

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

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

**Third Quarter of 2024 and 2023**

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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 September 30, 2024 and 2023, and the Consolidated Statement of Comprehensive Income for three and nine months then ended, as well as the Consolidated Statement of Changes in Equity and of Consolidated Statement of Cash Flows for the nine 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 September 30, 2024 and 2023, its consolidated financial performance for the three and nine months ended September 30, 2024 and 2023, and its consolidated cash flows for the nine months ended September 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 of the securities authority : Jin-Guan-Zheng-Shen-Zi No. 1090332798  
November 8, 2024 Jin-Guan-Zheng-Liu No. 0940129108

**Kindom Development Co., Ltd. and Subsidiaries**  
**Consolidated Balance Sheet**  
**September 30, 2024, December 31, 2023, and September 30, 2023**

**Unit: NTD thousand**

		<b>2024.9.30</b>		<b>2023.12.31</b>		<b>2023.9.30</b>				<b>2024.9.30</b>		<b>2023.12.31</b>		<b>2023.9.30</b>	
<b>Assets</b>		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Liabilities and equity</b>		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Current assets:</b>								<b>Current liabilities:</b>							
1100	Cash and cash equivalents (Note 6(1) and (26))	\$ 17,381,230	31	14,178,534	25	13,943,202	25	2100	Short-term borrowings (Note 6(14) and (26))	\$ 11,925,984	21	15,181,178	26	16,538,818	29
1110	Financial assets at fair value through profit or loss - current (Note 6(2) and (26))	163,994	-	117,984	-	105,216	-	2110	Short-term bills payable (Note 6(13) and (26))	380,000	1	30,000	-	130,000	-
1140	Contract assets - current (Note 6(23))	3,138,919	5	2,996,809	5	2,534,362	5	2130	Contract liabilities - current (Note 6(23))	3,225,738	6	3,249,651	6	3,302,362	6
1170	Notes and accounts receivable, net (Note 6(4), (23), and (26))	1,152,334	2	1,124,565	2	1,228,034	2	2150	Notes payable (Note 6(26))	228,108	-	299,864	1	260,662	-
1220	Current income tax assets	190	-	217	-	89	-	2170	Accounts payable (Note 6(26))	5,388,590	9	6,028,647	11	5,422,690	10
1300	Inventories - trading (Note 6(5))	14,800	-	9,166	-	15,042	-	2200	Other payables (Note 6(26))	994,540	2	1,022,535	2	837,002	2
1320	Inventories (for the construction industry) (Note 6(5) and 8)	22,061,167	39	25,316,121	44	25,139,728	44	2230	Current income tax liabilities	563,096	1	653,287	1	489,965	1
1410	Prepayments	326,803	1	251,314	-	270,218	-	2250	Provision - current (Note 6(17))	176,327	-	181,670	-	174,260	-
1476	Other financial assets - current (Note 6(12), (26), and 8)	1,920,392	3	2,504,580	5	2,917,849	5	2251	Provision for employee benefits - current (Note 6(19))	12,551	-	17,054	-	20,928	-
1479	Other current assets - others	44,736	-	44,337	-	46,927	-	2280	Lease liabilities - current (Note 6(16) and (26))	210,372	-	201,443	-	195,155	-
1480	Incremental cost of obtaining contracts - current (Note 6(12))	722	-	33,295	-	18,967	-	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
		<u>46,205,287</u>	<u>81</u>	<u>46,576,922</u>	<u>81</u>	<u>46,219,634</u>	<u>81</u>	2322	Long-term borrowings due within one year or one operating cycle (Note 6(14) and (26))	204,640	-	204,640	-	204,640	-
<b>Non-current assets:</b>								2399	Other current liabilities - others (Note 6(26))	<u>77,732</u>	<u>-</u>	<u>183,192</u>	<u>-</u>	<u>177,634</u>	<u>-</u>
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6(3) and (26))	34,988	-	35,673	-	10,005	-	<b>Non-current liabilities:</b>		<u>24,387,678</u>	<u>42</u>	<u>28,253,161</u>	<u>49</u>	<u>28,754,116</u>	<u>50</u>
1550	Investment under equity method (Note 6(6))	1,143,801	2	1,143,545	2	1,140,277	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)	6,090,101	11	6,213,844	11	6,259,822	11	2540	Long-term borrowings (Note 6(14) and (26))	780,080	2	933,560	2	1,284,720	2
1755	Right-of-use assets (Note 6(9))	2,933,423	5	2,905,154	5	2,954,340	5	2573	Deferred income tax liabilities - other	1,024	-	825	-	1,292	-
1760	Investment property (Note 6(10) and 8)	455,029	1	458,173	1	459,221	1	2580	Lease liabilities - non-current (Note 6(16) and (26))	2,956,556	5	2,941,468	5	2,973,016	5
1780	Intangible assets (Note 6(11))	56,038	-	53,119	-	54,685	-	2640	Net defined benefit liabilities - non-current	-	-	-	-	820	-
1840	Deferred income tax assets	54,094	-	55,397	-	59,392	-	2645	Guarantee deposits received (Note 6(26))	105,484	-	95,271	-	99,717	-
1975	Net defined benefit assets - non-current	6,991	-	7,016	-	5,784	-	<b>Total liabilities</b>		<u>5,843,144</u>	<u>11</u>	<u>5,971,124</u>	<u>10</u>	<u>6,359,565</u>	<u>11</u>
1980	Other financial assets - non-current (Note 6(26) and 8)	68,894	-	63,039	-	60,344	-	<b>Equity attributable to owners of the parent company (Note 6(21)):</b>		<u>30,230,822</u>	<u>53</u>	<u>34,224,285</u>	<u>59</u>	<u>35,113,681</u>	<u>61</u>
1995	Other non-current assets - others	60,431	-	52,744	-	62,099	-	3100	Share capital	5,541,701	9	5,541,701	10	5,541,701	10
		<u>10,903,790</u>	<u>19</u>	<u>10,987,704</u>	<u>19</u>	<u>11,065,969</u>	<u>19</u>	3200	Capital reserve	1,493,812	3	1,472,401	3	1,472,401	2
<b>Total assets</b>		<u><b>\$ 57,109,077</b></u>	<u><b>100</b></u>	<u><b>57,564,626</b></u>	<u><b>100</b></u>	<u><b>57,285,603</b></u>	<u><b>100</b></u>	3300	Retained earnings	16,573,355	29	13,074,843	22	12,127,682	21
								3400	Other equity	(28,690)	-	(28,435)	-	(28,413)	-
								3500	Treasury stock	(98,702)	-	(98,702)	-	(98,702)	-
									Subtotal of equity attributable to owners of the parent	<u>23,481,476</u>	<u>41</u>	<u>19,961,808</u>	<u>35</u>	<u>19,014,669</u>	<u>33</u>
								36XX	Non-controlling interests (Note 6(7))	<u>3,396,779</u>	<u>6</u>	<u>3,378,533</u>	<u>6</u>	<u>3,157,253</u>	<u>6</u>
								<b>Total equity</b>		<u>26,878,255</u>	<u>47</u>	<u>23,340,341</u>	<u>41</u>	<u>22,171,922</u>	<u>39</u>
								<b>Total liabilities and equity</b>		<u><b>\$ 57,109,077</b></u>	<u><b>100</b></u>	<u><b>57,564,626</b></u>	<u><b>100</b></u>	<u><b>57,285,603</b></u>	<u><b>100</b></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**  
**Consolidated Statement of Comprehensive Income**

