,217,019	6,264,424
Other financial assets- Liquidity	Bank borrowings, pre-payment trust, performance bonds, and corporate bonds payable and restricted assets	1,382,972	1,763,834	2,077,144
Other financial assets - non-current	Performance bond and trust	54,712	51,334	51,016
		<u>\$ 25,797,947</u>	<u>29,171,803</u>	<u>25,678,911</u>

Note: The consolidated company provided 223,414 thousand shares of the subsidiaries on June 30, 2024, December 31, 2023, and June 30, 2023, in total, as collateral for bank loans.

IX. Significant contingent liabilities and unrecognized contractual commitments

(I) Significant unrecognized contractual commitments:

1. The total amount of major construction contracts undertaken by the consolidated company is as follows:

	2024.6.30	2023.12.31	2023.6.30
Total contract amount	<u>\$ 48,799,356</u>	<u>40,467,060</u>	<u>40,906,961</u>
Amount received	<u>\$ 20,608,559</u>	<u>18,833,690</u>	<u>19,213,407</u>

2. The contractual price of the pre-sale of new houses and sale of existing houses signed between the consolidated company and the customers are as follows:

	2024.6.30	2023.12.31	2023.6.30
Price of signed sales contract	<u>\$ 5,214,633</u>	<u>7,580,667</u>	<u>5,358,613</u>
Amount received according to the contract	<u>\$ 899,183</u>	<u>1,102,830</u>	<u>628,129</u>

Notes to the consolidated financial statements (Continued)

- | | 2024.6.30 | 2023.12.31 | 2023.6.30 |
|--|--------------|------------|-----------|
| 3. For information on the lease contracts signed by the consolidated company on June 30, 2024, December 31, 2023, and June 30, 2023 for the operation of shopping malls, please refer to Note 6(16); also, details of the performance guaranty letter paid as per contract are as follows: | | | |
| | 2024.6.30 | 2023.12.31 | 2023.6.30 |
| Guaranteed notes | \$ 294,100 | 232,550 | 232,550 |
| 4. The refundable deposits and guaranteed notes paid by the consolidated company for the joint construction and allocation of housing units and joint development projects are as follows: | | | |
| | 2024.6.30 | 2023.12.31 | 2023.6.30 |
| Refundable deposits | \$ 480,524 | 413,702 | 486,591 |
| Performance bond | \$ 1,894,146 | 1,955,836 | 1,712,205 |
| 5. The unrecognized contractual commitments of the consolidated company due to the payment of royalties for the purchase of construction land and conversion of rights are as follows: | | | |
| | 2024.6.30 | 2023.12.31 | 2023.6.30 |
| Acquisition of inventory
(construction industry) | \$ 3,710,543 | 3,568,545 | - |
| 6. The letters of guarantee and guarantee notes issued by the consolidated company for contracting projects are as follows: | | | |
| | 2024.6.30 | 2023.12.31 | 2023.6.30 |
| | \$ 4,586,725 | 3,397,844 | 3,715,012 |
| 7. In 2023 and 2022, the Board of Directors approved the proposal to donate to the “Kindom Yu San Education Foundation”, and promised to donate in 2024 and 2023, NTD 14,000 thousand and NTD 18,000 thousand, respectively, for the promotion of business affairs of the Foundation. | | | |
| 8. The consolidated company signed the “Taipower Northern Storage and Transportation Center Nangang Former Site (AR-1-2) Specific Business District (10)” with Taiwan Power Co., Ltd. (hereinafter referred to as Taipower) in November 2021. According to the contract for the urban renewal project, the consolidated company is required to lease back all the commercial facilities (including parking spaces) that Taiwan Power Company participated in the conversion of rights, for a leaseback period of 10 years, with a maximum of 10 years of renewal, and the land lease contract is signed one year prior to the acquisition of the use permit. | | | |
| 9. As indicated in Note 6(6), the joint venture of the consolidated company (Tua Tiann Co., Ltd.) signed the “Taipei Station Special Zone for E1E2 Street Government Urban Renewal | | | |

Notes to the consolidated financial statements (Continued)

Project” contract with the Taipei City Housing and Urban Renewal Center in September 2022. The consolidated company shall be jointly and severally liable for damages and performance of the contract.