**July 1 to September 30, 2024 and 2023; and January 1 to September 30, 2024 and 2023**

**Unit: NTD thousand**

		July to September 2024		July to September 2023		January to September 2024		January to September 2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	<b>Operating revenue (Note 6(18) and (23))</b>	\$ 7,003,611	100	4,968,802	100	22,160,597	100	13,903,546	100
5000	<b>Operating cost (Note 6(5) and (19))</b>	4,549,766	65	3,430,457	69	14,524,528	66	9,920,272	72
	<b>Gross operating profit</b>	2,453,845	35	1,538,345	31	7,636,069	34	3,983,274	28
	<b>Operating expenses:</b>								
6100	Sales and marketing expenses (Note 6(19))	48,498	1	54,024	1	204,552	1	122,768	1
6200	Administrative expenses (Note 6(19) and (24))	498,676	7	455,861	9	1,483,917	6	1,289,218	9
6450	Expected credit impairment loss (reversal gain) (Note 6(4))	-	-	278	-	(6,937)	-	200	-
		547,174	8	510,163	10	1,681,532	7	1,412,186	10
	<b>Net operating profit</b>	1,906,671	27	1,028,182	21	5,954,537	27	2,571,088	18
	<b>Non-operating income and expenses:</b>								
7100	Interest revenue (Note 6(25))	36,645	1	30,973	1	116,450	1	99,384	1
7010	Other income (Note 6(25))	4,638	-	4,311	-	5,134	-	4,630	-
7020	Other gains and losses (Note 6(25))	(75,660)	(1)	14,396	-	(16,532)	-	(4,927)	-
7050	Financial costs (Note 6(25))	(45,905)	(1)	(60,989)	(1)	(168,277)	(1)	(200,587)	(1)
7060	Share of profit or loss of affiliated companies and joint ventures under equity method (Note 6(6))	2,961	-	2,073	-	6,563	-	5,752	-
		(77,321)	(1)	(9,236)	-	(56,662)	-	(95,748)	-
	<b>Net income before tax from continuing operations</b>	1,829,350	26	1,018,946	21	5,897,875	27	2,475,340	18
7950	<b>Less: Income tax expenses (Note 6(20))</b>	321,563	5	163,839	4	1,034,431	5	574,601	4
	<b>Net income for the period</b>	1,507,787	21	855,107	17	4,863,444	22	1,900,739	14
8300	<b>Other comprehensive income:</b>								
8310	<b>Items not reclassified into profit or loss</b>								
8316	Unrealized valuation gains or losses on investments in equity instruments measured at fair value through other comprehensive income	(462)	-	1,309	-	(685)	-	(2,504)	-
8360	<b>Items that may be reclassified subsequently to profit or loss</b>								
8361	Exchange differences on translation of financial statements of foreign operations	(35)	-	66	-	65	-	83	-
8300	<b>Other comprehensive income for the period (net amount after tax)</b>	(497)	-	1,375	-	(620)	-	(2,421)	-
	<b>Total comprehensive income for the period</b>	<u>\$ 1,507,290</u>	<u>21</u>	<u>856,482</u>	<u>17</u>	<u>4,862,824</u>	<u>22</u>	<u>1,898,318</u>	<u>14</u>
	<b>Net profit for the period attributable to:</b>								
8610	Owner of the parent company	\$ 1,358,847	19	773,285	15	4,494,218	20	1,449,025	11
8620	Non-controlling interests	148,940	2	81,822	2	369,226	2	451,714	3
		<u>\$ 1,507,787</u>	<u>21</u>	<u>855,107</u>	<u>17</u>	<u>4,863,444</u>	<u>22</u>	<u>1,900,739</u>	<u>14</u>
	<b>Total comprehensive income attributable to:</b>								
8710	Owner of the parent company	\$ 1,358,666	19	773,704	15	4,493,963	20	1,447,156	11
8720	Non-controlling interests	148,624	2	82,778	2	368,861	2	451,162	3
		<u>\$ 1,507,290</u>	<u>21</u>	<u>856,482</u>	<u>17</u>	<u>4,862,824</u>	<u>22</u>	<u>1,898,318</u>	<u>14</u>
9750	<b>Basic earnings per share (NTD) (Note 6(22))</b>	<u>\$ 2.51</u>		<u>1.43</u>		<u>8.30</u>		<u>2.68</u>	
9850	<b>Diluted earnings per share (NTD) (Note 6(22))</b>	<u>\$ 2.50</u>		<u>1.43</u>		<u>8.26</u>		<u>2.67</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**  
**Consolidated Statement of Changes in Equity**  
**January 1 to September 30, 2024 and 2023**

**Unit: NTD thousand**

	Equity attributable to owners of the parent company											
	Share capital						Other equity		Total equity attributable to owners of the parent company			
							Exchange differences on translation of financial statements of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive income				
	Common stock capital	Capital reserve	Legal reserve	Special reserves	Undistributed earnings	Total			Treasury stock	of the parent company	Non-controlling interests	Total equity
<b>Balance as of January 1, 2023</b>	\$ 5,541,701	1,451,569	2,502,670	26,727	9,119,058	11,648,455	(29,493)	2,949	(98,702)	18,516,479	3,048,969	21,565,448
Net income for the period	-	-	-	-	1,449,025	1,449,025	-	-	-	1,449,025	451,714	1,900,739
Other comprehensive income in the current period	-	-	-	-	-	-	69	(1,938)	-	(1,869)	(552)	(2,421)
Total comprehensive income for the period	-	-	-	-	1,449,025	1,449,025	69	(1,938)	-	1,447,156	451,162	1,898,318
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)
Dividend paid to subsidiaries to adjust capital reserve	-	20,496	-	-	-	-	-	-	-	20,496	-	20,496
Overdue dividends not received	-	336	-	-	-	-	-	-	-	336	62	398
Increase/decrease in non-controlling equity	-	-	-	-	-	-	-	-	-	-	(342,940)	(342,940)
<b>Balance as of September 30, 2023</b>	<b>\$ 5,541,701</b>	<b>1,472,401</b>	<b>2,736,352</b>	<b>26,544</b>	<b>9,364,786</b>	<b>12,127,682</b>	<b>(29,424)</b>	<b>1,011</b>	<b>(98,702)</b>	<b>19,014,669</b>	<b>3,157,253</b>	<b>22,171,922</b>
<b>Balance as of January 1, 2024</b>	\$ 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	-	-	-	-	4,494,218	4,494,218	-	-	-	4,494,218	369,226	4,863,444
Other comprehensive income in the current period	-	-	-	-	-	-	55	(310)	-	(255)	(365)	(620)
Total comprehensive income for the period	-	-	-	-	4,494,218	4,494,218	55	(310)	-	4,493,963	368,861	4,862,824
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)
Dividend paid to subsidiaries to adjust capital reserve	-	21,043	-	-	-	-	-	-	-	21,043	-	21,043
Difference between the equity price and book value of the subsidiary's equity actually acquired or disposed	-	12	-	-	-	-	-	-	-	12	(12)	-
Overdue dividends not received	-	356	-	-	-	-	-	-	-	356	93	449
Increase/decrease in non-controlling equity	-	-	-	-	-	-	-	-	-	-	(350,696)	(350,696)
<b>Balance as of September 30, 2024</b>	<b>\$ 5,541,701</b>	<b>1,493,812</b>	<b>2,975,971</b>	<b>28,435</b>	<b>13,568,949</b>	<b>16,573,355</b>	<b>(29,441)</b>	<b>751</b>	<b>(98,702)</b>	<b>23,481,476</b>	<b>3,396,779</b>	<b>26,878,255</b>

(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 September 30, 2024 and 2023

	Unit: NTD thousand	
	January to September 2024	January to September 2023
<b>Cash flow from operating activities:</b>		
Net income before tax for the current period	\$ 5,897,875	2,475,340
Adjustments:		
Income and expenses		
Depreciation expense	332,954	329,328
Amortization expense	18,556	10,841
Expected credit impairment loss (reversal gain)	(6,937)	200
Net gains from financial assets and liabilities measured at fair value through profit or loss	(46,010)	(7,582)
Interest expense	168,277	200,587
Interest revenue	(116,450)	(99,384)
Dividend income	(5,134)	(4,630)
Share of income from affiliated companies and joint ventures accounted for using the equity method	(6,563)	(5,752)
Losses from disposal of property, plant and equipment	-	273
Total income and expense	338,693	423,881
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)
Increase of contract assets	(142,110)	(858,423)
Decrease (increase) of notes and accounts receivable	(20,832)	921,918
Decrease (increase) in inventory	3,431,981	(3,874,591)
Increase in prepayments	(82,956)	(79,926)
Decrease (increase) of other current assets	(399)	38,672
Decrease of other financial assets - current	589,625	757,579
Decrease (increase) of incremental cost of obtaining a contract	32,573	(8,989)
Decrease in net defined benefit assets - non-current	25	36
Increase of other non-current assets	(6,782)	(1)
Total net changes in assets related to operating activities	3,801,125	(3,103,893)
Net changes in liabilities related to operating activities:		
Increase (decrease) in contract liabilities	(23,913)	1,256,557
Decrease in bills payable	(71,756)	(132,000)
Decrease in accounts payable	(640,057)	(533,216)
Decrease in other payables	(31,549)	(71,891)
Employee benefit liabilities - current (decrease) increase	(4,503)	754
Debt reserve - current decrease	(5,343)	(8,976)
Increase (decrease) of other current liabilities	(105,460)	136,848
Decrease in net defined benefit liability	-	(1)
Decrease in other non-current liabilities	-	(16,336)
Total net changes in liabilities related to operating activities	(882,581)	631,739
Total net changes in assets and liabilities related to operating activities	2,918,544	(2,472,154)
Total adjustment items	3,257,237	(2,048,273)
Cash inflow from operations	9,155,112	427,067
Income tax paid	(1,123,176)	(744,397)
Net cash inflows (outflows) from operating activities	8,031,936	(317,330)