10. The consolidated company signed an agreement with the National Housing and Urban Renewal Center for the “Taipei City Investor Project for the Public Call for Contributors” in December 2022. It is a contract for providing capital and assisting in the implementation of the urban renewal business. According to the contract, the consolidated company needs to leaseback the commercial facilities attached to the administrative office building. The leaseback period is 20 years.

X. Losses from major disasters: None.

XI. Material events after the period: None.

XII. Others

- (I) Employee benefits, depreciation, depletion and amortization expenses by function are summarized as follows:

By function By nature	April to June 2024			April to June 2023		
	Attributable to operating costs	Classified as operating expenses	Total	Attributable to operating costs	Classified as operating expenses	Total
Employee benefit expense						
Salary expenses	115,384	264,332	379,716	146,776	160,746	307,522
Labor and national health insurance expenses	12,279	14,835	27,114	12,904	11,358	24,262
Pension expense	4,692	6,117	10,809	5,071	5,853	10,924
Other employee benefit expenses	3,246	13,734	16,980	3,677	10,374	14,051
Depreciation expense	6,420	103,677	110,097	6,003	104,242	110,245
Amortization expense	811	5,821	6,632	80	3,437	3,517

Notes to the consolidated financial statements (Continued)

By function By nature	January to June 2024			January to June 2023		
	Attributable to operating costs	Classified as operating expenses	Total	Attributable to operating costs	Classified as operating expenses	Total
Employee benefit expense						
Salary expenses	263,601	449,524	713,125	305,192	327,820	633,012
Labor and national health insurance expenses	25,184	27,778	52,962	25,412	26,835	52,247
Pension expense	9,618	12,241	21,859	10,201	11,694	21,895
Other employee benefit expenses	7,848	21,564	29,412	7,954	17,706	25,660
Depreciation expense	14,364	206,993	221,357	9,722	207,785	217,507
Amortization expense	973	11,385	12,358	80	6,363	6,443

(II) Seasonality of operation: The operation of the consolidated company is not affected by seasonal or cyclical factors.

XIII. Disclosures in Notes

(I) Information on significant transactions

According to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the consolidated company shall further disclose the information of significant transactions during the six months ended June 30, 2024 and 2023 as follows:

1. Loaning of funds to others: None.
2. Endorsements/guarantees made for others:

Unit: NTD thousand

Serial number	Endorsing/ guaranteeing company name	Counterparty of endorsements/ guarantees		Endorsement and guarantee limit for a single enterprise	Current maximum endorsement/ guarantee balance	Ending balance of endorsements/ guarantees	The actual amount drawn down	Endorsement / guarantee amount secured by property	Ratio of accumulated endorsement/ guarantee amount to net worth as stated in the latest financial statement	Maximum endorsements/ guarantees	Endorsements/ guarantees made by the parent company to subsidiaries	Endorsement / guarantee provided by the subsidiary to the parent company	Endorsements and guarantees in Mainland China
		Company name	Relationship (Note 1)										
1	Kedge Construction	Kindom Development Corp.	Parent and Subsidiary	\$9,526,360	14,192	14,192	14,192	-	0.30%	9,526,360	N	Y	N
2	Dingtian Construction	Kindom Development Corp.	Parent and Subsidiary	56,034	14,192	14,192	14,192	-	25.33%	56,034	N	Y	N
2	"	Kedge	Parent and	8,405,105	1,376,500	1,376,500	1,376,500	-	2,456.54%	16,810,211	N	Y	N

Notes to the consolidated financial statements (Continued)

Serial number	Endorsing/ guaranteeing company name	Counterparty of endorsements/ guarantees		Endorsement and guarantee limit for a single enterprise	Current maximum endorsement/ guarantee balance	Ending balance of endorsements/ guarantees	The actual amount drawn down	Endorsement / guarantee amount secured by property	Ratio of accumulated endorsement/ guarantee amount to net worth as stated in the latest financial statement	Maximum endorsements/ guarantees	Endorsements/ guarantees made by the parent company to subsidiaries	Endorsement / guarantee provided by the subsidiary to the parent company	Endorsements and guarantees in Mainland China
		Company name	Relationship (Note 1)										
		Construction	Subsidiary										
3	Global Mall	Guan Hua Co., Ltd. (Global Mall Nangang Store)	2	6,805,243	110,000	110,000	20,000	-	1.94%	11,342,071	Y	N	N
3	"	Guan Cheng Co., Ltd. (Global Mall Banqiao Store)	2	6,805,243	143,100	143,100	123,100	-	2.52%	11,342,071	Y	N	N
3	"	Guan You Co., Ltd. (Global Mall Zuoying Store)	2	6,805,243	180,000	180,000	-	-	3.17%	11,342,071	Y	N	N

Note 1: Relationship between the endorsing guarantor and the endorsee:

- (1) Companies with business transactions.
- (2) A company in which the Company directly or indirectly holds more than 50% of the voting shares.
- (3) A company in which the Company holds, directly or indirectly, more than 50% of the voting shares of the Company.
- (4) Among companies in which the Company directly or indirectly holds more than 90% of the voting shares.
- (5) Companies in the same industry or co-builders that require mutual guarantees in accordance with contractual provisions based on the needs of contracting projects.
- (6) Companies that are endorsed and guaranteed by all contributing shareholders in accordance with their shareholding ratios for joint investment.
- (7) The peers in the same trade are engaged in joint guarantees for the performance of the pre-sale house sales contract in accordance with the regulations of the Consumer Protection Act.

Note 2: Kindom was required to provide joint guarantors at the request of the Taipei City Government. Therefore, Kedge Construction was approved by the Board of Directors as the joint guarantor of the Company on March 21, 2002 and March 25, 2010.

Note 3: Regarding the endorsement and guarantee measures of Kedge Construction, the total amount of external endorsement and guarantee shall not exceed 200% of the net worth of the company in its latest financial statement, and the amount of endorsement and guarantee to a single company shall not exceed 200% of the net worth of the company in its latest financial statement. However, the total guarantee for construction projects shall not exceed 10 times the net worth of the company in its latest financial statement. The total amount of construction project guarantee for a single enterprise shall not exceed 5 times the net worth of the company in its latest financial statement.

Note 4: The amount of endorsement and guarantee provided by Dingtian Company: The total amount of external endorsement and guarantee shall not exceed 100% of the net worth of the company in its latest financial statement, and the amount of endorsement and guarantee to a single enterprise shall not exceed 100% of the net worth of the company in its latest financial statement. However, the total guarantee amount for construction projects shall not exceed 300 times the net worth of the company in the latest financial statements, and the total amount of construction project guarantees for a single enterprise shall not exceed 150 times the net worth of the company in the latest financial statements.

Note 5: The endorsements and guarantees procedures of the Global Company specifies that the total amount

Notes to the consolidated financial statements (Continued)

of endorsements/guarantees made is limited to 200% of the net worth of the company in its latest financial statement, and the amount of endorsements/guarantees for a single company shall not exceed 120% of the net worth of the company in its latest financial statement.

Note 6: The above transactions have been eliminated when the consolidated financial statements were prepared.

3. Marketable securities held at the end of the period (excluding investment in subsidiaries, affiliates and joint ventures):

Unit: NTD Thousand/Thousand shares

Companies in possession	Type and name of marketable securities	Relationship with the securities issuer	Presentation account	End of period				Remarks
				Number of shares	Carrying amount	Shareholding ratio	Fair value (Note)	
Kindom Development Corp.	Stock - Fubon Financial	-	Financial assets at fair value through profit or loss - current	634	50,277	- %	50,277	
"	Stocks - Everterminal Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income - non-current	99	1,704	0.20 %	1,704	
"	Stock - Gongxin	-	"	29	376	0.05 %	376	
"	Stock - Fubon Financial Preferred Shares C (FBFHCPCSC)	-	"	12	628	- %	628	
"	Stock - Preferred stock of Ta Shee Resort Co., Ltd.	-	"	-	25,276	- %	25,276	
Jiequn Investment Co., Ltd.	Stock - Fubon Financial	-	Financial assets at fair value through profit or loss - current	592	46,917	- %	46,917	
"	Stock - Sinopac Holdings	-	"	229	5,816	- %	5,816	
"	Stock - Fubon Financial Preferred Shares C (FBFHCPCSC)	-	Financial assets measured at fair value through other comprehensive income - non-current	11	586	- %	586	
"	Stock - Taiwan Calcom International Computer Graphic Co., Ltd.	-	"	405	-	0.78 %	-	
Kuan Ching Electromechanical	Stock - Fubon Financial	-	Financial assets at fair value through profit or loss - current	525	41,671	- %	41,671	
"	Stock - Fubon Financial Preferred Shares C (FBFHCPCSC)	-	Financial assets measured at fair value through other comprehensive income - non-current	10	520	- %	520	
"	Stock - Global Views Commonwealth Publishing Group	-	"	177	6,360	0.59 %	6,360	

Note: If there is no market price, the book value on the balance sheet date is used as the market price.