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

**Unit: NTD thousand**

	<u>January to September 2024</u>	<u>January to September 2023</u>
<b>Cash flow from investing activities:</b>		
Acquisition of property, plant and equipment	(54,212)	(41,003)
Disposal of property, plant and equipment	-	362
Acquisition of intangible assets	(12,980)	(9,769)
Decrease (increase) of other financial assets - non-current	(5,855)	13,222
Increase in prepayment for equipment	(2,974)	356
Interest received	117,320	101,321
Dividends received	5,134	4,630
<b>Net cash inflow from investing activities</b>	<u>46,433</u>	<u>69,119</u>
<b>Cash flow from financing activities:</b>		
Increase in short-term borrowings	8,250,380	6,379,250
Decrease in short-term borrowings	(11,505,574)	(4,866,288)
Increase in short-term bills payable	2,491,200	530,000
Decrease in short-term notes payable	(2,141,200)	(400,000)
Repayment of corporate bonds	-	(1,000,000)
Repayment of long-term borrowings	(153,480)	(153,480)
Increase in guarantee deposits received	10,213	3,513
Lease principal repayment	(173,796)	(167,144)
Distribution of cash dividends	(974,663)	(949,302)
Interest paid	(328,122)	(365,199)
Changes in non-controlling interests	(350,696)	(342,940)
<b>Net cash outflow from financing activities</b>	<u>(4,875,738)</u>	<u>(1,331,590)</u>
Effect of exchange rate changes on cash and cash equivalents	65	83
Increase (decrease) in cash and cash equivalents for the current period	3,202,696	(1,579,718)
Opening balance of cash and cash equivalents	14,178,534	15,522,920
Closing balance of cash and cash equivalents	<u><u>\$ 17,381,230</u></u>	<u><u>13,943,202</u></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**  
**Third 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 November 8, 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

## Notes to the consolidated financial statements (Continued)

that have not yet been approved to have no significant impact on the consolidated financial 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

Name of Investment Company	Name of subsidiary	Nature of business	Percentage of equity held			Description
			2024.9.30	2023.12.31	2023.9.30	
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	Jiechun Investment Co., Ltd. (Jiechun 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

## Notes to the consolidated financial statements (Continued)

Name of Investment Company	Name of subsidiary	Nature of business	Percentage of equity held			Description
			2024.9.30	2023.12.31	2023.9.30	
Jointly held by Guanqing Electromechanical Co., Ltd. Co., Ltd. and Jiechun Investment Co., Ltd.	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. (KGM)	Investing and operating the overall planning of shopping malls in mainland China, supporting engineering consulting, shopping mall leasing planning and consulting.	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 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 Guanqing Electromechanical Co., Ltd. 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;

## Notes to the consolidated financial statements (Continued)

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 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

	2024.9.30	2023.12.31	2023.9.30
Cash and petty cash	\$ 12,171	12,271	12,171
Bank deposits			
Check deposits	2,971,314	1,991,787	1,934,892
Demand deposits	4,131,861	2,646,939	1,651,767
Time deposit	6,450,000	6,953,754	7,666,678
Cash equivalents	3,815,884	2,573,783	2,677,694

## Notes to the consolidated financial statements (Continued)

	<u>2024.9.30</u>	<u>2023.12.31</u>	<u>2023.9.30</u>
	<u>\$ 17,381,230</u>	<u>14,178,534</u>	<u>13,943,202</u>

The maturity intervals of the above cash equivalents are October to November 2024, January to March 2024, and October to November 2023, and the interest rate intervals are 1.40% - 1.41% %, 1.30% - 1.36%, and 1.27% - 1.30%, respectively.

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

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

	<u>2024.9.30</u>	<u>2023.12.31</u>	<u>2023.9.30</u>
Financial assets mandatorily measured at fair value through profit or loss:			
Listed (OTC) company stocks	<u>\$ 163,994</u>	<u>117,984</u>	<u>105,216</u>

1. Please refer to Note 6(25) for the amount remeasured at fair value and recognized in profit or loss.
2. The dividend income from the consolidated company's equity instrument investment specified above as mandatorily measured at fair value through profit or loss recognized for the three and nine months ended September 30, 2024 and 2023 was NTD 4,550 thousand, NTD 2,637 thousand, NTD 4,550 thousand, and NTD 2,637 thousand, respectively.
3. The consolidated company's financial assets were not provided as collateral on September 30, 2024, December 31, 2023, and September 30, 2023.

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

	<u>2024.9.30</u>	<u>2023.12.31</u>	<u>2023.9.30</u>
Equity instruments measured at fair value through other comprehensive income:			
Stock of domestic (OTC) listed companies - Fubon Financial Preferred Shares C (FBFHCPS)	\$ 1,693	1,780	1,815
Stock of domestic emerging (listed) companies - Clientron Corp.	389	445	552
Stock of domestic non-listed (OTC) companies - Everterminal Co., Ltd.	1,716	1,744	1,751
Stock of domestic (OTC) listed companies - Global Views Commonwealth Publishing Group	5,914	6,428	5,887
Stock of domestic (OTC) listed companies - Taiwan Calcom International Computer Graphic	-	-	-

## Notes to the consolidated financial statements (Continued)

	<u>2024.9.30</u>	<u>2023.12.31</u>	<u>2023.9.30</u>
Co., Ltd.			
Stock of domestic non-listed (OTC) companies - Preferred stock of Ta Shee Resort Co., Ltd.	25,276	25,276	-
Total	<u>\$ 34,988</u>	<u>35,673</u>	<u>10,005</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 nine months ended September 30, 2024 and 2023 was NTD 88 thousand, NTD 1,674 thousand, NTD 584 thousand, and NTD 1,993 thousand, respectively.
3. The consolidated company did not dispose of the strategic investment from January 1 to September 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

	<u>2024.9.30</u>	<u>2023.12.31</u>	<u>2023.9.30</u>
Notes receivable	\$ 350	2,637	1,002
Accounts receivable	1,152,922	1,130,103	1,235,164
Less: Loss allowance	(938)	(8,175)	(8,132)
	<u>\$ 1,152,334</u>	<u>1,124,565</u>	<u>1,228,034</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:

	<u>2024.9.30</u>		
	<u>Carrying amount of notes and accounts receivable</u>	<u>Weighted average rate of expected credit losses</u>	<u>Allowance for expected credit losses during the duration</u>
Not past due	\$ 1,152,334	-	-

## Notes to the consolidated financial statements (Continued)

	<b>2024.9.30</b>		
	<b>Carrying amount of notes and accounts receivable</b>	<b>Weighted average rate of expected credit losses</b>	<b>Allowance for expected credit losses during the duration</b>
Overdue for more than 90 days	938	100%	938
	<b><u>\$ 1,153,272</u></b>		<b><u>938</u></b>

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

	<b>2023.9.30</b>		
	<b>Carrying amount of notes and accounts receivable</b>	<b>Weighted average rate of expected credit losses</b>	<b>Allowance for expected credit losses during the duration</b>
Not past due	\$ 1,228,034	-	-
Overdue for more than 90 days	8,132	100%	8,132
	<b><u>\$ 1,236,166</u></b>		<b><u>8,132</u></b>

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

	<b>January to September 2024</b>	<b>January to September 2023</b>
Opening balance	\$ 8,175	8,096
Recognized impairment loss	614	401
Reversal of impairment loss	(7,551)	(201)
The irrecoverable amount written off in the current year	(300)	(164)
Closing balance	<b><u>\$ 938</u></b>	<b><u>8,132</u></b>

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



## Notes to the consolidated financial statements (Continued)

### (V) Inventory

	<u>2024.9.30</u>	<u>2023.12.31</u>	<u>2023.9.30</u>
Inventories - Trading	\$ 14,800	9,166	15,042
Inventories - Construction			
Prepayments for building and land	12,280	28,320	-
Construction site	2,135,862	1,214,861	1,371,642
Building and land under construction	13,026,852	16,986,514	15,934,116
Buildings and land for sale	6,886,173	7,086,426	7,833,970
Subtotal	22,061,167	25,316,121	25,139,728
Total	<u>\$ 22,075,967</u>	<u>25,325,287</u>	<u>25,154,770</u>

1. For the nine months ended September 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 September 30, 2024 and 2023 were NTD 7,659,003 thousand and NTD 2,635,501 thousand, respectively.
3. The consolidated company's building in progress from January 1 to September 30, 2024 and 2023 was calculated at the capitalization interest rates of 2.376% and 2.236%, respectively. For the capitalized interest amount, please refer to Note 6(25).
4. The consolidated company entrusted the legal parking spaces for sale to others for an amount of NTD 11,649 thousand on September 30, 2024, December 31, 2023, and September 30, 2023, respectively.
5. Please refer to Note 8 for the consolidated company's inventories provided as collateral for September 30, 2024, December 31, 2023, and September 30, 2023.