- Cumulative amount of the same securities purchased or sold reaching NTD 300 million or more than 20% of the paid-in capital: None.
- The amount of acquisition of real estate reaches NTD 300 million or more than 20% of the paid-in capital:

Unit: NTD thousand

Notes to the consolidated financial statements (Continued)

Acquired company	Property name	Transaction date or date of occurrence	Transaction amount	Status of payment	Counterparty of the transaction	Relationship	If the trading counterparty is a related party, the information of the previous transfer				References for price determination	Purpose of Acquisition and Situation of Use	Other covenants
							All owners	Relationship with the issuer	Date of transfer	Amount			
Kindom Development Corp.	Land No. 37, Ruanqiao Section, Beitou District, Taipei City	2024.02	416,410	416,410	Chen, Jun and other 2 people	Non-related party	-	-	-	-	Negotiated with reference to market conditions	Planning and construction	None
Kindom Development Corp.	Land No. 408, Huanzhong Section, Beitun District, Taichung City	2024.05	396,890	195,132	Lin, Jun and other 2 people	Non-related party	-	-	-	-	Negotiated with reference to market conditions	Planning and construction	None

6. Disposal of property for an amount over NTD 300 million or 20% of the paid-in capital:

Unit: NTD thousand

Company disposing property	Property name	Date of occurrence	Original acquisition date	Book value	Transaction amount	Collection of payment	Disposal gain or loss	Counterparty of the transaction	Relationship	Purpose of Disposal	References for price determination	Other covenants
Kindom Development Corp.	Inventories - buildings and land held for sale	2024.01 - 2024.03	This is a sale of inventories, so it is not applicable.	Not applicable	730,894	730,894	Not applicable	A and others	Non-related party	Sale of inventories	Negotiated with reference to market conditions	None

Note 1: The above amounts are presented on a pre-tax basis.

7. The purchase or sale with related parties for an amount over NTD 100 million or 20% of the paid-in capital:

Unit: NTD thousand

Purchasing (selling) company	Counterparty of the transaction Name	Relationship	Transaction status				Circumstances and reasons for the difference between the transaction conditions and general transactions		Notes/Accounts Receivable (Payable)		Remarks
			Purchase (sale) goods	Amount (Note 1)	Percentage in total purchase (sales)	Credit period			Balance	Percentage of total notes and accounts receivable (payable)	
Kindom Development Corp.	Kedge Construction	Investee company under the equity method valuation	Contract engineering projects	1,660,538	78.86%	50% at sight, 50% in 60 days or 100% at sight and 100% in 90 days	Equivalent	Slightly longer than general	(763,450)	(57.49)%	Note 2
Kedge Construction	Kindom Development Corp.	An investment in Kedge Construction under the equity method	Contract engineering projects	(1,660,538)	(22.36)%	The monthly payment collection according to the contract is generally slightly longer.	"	"	763,450	17.86%	"

Note 1: Refers to the denominated amount in the current period.

Note 2: The above transactions have been eliminated when the consolidated financial statements were prepared.

8. Accounts receivable from related parties amounting to at least NTD 100 million or 20% of the paid-in capital:

Unit: NTD thousand

Company with receivables listed	Counterparty of the transaction	Relationship	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Subsequent recovery amount of receivables from related parties	Amount of loss allowance
					Amount	Treatment method		
Kedge Construction	Kindom Development Corp.	An investment in Kedge Construction under the equity	763,450	4.02	-	-	162,694	-

Notes to the consolidated financial statements (Continued)

Company with receivables listed	Counterparty of the transaction	Relationship	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Subsequent recovery amount of receivables from related parties	Amount of loss allowance
					Amount	Treatment method		
		method						

Note: The above transactions have been eliminated when the consolidated financial statements were prepared.

9. Engagement in derivative transactions: None.

10. Business relationships and important transactions between the parent company and its subsidiaries:

Serial number	Trader's Name	Trading counterpart	Relationship with the counterparty	Transactions with each other				As a percentage of consolidated total operating revenue or total assets
				Account title	Amount	Trading terms and conditions		
0	The Company	Kedge Construction	1	Construction cost	1,607,731	50% at sight, 50% over 60 days		10.61%
0	The Company	Kedge Construction	1	Buildings and land for sale	94,333	50% at sight, 50% over 60 days		0.16%
0	The Company	Kedge Construction	1	Building and land under construction	163,642	50% at sight, 50% over 60 days		0.28%
0	The Company	Kedge Construction	1	Notes and accounts payable- Related party	763,450	50% at sight, 50% over 60 days		1.33%
0	The Company	Kedge Construction	1	Operating revenue	3,286	Monthly payment		0.02%
0	The Company	Kedge Construction	1	Non-operating revenue	4,586	100% at sight		0.03%
0	The Company	Kedge Construction	1	Operating expenses	1,959	Monthly payment, 100% at sight		0.01%
0	The Company	Dingtian Construction	1	Construction cost	31,379	50% at sight, 50% over 60 days		0.21%
0	The Company	Dingtian Construction	1	Buildings and land for sale	115	50% at sight, 50% over 60 days		0.00%
0	The Company	Dingtian Construction	1	Building and land under construction	5,341	50% at sight, 50% over 60 days		0.01%
0	The Company	Dingtian Construction	1	Notes and accounts payable- Related party	11,961	50% at sight, 50% over 60 days		0.02%
0	The Company	Dingtian Construction	1	Operating revenue	49	Monthly payment		0.00%
0	The Company	Kuan Ching Electromechanical	1	Operating revenue	49	Monthly payment		0.00%
0	The Company	Global Mall	1	Non-operating revenue	2,293	Monthly payment		0.02%
1	Kedge Construction	The Company	2	Operating revenue	1,607,731	50% at sight, 50% over 60 days		10.61%
1	Kedge Construction	The Company	2	Operating cost	257,975	50% at sight, 50% over 60 days		1.70%
1	Kedge Construction	The Company	2	Notes and accounts receivable- Related party and contract assets	763,450	50% at sight, 50% over 60 days		1.33%

Notes to the consolidated financial statements (Continued)

Serial number	Trader's Name	Trading counterpart	Relationship with the counterpart	Transactions with each other			
				Account title	Amount	Trading terms and conditions	As a percentage of consolidated total operating revenue or total assets
1	Kedge Construction	The Company	2	Operating revenue	1,959	Monthly payment, 100% at sight	0.01%
1	Kedge Construction	The Company	2	Operating expenses	3,286	Monthly payment	0.02%
1	Kedge Construction	The Company	2	Operating expenses	4,586	100% at sight	0.03%
1	Kedge Construction	Global Mall	3	Operating revenue	279	100% at sight	0.00%
2	Dingtian Construction	The Company	2	Operating revenue	31,379	50% at sight, 50% over 60 days	0.21%
2	Dingtian Construction	The Company	2	Operating cost	5,456	50% at sight, 50% over 60 days	0.04%
2	Dingtian Construction	The Company	2	Notes and accounts receivable- Related party and contract assets	11,961	50% at sight, 50% over 60 days	0.02%
2	Dingtian Construction	The Company	2	Lease liabilities	49	Monthly payment	0.00%
3	Kuan Ching Electromechanical	The Company	2	Lease liabilities	49	Monthly payment	0.00%
4	Global Mall	The Company	2	Operating expenses	2,293	Monthly payment	0.02%
4	Global Mall	Kedge Construction	3	Operating expenses	279	100% at sight	0.00%
4	Global Mall	Guan Cheng Co., Ltd. (Global Mall Banqiao Store)	3	Accounts receivable- Related party	34,354	Annual payment, O/A 30 days	0.06%
4	Global Mall	Guan Cheng Co., Ltd. (Global Mall Banqiao Store)	3	Operating revenue	27,053	Annually	0.18%
4	Global Mall	Guan Hua Co., Ltd. (Global Mall Nangang Store)	3	Accounts receivable- Related party	9,601	Annual payment, O/A 30 days	0.02%
4	Global Mall	Guan Hua Co., Ltd. (Global Mall Nangang Store)	3	Operating revenue	9,075	Annually	0.06%
4	Global Mall	Guan You Co., Ltd. (Global Mall Zuoying Store)	3	Accounts receivable- Related party	2,525	Annual payment, O/A 30 days	0.01%
4	Global Mall	Guan You Co., Ltd. (Global Mall Zuoying Store)	3	Operating revenue	2,284	Annually	0.02%
5	Guan Cheng Co., Ltd. (Global Mall Banqiao Store)	Global Mall	3	Accounts payable- Related parties, other	34,354	Annual payment, O/A 30 days	0.06%