### (VI) Investment under equity method

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

	<u>2024.9.30</u>	<u>2023.12.31</u>	<u>2023.9.30</u>
Affiliated enterprise	\$ 117,338	116,360	114,963
Joint venture	1,026,463	1,027,185	1,025,314
	<u>\$ 1,143,801</u>	<u>1,143,545</u>	<u>1,140,277</u>

#### 1. Affiliated enterprises

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

## Notes to the consolidated financial statements (Continued)

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		
			2024.9.30	2023.12.31	2023.9.30
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.:

	2024.9.30	2023.12.31	2023.9.30
Current assets	\$ 373,574	239,119	300,856
Non-current assets	1,713,878	1,845,065	200,000
Current liabilities	(2,853)	(1,209)	-
Non-current liabilities	(1,581,830)	(1,581,830)	-
Net assets	<u>\$ 502,769</u>	<u>501,145</u>	<u>500,856</u>
Net assets attributable to the consolidated company	<u>\$ 100,554</u>	<u>100,229</u>	<u>100,171</u>

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Operating revenue	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income (loss) from continuing operations	\$ 1,088	334	1,623	1,081
Total comprehensive income	<u>\$ 1,088</u>	<u>334</u>	<u>1,623</u>	<u>1,081</u>
Total comprehensive income attributable to the consolidated company	<u>\$ 218</u>	<u>67</u>	<u>325</u>	<u>216</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:

	2024.9.30	2023.12.31	2023.9.30
Summarized book value of equity in affiliated companies that are not significant at the end of the period	<u>\$ 16,784</u>	<u>16,131</u>	<u>14,792</u>

## Notes to the consolidated financial statements (Continued)

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Shares attributable to the consolidated company:				
Net income (loss) from continuing operations	\$ 890	233	653	400
Total comprehensive income	<u>\$ 890</u>	<u>233</u>	<u>653</u>	<u>400</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 September 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.

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.

	2024.9.30	2023.12.31	2023.9.30
Percentage of ownership interests	<u>51%</u>	<u>51%</u>	<u>51%</u>
Current assets	\$ 2,012,675	2,015,168	2,011,230
Non-current assets	86	138	155
Current liabilities	(18)	(1,147)	(877)
Non-current liabilities	(71)	(71)	(89)
Net assets	<u>\$ 2,012,672</u>	<u>2,014,088</u>	<u>2,010,419</u>
Cash and cash equivalents	<u>\$ 23,499</u>	<u>102,539</u>	<u>107,999</u>

## Notes to the consolidated financial statements (Continued)

	2024.9.30	2023.12.31	2023.9.30
The consolidated company's share of net assets	\$ 1,026,463	1,027,185	1,025,314

Book value of joint venture equity	\$ 1,026,463	1,027,185	1,025,314
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	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Operating revenue	\$ -	-	-	-
Net income from continuing operations for the period	\$ 3,633	3,478	10,951	10,072
Total comprehensive income	\$ 3,633	3,478	10,951	10,072
Operating expenses	\$ 18	10	55	51
Interest revenue	\$ 4,559	4,359	13,745	12,644
Interest expense	\$ 1	1	2	3
Income tax expense	\$ 907	870	2,737	2,518
The consolidated company's share of total comprehensive income	\$ 1,853	1,773	5,585	5,136

### 3. Guarantee

As of September 30, 2024, December 31, 2023, and September 30, 2023, the consolidated 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		
		2024.9.30	2023.12.31	2023.9.30
Kedge Construction	Taiwan	65.82%	65.82%	65.82%

## Notes to the consolidated financial statements (Continued)

and its  
subsidiaries

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:

	<b>2024.9.30</b>	<b>2023.12.31</b>	<b>2023.9.30</b>
Current assets	\$ 11,429,713	11,819,601	11,089,807
Non-current assets	875,518	765,294	693,441
Current liabilities	(7,195,956)	(7,586,014)	(7,168,858)
Non-current liabilities	(187,865)	(192,984)	(188,565)
Net assets	<u><b>\$ 4,921,410</b></u>	<u><b>4,805,897</b></u>	<u><b>4,425,825</b></u>
Book value of non-controlling equity at the end of period	<u><b>\$ 2,474,011</b></u>	<u><b>2,476,890</b></u>	<u><b>2,277,707</b></u>

	<b>July to September 2024</b>	<b>July to September 2023</b>	<b>January to September 2024</b>	<b>January to September 2023</b>
Operating revenue	<u><b>\$ 3,396,967</b></u>	<u><b>2,995,814</b></u>	<u><b>9,907,637</b></u>	<u><b>10,217,666</b></u>
Net income for the period	\$ 228,612	146,398	484,843	678,033
Other comprehensive income	(70,617)	37,093	113,415	45,320
Total comprehensive income	<u><b>\$ 157,995</b></u>	<u><b>183,491</b></u>	<u><b>598,258</b></u>	<u><b>723,353</b></u>
Net income for the period attributable to non-controlling interests	<u><b>\$ 132,557</b></u>	<u><b>64,449</b></u>	<u><b>315,213</b></u>	<u><b>401,118</b></u>
Total comprehensive income attributable to non-controlling interests	<u><b>\$ 132,246</b></u>	<u><b>65,394</b></u>	<u><b>314,838</b></u>	<u><b>400,553</b></u>
Cash flow from operating activities	\$ 24,027	452,334	138,069	795,525
Cash flow from investing activities	(6,622)	(3,453)	(12,028)	(8,844)
Cash flow from financing activities	(266,326)	(288,039)	(273,558)	(778,683)
Increase in cash and cash	<u><b>\$ (248,921)</b></u>	<u><b>160,842</b></u>	<u><b>(147,517)</b></u>	<u><b>7,998</b></u>

## Notes to the consolidated financial statements (Continued)

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
equivalents				
Dividends paid to non-controlling interests	\$ 317,814	318,582	317,814	318,582

### (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)	Construction 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	-	7,923	3,927	17,387	6,162	35,399
Transfer in (out)	-	560	-	-	(560)	-
Reclassification	-	-	-	1,124	-	1,124
Disposal and scrap	-	(541)	(16,289)	(24,255)	-	(41,085)
Balance as of September 30, 2024	<u>\$ 3,607,479</u>	<u>4,389,592</u>	<u>1,003,095</u>	<u>427,095</u>	<u>6,162</u>	<u>9,433,423</u>
Balance as of January 1, 2023	\$ 3,607,479	4,367,565	1,025,254	431,222	8,471	9,439,991
Addition	-	3,730	810	29,428	-	33,968
Transfer in (out)	-	10,202	-	6,701	(8,166)	8,737
Disposal and scrap	-	(1,024)	(4,335)	(48,026)	-	(53,385)
Decoration	-	-	-	-	(305)	(305)
engineering adjustment						
Balance as of September 30, 2023	<u>\$ 3,607,479</u>	<u>4,380,473</u>	<u>1,021,729</u>	<u>419,325</u>	<u>-</u>	<u>9,429,006</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	-	86,422	31,339	42,505	-	160,266
Disposal and scrap	-	(541)	(16,289)	(24,255)	-	(41,085)
Balance as of September 30, 2024	<u>\$ 14,000</u>	<u>2,154,168</u>	<u>861,605</u>	<u>313,549</u>	<u>-</u>	<u>3,343,322</u>
Balance as of January 1, 2023	\$ 14,000	1,953,912	805,394	287,458	-	3,060,764
Depreciation in the current year	-	86,554	35,553	39,063	-	161,170
Disposal and scrap	-	(1,024)	(3,700)	(48,026)	-	(52,750)