Notes to the consolidated financial statements (Continued)

Serial number	Trader's Name	Trading counterpart	Relationship with the counterparty	Transactions with each other			
				Account title	Amount	Trading terms and conditions	As a percentage of consolidated total operating revenue or total assets
				payables- Related party			
5	Guan Cheng Co., Ltd. (Global Mall Banqiao Store)	Global Mall	3	Operating expenses	27,053	Paid once a year	0.18%
6	Guan Hua Co., Ltd. (Global Mall Nangang Store)	Global Mall	3	Other payables- Related party	9,601	Annual payment, O/A 30 days	0.02%
6	Guan Hua Co., Ltd. (Global Mall Nangang Store)	Global Mall	3	Operating expenses	9,075	Paid once a year	0.06%
7	Guan You Co., Ltd. (Global Mall Zuoying Store)	Global Mall	3	Other payables- Related party	2,525	Annual payment, O/A 30 days	0.00%
7	Guan You Co., Ltd. (Global Mall Zuoying Store)	Global Mall	3	Operating expenses	2,284	Paid once a year	0.02%

Note 1. The method of filling in the serial number is as follows:

- 1.0 for the parent company.
2. Subsidiaries are numbered sequentially starting from 1 according to the company type.

Note 2: Relationships with counterparties are indicated as follows:

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

Note 3: The above transactions have been eliminated when the consolidated financial statements were prepared.

(II) Information on the reinvestment business:

The consolidated company's reinvestment for the six months ended June 30, 2024 and 2023 is as follows:

Unit: NTD Thousand/Thousand shares

Name of Investment Company	Name of investee	Location of the Company	Main business items	Initial investment amount		Held at end of period			Investee profit or loss for the period	Investment gains and losses recognized in the current period	Remarks
				End of current period	End of last year	Number of shares	Ratio	Carrying amount			
Kindom Development Corp.	Kedge Construction	Taiwan	Comprehensive Construction Activities, etc.	374,353	374,353	41,268	34.18%	1,317,906	256,226	94,883	Subsidiary
"	Global Mall	Taiwan	Supermarkets, department stores, international trading, wholesale and retail of medical equipment, and more.	3,209,395	3,209,395	320,105	84.02%	4,789,647	235,402	197,778	"
"	Tua Tiann	Taiwan	Commercial Real Estate Development	1,020,000	1,020,000	102,000	51.00%	1,024,610	7,318	3,732	Investment under the equity method
Kedge Construction	Jiequn Investment Co., Ltd.	Taiwan	General investment	163,935	163,935	16,396	99.98%	709,108	9,347	9,345	Sub-subsidiary
"	Kuan Ching Electromechanical	Taiwan	Electrical Appliance Installation and	81,326	81,326	7,748	99.97%	301,142	13,142	13,139	"

Notes to the consolidated financial statements (Continued)

Name of Investment Company	Name of investee	Location of the Company	Main business items	Initial investment amount		Held at end of period			Investee profit or loss for the period	Investment gains and losses recognized in the current period	Remarks
				End of current period	End of last year	Number of shares	Ratio	Carrying amount			
			Fire Safety Equipment Installation Engineering								
Jiequn Investment Co., Ltd.	Dingtian Construction	Taiwan	Comprehensive Construction Activities, etc.	16,500	16,500	-	30.00%	16,810	760	228	Third-Tier Subsidiary
Kuan Ching Electromechanical	Dingtian Construction	Taiwan	Comprehensive Construction Activities, etc.	11,105	11,105	-	70.00%	39,224	760	532	Third-Tier Subsidiary
Dingtian Construction	Readycom Information Services Co., Ltd.	Taiwan	IT software service and management consulting	15,000	15,000	1,400	46.67%	15,894	(507)	(237)	Investment under the equity method
Global Mall	Guan Cheng Co., Ltd. (Global Mall Banqiao Store)	Taiwan	Department stores, supermarkets, non-store retailing, and more.	280,886	280,886	20,000	100.00%	338,798	74,872	74,872	Sub-subsidiary
"	Guan Hua Co., Ltd. (Global Mall Nangang Store)	Taiwan	Department stores, supermarkets, non-store retailing, and more.	140,000	140,000	14,000	100.00%	153,216	10,495	10,495	"
"	KGM	Hong Kong	Investing and operating the overall planning of shopping malls in mainland China, supporting engineering consulting, shopping mall leasing planning and consulting.	9,339 (HKD390)	9,339 (HKD390)	- (有限公司)	100.00%	1,854	13	13	"
"	Hon Hui Zhu Gao Co., Ltd.	Taiwan	Department stores, supermarkets, non-store retailing, and more.	100,000	100,000	10,000	20.00%	100,336	535	107	Investment under the equity method
Guan Cheng Co., Ltd. (Global Mall Banqiao Store)	Guan You Co., Ltd. (Global Mall Zuoying Store)	Taiwan	Department stores, supermarkets, non-store retailing, and more.	230,006	230,006	13,500	100.00%	94,148	1,181	1,181	Third-Tier Subsidiary

(III) Information on investments in Mainland China:

1. Name and principal business activities of investees in Mainland China: None.
2. Limits on investment in Mainland China:

Unit: USD thousand/RMB thousand/NTD thousand

Notes to the consolidated financial statements (Continued)

Accumulated amount of remittance from Taiwan to Mainland China at the end of the period	Amount of investment approved by the Investment Commission, Ministry of Economic Affairs	The limit on investment in Mainland China stipulated by the Investment Commission of the Ministry of Economic Affairs
1,076,350(CNY 227,649) (Note 1)	USD 38,738	13,261,082 (Note 2)

Note 1: Including the investment amount of the dissolved Kindom Global Business Management (Tianjin) Co., Ltd. which was deregistered on April 19, 2021. The remaining share capital, NTD 44,054 thousand (HKD 12,400 thousand), was remitted to Global Shopping through KGM in December of the same year.

Note 2: Limited to the ultimate parent company net worth \times 60%.

3. Significant transactions with investee companies in Mainland China: None.

(IV) Information of major shareholders:

Unit: shares			
Name of major shareholder	Shares of Stock	Number of shares held	Shareholding ratio
Yu-De Investment Co., Ltd.		105,935,137	19.11%
Mei-Chu Liu		65,635,062	11.84%

XIV. Segment information

(I) General information

The consolidated company's reportable segments are divided into three categories: Building, Construction, and Department Stores. Since each business group has different market attributes and marketing strategies, the descriptions are as follows:

Building sector: The rental or sale business of commissioning construction companies to build public housing and commercial buildings.

Construction Department: Integrate the overall work of the construction and management of maintenance works.

Department Stores: Department stores, supermarkets, and import/export of international trade.

(II) Information on the profit and loss, assets and liabilities of the reportable segment and their measurement basis and adjustment

The consolidated company uses the departmental profit or loss before tax (excluding non-recurring profit and loss and exchange profit and loss) of the internal management report reviewed by the chief operating decision-maker as the basis for management resource allocation and performance evaluation. Since income tax, non-recurring gains and losses, and exchange gains and losses are managed on a group basis, the consolidated company has not allocated income tax expenses (profits), non-recurring gains and losses, and exchange gains and losses to the reporting segments. In addition, not all profit or loss of the reportable

Notes to the consolidated financial statements (Continued)

segments include significant non-cash items other than depreciation and amortization. The reported amount is consistent with the amount used in the report by the operational decision makers.

The accounting policies of each operating segment are the same as those described in Note 4 “Summary of Significant Accounting Policies”, except that the pension expense of each operating segment is recognized and measured on the basis of cash paid into the pension plan.

The consolidated company treats sales and transfers between departments as transactions with a third party. Measured at the current market price.