## Notes to the consolidated financial statements (Continued)

	<b>Land</b>	<b>Buildings</b>	<b>Leasehold improvements</b>	<b>Other equipment (including transportation, office, machinery, other equipment and leased assets)</b>	<b>Construction in progress</b>	<b>Total</b>
Balance as of September 30, 2023	<u>\$ 14,000</u>	<u>2,039,442</u>	<u>837,247</u>	<u>278,495</u>	<u>-</u>	<u>3,169,184</u>
Book value:						
January 1, 2024	<u>\$ 3,593,479</u>	<u>2,313,363</u>	<u>168,902</u>	<u>137,540</u>	<u>560</u>	<u>6,213,844</u>
September 30, 2024	<u>\$ 3,593,479</u>	<u>2,235,424</u>	<u>141,490</u>	<u>113,546</u>	<u>6,162</u>	<u>6,090,101</u>
January 1, 2023	<u>\$ 3,593,479</u>	<u>2,413,653</u>	<u>219,860</u>	<u>143,764</u>	<u>8,471</u>	<u>6,379,227</u>
September 30, 2023	<u>\$ 3,593,479</u>	<u>2,341,031</u>	<u>184,482</u>	<u>140,830</u>	<u>-</u>	<u>6,259,822</u>

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

	<b>Land</b>	<b>Buildings</b>	<b>Transportation equipment</b>	<b>Total</b>
Cost of right-of-use assets:				
Balance as of January 1, 2024	\$ 17,965	3,845,158	20,233	3,883,356
Addition	599	133,983	4,576	139,158
Transferred out - lease expiry	(5,190)	(888)	(4,388)	(10,466)
Lease revaluation	-	58,655	-	58,655
Balance as of September 30, 2024	<u>\$ 13,374</u>	<u>4,036,908</u>	<u>20,421</u>	<u>4,070,703</u>
Balance as of January 1, 2023	\$ 2,302	3,841,187	25,368	3,868,857
Addition	12,408	3,218	5,205	20,831
Transferred out - lease expiry	-	-	(5,869)	(5,869)
Reclassification	87	-	-	87
Balance as of September 30, 2023	<u>\$ 14,797</u>	<u>3,844,405</u>	<u>24,704</u>	<u>3,883,906</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	6,099	157,324	6,121	169,544

## Notes to the consolidated financial statements (Continued)

	Land	Buildings	Transportation equipment	Total
Transferred out - lease expiry	(5,190)	(888)	(4,388)	(10,466)
Balance as of September 30, 2024	<u>\$ 7,888</u>	<u>1,119,137</u>	<u>10,255</u>	<u>1,137,280</u>
Balance as of January 1, 2023	\$ -	757,943	12,478	770,421
Current depreciation	4,504	153,475	7,035	165,014
Transferred out - lease expiry	-	-	(5,869)	(5,869)
Balance as of September 30, 2023	<u>\$ 4,504</u>	<u>911,418</u>	<u>13,644</u>	<u>929,566</u>
Book value:				
January 1, 2024	<u>\$ 10,986</u>	<u>2,882,457</u>	<u>11,711</u>	<u>2,905,154</u>
September 30, 2024	<u>\$ 5,486</u>	<u>2,917,771</u>	<u>10,166</u>	<u>2,933,423</u>
January 1, 2023	<u>\$ 2,302</u>	<u>3,083,244</u>	<u>12,890</u>	<u>3,098,436</u>
September 30, 2023	<u>\$ 10,293</u>	<u>2,932,987</u>	<u>11,060</u>	<u>2,954,340</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 September 30, 2024	<u>\$ 282,087</u>	<u>213,814</u>	<u>495,901</u>
Balance as of January 1, 2023	\$ 282,087	213,814	495,901
Balance as of September 30, 2023	<u>\$ 282,087</u>	<u>213,814</u>	<u>495,901</u>
Depreciation and impairment loss:			
Balance as of January 1, 2024	\$ -	37,728	37,728
Depreciation in the current year	-	3,144	3,144
Balance as of September 30, 2024	<u>\$ -</u>	<u>40,872</u>	<u>40,872</u>
Balance as of January 1, 2023	\$ -	33,536	33,536
Depreciation in the current year	-	3,144	3,144
Balance as of September 30, 2023	<u>\$ -</u>	<u>36,680</u>	<u>36,680</u>
Carrying amount:			
January 1, 2024	<u>\$ 282,087</u>	<u>176,086</u>	<u>458,173</u>
September 30, 2024	<u>\$ 282,087</u>	<u>172,942</u>	<u>455,029</u>



## Notes to the consolidated financial statements (Continued)

	<b>Land and improvements</b>	<b>Buildings</b>	<b>Total</b>
January 1, 2023	\$ 282,087	180,278	462,365
September 30, 2023	\$ 282,087	177,134	459,221

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 September 30, 2024, December 31, 2023, and September 30, 2023.

### (XI) Intangible assets

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

	<b>Concession right</b>	<b>Trademarks and Patents</b>	<b>Computer software and others</b>	<b>Total</b>
Cost:				
Balance as of January 1, 2024	\$ 54,199	500	105,402	160,101
Acquired separately	-	-	12,980	12,980
Reclassified from prepayments	-	-	8,495	8,495
Disposal	-	-	(221)	(221)
Balance as of September 30, 2024	\$ 54,199	500	126,656	181,355
Balance as of January 1, 2023	\$ 54,199	500	137,541	192,240
Acquired separately	-	-	9,769	9,769
Reclassified from prepayments	-	-	1,883	1,883
Disposal	-	-	(59,256)	(59,256)
Balance as of September 30, 2023	\$ 54,199	500	89,937	144,636
Amortization and impairment loss:				
Balance as of January 1, 2024	\$ 40,096	500	66,386	106,982
Current amortization	2,605	-	15,951	18,556
Disposal	-	-	(221)	(221)
Balance as of September 30, 2024	\$ 42,701	500	82,116	125,317
Balance as of January 1, 2023	\$ 36,622	500	101,244	138,366
Current amortization	2,605	-	8,236	10,841
Disposal	-	-	(59,256)	(59,256)
Balance as of September 30, 2023	\$ 39,227	500	50,224	89,951

Book value:

## Notes to the consolidated financial statements (Continued)

	Concession right	Trademarks and Patents	Computer software and others	Total
January 1, 2024	\$ 14,103	-	39,016	53,119
September 30, 2024	\$ 11,498	-	44,540	56,038
January 1, 2023	\$ 17,577	-	36,297	53,874
September 30, 2023	\$ 14,972	-	39,713	54,685

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

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

	2024.9.30	2023.12.31	2023.9.30
Other financial assets - current	\$ 1,920,392	2,504,580	2,917,849
Incremental cost of obtaining a contract	722	33,295	18,967
	<u>\$ 1,921,114</u>	<u>2,537,875</u>	<u>2,936,816</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 nine months ended September 30, 2024 and 2023, NTD 49,870 thousand and NTD 18,483 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:

	2024.9.30	2023.12.31	2023.9.30
Commercial paper payable	<u>\$ 380,000</u>	<u>30,000</u>	<u>130,000</u>

The amounts added for the nine months ended September 30, 2024 and 2023 were NTD 2,491,200 thousand and NTD 530,000 thousand, respectively, with the interest rates ranging from 2.488%-2.858% and 2.538%-2.638%, respectively; the repayments were NTD 2,141,200 thousand and NTD 400,000 thousand, respectively.

### (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:

## Notes to the consolidated financial statements (Continued)

<b>2024.9.30</b>				
	<b>Type of currency</b>	<b>Interest rate range</b>	<b>Year to maturity</b>	<b>Amount</b>
Secured bank loan	NTD	2.17%~2.73%	113~117	\$ 9,214,086
Unsecured bank borrowings	NTD	1.79%~2.96%	113~117	3,696,618
Total				<b><u>\$ 12,910,704</u></b>
Liquidity				\$ 12,130,624
Non-current				780,080
Total				<b><u>\$ 12,910,704</u></b>

<b>2023.12.31</b>				
	<b>Type of currency</b>	<b>Interest rate range</b>	<b>Year to maturity</b>	<b>Amount</b>
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				<b><u>\$ 16,319,378</u></b>
Liquidity				\$ 15,385,818
Non-current				933,560
Total				<b><u>\$ 16,319,378</u></b>

<b>2023.9.30</b>				
	<b>Type of currency</b>	<b>Interest rate range</b>	<b>Year to maturity</b>	<b>Amount</b>
Secured bank loan	NTD	2.21%~2.57%	2023~2028	\$ 14,320,329
Unsecured bank borrowings	NTD	1.69%~2.83%	2023~2028	3,707,849
Total				<b><u>\$ 18,028,178</u></b>
Liquidity				\$ 16,743,458
Non-current				1,284,720
Total				<b><u>\$ 18,028,178</u></b>

### 1. Issuance and repayment of loans

The amounts added from January 1 to September 30, 2024 and 2023 were NTD 8,250,380 thousand and NTD 6,379,250 thousand, respectively; the amounts repaid were NTD 11,659,054 thousand and NTD 5,019,768 thousand, respectively.