Information and adjustments of the operating segments of the consolidated company are as follows:

April to June 2024					
	Building department	Construction Department	Department of Stores	Reconciliation and elimination	Total
Revenue:					
Revenue from external customers	\$ 7,410,015	2,516,088	418,226	-	10,344,329
Inter-segment revenue	1,692	992,178	-	(993,870)	-
Total revenue	<u>\$ 7,411,707</u>	<u>3,508,266</u>	<u>418,226</u>	<u>(993,870)</u>	<u>10,344,329</u>
Reportable segment income	<u>\$ 2,812,351</u>	<u>191,614</u>	<u>135,783</u>	<u>(119,421)</u>	<u>3,020,327</u>

April to June 2023					
	Building department	Construction Department	Department of Stores	Reconciliation and elimination	Total
Revenue:					
Revenue from external customers	\$ 692,511	3,352,367	397,201	-	4,442,079
Inter-segment revenue	1,693	598,929	-	(600,622)	-
Total revenue	<u>\$ 694,204</u>	<u>3,951,296</u>	<u>397,201</u>	<u>(600,622)</u>	<u>4,442,079</u>
Reportable segment	<u>\$ 300,587</u>	<u>481,239</u>	<u>129,768</u>	<u>(219,128)</u>	<u>692,466</u>

Notes to the consolidated financial statements (Continued)

April to June 2023					
	<u>Building department</u>	<u>Construction Department</u>	<u>Department of Department Stores</u>	<u>Reconciliation and elimination</u>	<u>Total</u>
income					
January to June 2024					
	<u>Building department</u>	<u>Construction Department</u>	<u>Department of Department Stores</u>	<u>Adjustment and elimination</u>	<u>Total</u>
Revenue:					
Revenue from external customers	\$ 9,441,529	4,869,323	846,134	-	15,156,986
Inter-segment revenue	<u>3,384</u>	<u>1,641,347</u>	<u>-</u>	<u>(1,644,731)</u>	<u>-</u>
Total revenue	<u>\$ 9,444,913</u>	<u>6,510,670</u>	<u>846,134</u>	<u>(1,644,731)</u>	<u>15,156,986</u>
Reportable segment income	<u>\$ 3,696,066</u>	<u>342,587</u>	<u>301,218</u>	<u>(271,346)</u>	<u>4,068,525</u>
January to June 2023					
	<u>Building department</u>	<u>Construction Department</u>	<u>Department of Department Stores</u>	<u>Adjustment and elimination</u>	<u>Total</u>
Revenue:					
Revenue from external customers	\$ 1,981,548	6,153,344	799,852	-	8,934,744
Inter-segment revenue	<u>3,384</u>	<u>1,068,508</u>	<u>-</u>	<u>(1,071,892)</u>	<u>-</u>
Total revenue	<u>\$ 1,984,932</u>	<u>7,221,852</u>	<u>799,852</u>	<u>(1,071,892)</u>	<u>8,934,744</u>
Reportable segment income	<u>\$ 873,765</u>	<u>690,425</u>	<u>261,799</u>	<u>(369,595)</u>	<u>1,456,394</u>

Notes to the consolidated financial statements (Continued)

January to June 2023					
	<u>Building department</u>	<u>Construction Department</u>	<u>Department of Department Stores</u>	<u>Adjustment and elimination</u>	<u>Total</u>
	<u>Building department</u>	<u>Construction Department</u>	<u>Department of Department Stores</u>	<u>Adjustment and elimination</u>	<u>Total</u>
Assets of reportable segments					
June 30, 2024	<u>\$ 41,204,475</u>	<u>12,724,932</u>	<u>11,897,600</u>	<u>(8,345,236)</u>	<u>57,481,771</u>
December 31, 2023	<u>\$ 41,133,948</u>	<u>12,584,895</u>	<u>11,859,544</u>	<u>(8,013,761)</u>	<u>57,564,626</u>
June 30, 2023	<u>\$ 38,879,411</u>	<u>11,931,935</u>	<u>11,796,786</u>	<u>(7,584,341)</u>	<u>55,023,791</u>
Liabilities of reportable segments					
June 30, 2024	<u>\$ 19,102,673</u>	<u>7,961,517</u>	<u>6,226,564</u>	<u>(1,158,941)</u>	<u>32,131,813</u>
December 31, 2023	<u>\$ 21,172,140</u>	<u>7,778,998</u>	<u>6,218,271</u>	<u>(945,124)</u>	<u>34,224,285</u>
June 30, 2023	<u>\$ 20,658,942</u>	<u>7,689,601</u>	<u>6,402,492</u>	<u>(1,022,188)</u>	<u>33,728,847</u>