### 2. Collateral for bank borrowings

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:

## Notes to the consolidated financial statements (Continued)

	<u>2024.9.30</u>	<u>2023.12.31</u>	<u>2023.9.30</u>
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 September 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:

	<u>2024.9.30</u>	<u>2023.12.31</u>	<u>2023.9.30</u>
Current	\$ 210,372	201,443	195,155
Non-current	<u>\$ 2,956,556</u>	<u>2,941,468</u>	<u>2,973,016</u>

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

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

	<u>July to September 2024</u>	<u>July to September 2023</u>	<u>January to September 2024</u>	<u>January to September 2023</u>
Interest expense of lease liabilities	\$ 13,850	14,065	41,263	42,542
Expenses of short-term and low-price leases	<u>\$ 10,627</u>	<u>7,080</u>	<u>37,276</u>	<u>22,041</u>

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

	<u>January to September 2024</u>	<u>January to September 2023</u>
Variable lease payments not included in the measurement of lease liabilities	\$ 91,563	84,087
Total cash outflow for leases	<u>\$ 343,898</u>	<u>315,814</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 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

## Notes to the consolidated financial statements (Continued)

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 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

## Notes to the consolidated financial statements (Continued)

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

	<b>2024.9.30</b>	<b>2023.12.31</b>	<b>2023.9.30</b>
Warranty reserve	<b>\$ 176,327</b>	<b>181,670</b>	<b>174,260</b>

There was no significant change in the consolidated company's liability provisions during the nine months ended September 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:

	<b>2024.9.30</b>	<b>2023.12.31</b>	<b>2023.9.30</b>
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	14,022	21,316	22,022
Total undiscounted lease payments	<b>\$ 62,652</b>	<b>69,946</b>	<b>70,652</b>

The rent income generated from the investment property during the three and nine months ended September 30, 2024 and 2023 were NTD 2,431 thousand and NTD 7,294 thousand; furthermore, there was no significant maintenance and repair expense.

## Notes to the consolidated financial statements (Continued)

### (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:

	<b>July to September 2024</b>	<b>July to September 2023</b>	<b>January to September 2024</b>	<b>January to September 2023</b>
Operating cost	\$ 48	60	168	197
Operating expenses	\$ 47	68	199	318

#### 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:

	<b>July to September 2024</b>	<b>July to September 2023</b>	<b>January to September 2024</b>	<b>January to September 2023</b>
Operating cost	\$ 5,097	5,029	14,595	15,093
Operating expenses	\$ 6,162	5,974	18,251	17,418

#### 3. Liabilities for short-term paid leave

	<b>2024.9.30</b>	<b>2023.12.31</b>	<b>2023.9.30</b>
Short-term paid leave of absence	\$ 12,551	17,054	20,928

### (XX) Income tax

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

	<b>July to September 2024</b>	<b>July to September 2023</b>	<b>January to September 2024</b>	<b>January to September 2023</b>
Current income tax expense				
Occurred in the current period	\$ 285,549	139,558	774,747	406,190
Imposition on undistributed earnings	-	-	89,598	88,413
Adjustment of the current income tax of the previous period	-	-	(4,556)	553
Land Value Increment Tax	35,482	23,589	173,140	81,305
	321,031	163,147	1,032,929	576,461
Deferred income tax expense				
Occurrence and reversal of	532	692	1,502	(1,861)

## Notes to the consolidated financial statements (Continued)

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
temporary difference				
Income tax expenses of continuing operations	\$ 321,563	163,839	1,034,431	574,600

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 nine months ended September 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:

	2024.9.30	2023.12.31	2023.9.30
Issued stock premium	\$ 827,906	827,906	827,906
Premium of corporate bond conversion	236,408	236,408	236,408
Treasury stock trading	366,740	345,697	345,697
Gain on disposal of assets	34,912	34,912	34,912
Others	27,846	27,478	27,478
	<u>\$ 1,493,812</u>	<u>1,472,401</u>	<u>1,472,401</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 September 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:

	<b>2023</b>		<b>2022</b>	
	<b>Stock dividend rate (NTD)</b>	<b>Amount</b>	<b>Stock dividend rate (NTD)</b>	<b>Amount</b>
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 September 30, 2024 and 2023 are as follows:

Unit: Thousand shares

## Notes to the consolidated financial statements (Continued)

Name of subsidiary	2024.9.30			2023.9.30		
	Number of shares	Book value (Note)	Market price	Number of shares	Book value (Note)	Market price
Kedge Construction	550	\$ 1,222	26,730	550	1,222	18,233
Jiechun Investment Co., Ltd.	9,373	55,384	455,532	9,373	55,384	310,718
Guanqing Electromechanical Co., Ltd.	1,768	14,590	85,910	1,768	14,590	58,599
	<b>11,691</b>	<b>\$ 71,196</b>	<b>568,172</b>	<b>11,691</b>	<b>71,196</b>	<b>387,550</b>

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	55	-	10	65
Unrealized gains or losses on financial assets at fair value through other comprehensive income	-	(310)	(375)	(685)
Balance as of September 30, 2024	<b>\$ (29,441)</b>	<b>751</b>	<b>(5,762)</b>	<b>(34,452)</b>
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	69	-	14	83
Unrealized gains or losses on financial assets at fair value through other comprehensive income	-	(1,938)	(566)	(2,504)
Balance as of September 30, 2023	<b>\$ (29,424)</b>	<b>1,011</b>	<b>(5,724)</b>	<b>(34,137)</b>

### (XXII) Earnings per share

Calculations of the consolidated company's basic earnings per share and diluted earnings

## Notes to the consolidated financial statements (Continued)

per share are as follows:

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
<b>Basic earnings per share</b>				
Net profit attributable to the Company's common stock shareholders	\$ 1,358,847	773,285	4,494,218	1,449,025
Weighted average outstanding common stock	541,479	541,479	541,479	541,479
	\$ 2.51	1.43	8.30	2.68
<b>Diluted earnings per share</b>				
Net income attributable to the Company's common stock shareholders (diluted)	\$ 1,358,847	773,285	4,494,218	1,449,025
Weighted average outstanding common stock	541,479	541,479	541,479	541,479
Effect of employee stock compensation	2,079	797	2,367	1,173
Weighted average outstanding common stock shares (after adjusting the potential dilutive effect of the common stock shares)	543,558	542,276	543,846	542,652
	\$ 2.50	1.43	8.26	2.67

### (XXIII) Revenue from customer contracts

#### 1. Breakdown of revenue

	July to September 2024			
	Building department	Construction Department	Department of Department Stores	Total
Key regional markets:				
Taiwan	\$ 3,914,939	2,647,102	441,570	7,003,611
Main product/service lines:				
Revenue from sales of real estate	\$ 4,021,357	-	-	4,021,357
Construction contract revenue	(109,047)	2,647,102	-	2,538,055
Net income from counters	-	-	363,741	363,741

## Notes to the consolidated financial statements (Continued)

July to September 2024				
	<b>Building department</b>	<b>Construction Department</b>	<b>Department of Department Stores</b>	<b>Total</b>
Revenue from service provision	-	-	7,906	7,906
Rental income	2,629	-	40,870	43,499
Other income	-	-	29,053	29,053
	<b><u>\$ 3,914,939</u></b>	<b><u>2,647,102</u></b>	<b><u>441,570</u></b>	<b><u>7,003,611</u></b>
Timing of revenue recognition:				
Commodities transferred at a certain point in time	\$ 4,021,357	-	395,917	4,417,274
Income gradually transferred over time	2,629	-	45,653	48,282
Construction transferred over time	(109,047)	2,647,102	-	2,538,055
	<b><u>\$ 3,914,939</u></b>	<b><u>2,647,102</u></b>	<b><u>441,570</u></b>	<b><u>7,003,611</u></b>
July to September 2023				
	<b>Building department</b>	<b>Construction Department</b>	<b>Department of Department Stores</b>	<b>Total</b>
Key regional markets:				
Taiwan	<b><u>\$ 2,458,625</u></b>	<b><u>2,094,540</u></b>	<b><u>415,637</u></b>	<b><u>4,968,802</u></b>
Main product/service lines:				
Revenue from sales of real estate	\$ 2,363,114	-	-	2,363,114
Construction contract revenue	92,873	2,094,540	-	2,187,413
Net income from counters	-	-	336,152	336,152
Revenue from service provision	-	-	7,590	7,590
Rental income	2,638	-	37,537	40,175
Other income	-	-	34,358	34,358
	<b><u>\$ 2,458,625</u></b>	<b><u>2,094,540</u></b>	<b><u>415,637</u></b>	<b><u>4,968,802</u></b>
Timing of revenue recognition:				
Commodities transferred at \$	2,363,114	-	373,194	2,736,308

## Notes to the consolidated financial statements (Continued)

July to September 2023				
	<b>Building department</b>	<b>Construction Department</b>	<b>Department of Department Stores</b>	<b>Total</b>
a certain point in time				
Income gradually transferred over time	2,638	-	42,443	45,081
Construction transferred over time	92,873	2,094,540	-	2,187,413
	<b><u>\$ 2,458,625</u></b>	<b><u>2,094,540</u></b>	<b><u>415,637</u></b>	<b><u>4,968,802</u></b>
January to September 2024				
	<b>Building department</b>	<b>Construction Department</b>	<b>Department of Department Stores</b>	<b>Total</b>
Key regional markets:				
Taiwan	<b><u>\$ 13,356,468</u></b>	<b><u>7,516,425</u></b>	<b><u>1,287,704</u></b>	<b><u>22,160,597</u></b>
Main product/service lines:				
Revenue from sales of real estate	\$ 13,144,184	-	-	13,144,184
Construction contract revenue	204,410	7,516,425	-	7,720,835
Net income from counters	-	-	1,064,594	1,064,594
Revenue from service provision	-	-	23,350	23,350
Rental income	7,874	-	119,178	127,052
Other income	-	-	80,582	80,582
	<b><u>\$ 13,356,468</u></b>	<b><u>7,516,425</u></b>	<b><u>1,287,704</u></b>	<b><u>22,160,597</u></b>
Timing of revenue recognition:				
Commodities transferred at a certain point in time	\$ 13,144,184	-	1,154,066	14,298,250
Income gradually transferred over time	7,874	-	133,638	141,512
Construction transferred over time	204,410	7,516,425	-	7,720,835
	<b><u>\$ 13,356,468</u></b>	<b><u>7,516,425</u></b>	<b><u>1,287,704</u></b>	<b><u>22,160,597</u></b>

## Notes to the consolidated financial statements (Continued)

	January to September 2023			
	Building department	Construction Department	Department of Department Stores	Total
Key regional markets:				
Taiwan	<u>\$ 4,440,173</u>	<u>8,247,884</u>	<u>1,215,489</u>	<u>13,903,546</u>
Main product/service lines:				
Revenue from sales of real estate	\$ 4,213,700	-	-	4,213,700
Construction contract revenue	218,545	8,247,884	-	8,466,429
Net income from counters	-	-	971,660	971,660
Revenue from service provision	-	-	22,343	22,343
Rental income	7,928	-	116,287	124,215
Other income	-	-	105,199	105,199
	<u>\$ 4,440,173</u>	<u>8,247,884</u>	<u>1,215,489</u>	<u>13,903,546</u>
Timing of revenue recognition:				
Commodities transferred at a certain point in time	4,213,700	-	1,084,634	5,298,334
Income gradually transferred over time	7,928	-	130,855	138,783
Construction transferred over time	218,545	8,247,884	-	8,466,429
	<u>\$ 4,440,173</u>	<u>8,247,884</u>	<u>1,215,489</u>	<u>13,903,546</u>

### 2. Contract balance

	2024.9.30	2023.12.31	2023.9.30
Notes and accounts receivable	\$ 1,153,272	1,132,740	1,236,166
Less: Loss allowance	(938)	(8,175)	(8,132)
Total	<u>\$ 1,152,334</u>	<u>1,124,565</u>	<u>1,228,034</u>
Contract assets - construction projects	\$ 3,138,919	2,996,809	2,534,362
Less: Loss allowance	-	-	-
Total	<u>\$ 3,138,919</u>	<u>2,996,809</u>	<u>2,534,362</u>
Contract liabilities - construction	\$ 2,359,715	2,036,374	2,267,334

## Notes to the consolidated financial statements (Continued)

	<u>2024.9.30</u>	<u>2023.12.31</u>	<u>2023.9.30</u>
projects			
Contract liabilities - sales of buildings and land	726,539	1,102,830	898,740
Contract liabilities - gym	13,679	12,491	12,856
Contract liabilities - bonus points	31,096	17,681	42,545
Contract liabilities - gift vouchers	94,709	80,275	80,887
Total	<u>\$ 3,225,738</u>	<u>3,249,651</u>	<u>3,302,362</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 nine months ended September 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 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 nine months ended September 30, 2024 and 2023 were NTD 30,209 thousand, respectively thousand, NTD 15,580 thousand, NTD 101,031 thousand, and NTD 26,428 thousand, respectively, and the estimated directors remuneration were NTD 30,209 thousand, NTD 15,580 thousand, NTD 101,031 thousand, and NTD 26,428 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

## Notes to the consolidated financial statements (Continued)

### 1. Interest revenue

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

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Bank deposits (including interest of short-term commercial papers)	\$ 36,549	30,796	116,074	98,905
Loans and receivables	93	117	300	317
Construction deposits paid (including deposits)	3	60	11	135
Other interest income	-	-	65	27
	<u>\$ 36,645</u>	<u>30,973</u>	<u>116,450</u>	<u>99,384</u>

### 2. Other income

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

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Dividend income	<u>\$ 4,638</u>	<u>4,311</u>	<u>5,134</u>	<u>4,630</u>

### 3. Other gains and losses

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

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Gain on foreign currency exchange	\$ (1,039)	1,980	1,208	2,440
Financial assets income measured at fair value through profit or loss	19,313	(77)	46,010	7,582
Losses from disposal of property, plant and equipment	-	-	-	(273)
Rental income	331	273	975	809
Other income	33,959	12,433	74,995	88,958
Other expenses	(128,224)	(213)	(139,720)	(104,443)
	<u>\$ (75,660)</u>	<u>14,396</u>	<u>(16,532)</u>	<u>(4,927)</u>

### 4. Financial costs

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

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Interest expense				
Bank borrowings	\$ 81,272	104,358	266,996	291,158
Interests paid in lieu of cash	26	64	79	149
Corporate bond interest and service charge	14,046	12,667	41,832	38,342
Interest on lease liabilities	13,766	14,002	40,987	42,379
Other	354	303	1,044	890



## Notes to the consolidated financial statements (Continued)

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Less: capitalized interest	(63,559)	(70,405)	(182,661)	(172,331)
	<b>\$ 45,905</b>	<b>60,989</b>	<b>168,277</b>	<b>200,587</b>

### (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.

	Carrying amount	Contractual cash flow	Within one year	1-3 years	3-5 years	Over 5 years
<b>September 30, 2024</b>						
Non-derivative financial liabilities						
Long-term and short-term borrowings (including current portion)	\$ 12,910,704	13,807,118	5,126,637	6,636,341	2,044,140	-
Short-term notes payable	380,000	380,000	380,000	-	-	-
Ordinary corporate bonds (within one year)	3,000,000	3,078,338	1,001,600	1,006,115	1,070,623	-
Notes, accounts and other payables	6,611,238	6,611,238	4,733,623	1,877,615	-	-
Guarantee deposits received	105,484	105,484	-	105,484	-	-
Lease liabilities (including those due within one year)	3,166,928	3,619,545	263,153	543,622	542,457	2,270,313
	<b>\$ 26,174,354</b>	<b>27,601,723</b>	<b>11,505,013</b>	<b>10,169,177</b>	<b>3,657,220</b>	<b>2,270,313</b>
<b>December 31, 2023</b>						
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 notes 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
	<b>\$ 29,954,942</b>	<b>32,062,120</b>	<b>17,896,534</b>	<b>4,994,435</b>	<b>6,737,201</b>	<b>2,433,950</b>
<b>September 30, 2023</b>						
Non-derivative financial liabilities						
Long-term and short-term borrowings (including current portion)	\$ 18,028,178	18,559,094	12,980,480	1,309,747	4,268,867	-
Short-term notes payable	130,000	130,000	130,000	-	-	-
Ordinary corporate bonds (within one year)	3,000,000	3,022,115	1,000,362	2,021,753	-	-
Notes, accounts and other payables	6,520,354	6,520,354	4,481,704	2,038,650	-	-
Guarantee deposits received	99,717	99,717	-	99,717	-	-
Other current and non-current liabilities (long- term liabilities)	16,336	16,402	16,402	-	-	-
Lease liabilities (including those due within one year)	3,168,171	3,657,789	245,350	474,843	464,895	2,472,701
	<b>\$ 30,962,756</b>	<b>32,005,471</b>	<b>18,854,298</b>	<b>5,944,710</b>	<b>4,733,762</b>	<b>2,472,701</b>

The consolidated company does not expect the maturity of the cash flows will be

## Notes to the consolidated financial statements (Continued)

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 nine months ended September 30, 2024 and 2023 would decrease or increase by NTD 96,830 thousand and NTD 135,211 thousand, considering that the net profits after interest capitalization would decrease or increase by NTD 46,431 thousand and NTD 72,728 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:

<b>Securities price on the reporting date</b>	<b>January to September 2024</b>		<b>January to September 2023</b>	
	<b>Other comprehensive income after tax</b>	<b>Profit or loss after tax</b>	<b>Other comprehensive income after tax</b>	<b>Profit or loss after tax</b>
Up 10%	<u>\$ 3,499</u>	<u>16,399</u>	<u>1,001</u>	<u>10,522</u>
Down 10%	<u>\$ (3,499)</u>	<u>(16,399)</u>	<u>(1,001)</u>	<u>(10,522)</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:

## Notes to the consolidated financial statements (Continued)

2024.9.30					
	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	\$ 163,994	163,994	-	-	163,994
Financial assets mandatorily measured at fair value through profit or loss					
Financial assets measured at fair value through other comprehensive income	\$ 34,988	2,082	25,276	7,630	34,988
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 17,381,230	-	-	-	-
Notes and accounts receivable	1,152,334	-	-	-	-
Other financial assets- Liquidity	1,920,392	-	-	-	-
Other financial assets- Non-current	68,894	-	-	-	-
Subtotal	20,522,850	-	-	-	-
Total	<b>\$ 20,721,832</b>	<b>166,076</b>	<b>25,276</b>	<b>7,630</b>	<b>198,982</b>
Financial liabilities measured at amortized cost					
Long-term and short-term borrowings (within one year)	\$ 12,910,704	-	-	-	-
Short-term notes payable	380,000	-	-	-	-
Notes, accounts and other payables	6,611,238	-	-	-	-
Corporate bonds payable (within one year)	3,000,000	-	-	-	-
Lease liabilities (within one year)	3,166,928	-	-	-	-
Guarantee deposits received	105,484	-	-	-	-
Total	<b>\$ 26,174,354</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2023.12.31					
	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	\$ 117,984	117,984	-	-	117,984
Financial assets mandatorily measured at fair value through profit or loss					
Financial assets measured at fair value through other comprehensive income	\$ 35,673	2,225	25,276	8,172	35,673

## Notes to the consolidated financial statements (Continued)

	2023.12.31				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
value through other comprehensive income					
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	<u>\$ 18,024,375</u>	<u>120,209</u>	<u>25,276</u>	<u>8,172</u>	<u>153,657</u>
	2023.12.31				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Long-term and short-term borrowings (within one year)	\$ 16,319,378	-	-	-	-
Short-term notes 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>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	2023.9.30				
	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	\$ 105,216	105,216	-	-	105,216
Financial assets measured at fair value through other comprehensive income	\$ 10,005	2,367	-	7,638	10,005
Financial assets measured at amortized					

## Notes to the consolidated financial statements (Continued)

	2023.9.30				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
cost					
Cash and cash equivalents	\$ 13,943,202	-	-	-	-
Notes and accounts receivable	1,228,034	-	-	-	-
Other financial assets- Liquidity	2,917,849	-	-	-	-
Other financial assets- Non-current	60,344	-	-	-	-
Subtotal	18,149,429	-	-	-	-
Total	<b>\$ 18,264,650</b>	<b>107,583</b>	<b>-</b>	<b>7,638</b>	<b>115,221</b>
Financial liabilities measured at amortized cost					
Long-term and short-term borrowings (within one year)	\$ 18,028,178	-	-	-	-
Short-term notes payable	130,000	-	-	-	-
Notes, accounts and other payables	6,520,354	-	-	-	-
Corporate bonds payable (within one year)	3,000,000	-	-	-	-
Other current liabilities (long-term payables)	16,336	-	-	-	-
Lease liabilities (within one year)	3,168,171	-	-	-	-
Guarantee deposits received	99,717	-	-	-	-
Total	<b>\$ 30,962,756</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### (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

## Notes to the consolidated financial statements (Continued)

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

	<b>Measured at fair value through other comprehensive income</b>
	<b>Equity instruments without public quotations</b>
January 1, 2024	<u>\$ 8,172</u>
September 30, 2024	<u>\$ 7,630</u>
January 1, 2023	<u>\$ 10,071</u>
September 30, 2023	<u>\$ 7,638</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 September 30, 2024 and 2023 are as follows:

	<b>July to September 2024</b>	<b>July to September 2023</b>	<b>January to September 2024</b>	<b>January to September 2023</b>
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>\$ (434)</u>	<u>1,494</u>	<u>(542)</u>	<u>(2,433)</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.

## Notes to the consolidated financial statements (Continued)

### (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 September 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:

	<b>January to September 2024</b>	<b>January to September 2023</b>
Purchase of property, plant and equipment	\$ 35,399	33,968
Add: Payables for equipment, beginning	34,719	27,286
Less: Payables for equipment, ending	(15,906)	(20,251)
	<b>\$ 54,212</b>	<b>41,003</b>

## 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:

<b>Name of related party</b>	<b>Relationship with the consolidated company</b>
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 12,500 thousand and NTD 16,000 thousand during January 1 to September 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 nine months ended September 30, 2024 and 2023, and the rent revenue were NTD 32 thousand, NTD 32 thousand, NTD 97 thousand, and NTD 97 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

## Notes to the consolidated financial statements (Continued)

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. The earnings of the joint venture distributed to the consolidated company from January 1 to September 30, 2024 and 2023 were NTD 6,307 thousand and NTD 1,594 thousand, respectively.

5. Creditors' rights and liabilities

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

<b>Presentation item</b>	<b>Category of related party</b>	<b>2024.9.30</b>	<b>2023.12.31</b>	<b>2023.9.30</b>
Other receivables	Other related party	<u>\$ 5</u>	<u>-</u>	<u>-</u>

### (III) Transactions by key management personnel

Remuneration to key management personnel includes:

	<b>July to September 2024</b>	<b>July to September 2023</b>	<b>January to September 2024</b>	<b>January to September 2023</b>
Short-term employee benefits	\$ 29,201	31,558	115,041	108,982
Post-employment benefits	56	71	193	217
	<u>\$ 29,257</u>	<u>31,629</u>	<u>115,234</u>	<u>109,199</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:

<b>Asset name</b>	<b>Subject matter of pledge guarantee</b>	<b>2024.9.30</b>	<b>2023.12.31</b>	<b>2023.9.30</b>
Buildings and land for sale	Bank borrowings	\$ 4,646,188	5,304,017	7,544,932
Construction site	"	679,111	211,953	211,953
Building and land under construction	"	12,777,524	15,623,646	14,634,380
Investment property and property, plant and equipment, net	Bank borrowings and corporate bonds payable	6,152,837	6,217,019	6,240,216
Other financial assets- Liquidity	Bank borrowings, pre-payment trust, performance bonds, and corporate bonds payable and restricted assets	1,361,248	1,763,834	2,027,128
Other financial assets - non-current	Performance bond and trust	54,712	51,334	51,316
		<u>\$ 25,671,620</u>	<u>29,171,803</u>	<u>30,709,925</u>



## Notes to the consolidated financial statements (Continued)

Note: The consolidated company provided 223,414 thousand shares of the subsidiaries on September 30, 2024, December 31, 2023, and September 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:

	2024.9.30	2023.12.31	2023.9.30
Total contract amount	\$ 53,738,858	40,467,060	43,082,447
Amount received	\$ 23,118,685	18,833,690	21,891,351

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:

	2024.9.30	2023.12.31	2023.9.30
Price of signed sales contract	\$ 2,943,564	7,580,667	7,438,406
Amount received according to the contract	\$ 726,539	1,102,830	898,740

3. For information on the lease contracts signed by the consolidated company on September 30, 2024, December 31, 2023, and September 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:

	2024.9.30	2023.12.31	2023.9.30
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:

	2024.9.30	2023.12.31	2023.9.30
Refundable deposits	\$ 527,744	413,702	414,002
Performance bond	\$ 1,556,346	1,955,836	1,745,895

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:

	2024.9.30	2023.12.31	2023.9.30
Acquisition of inventory (construction industry)	\$ 3,464,045	3,568,545	3,455,265

6. The letters of guarantee and guarantee notes issued by the consolidated company for contracting projects are as follows:

## Notes to the consolidated financial statements (Continued)

	2024.9.30	2023.12.31	2023.9.30
\$	<u>5,096,635</u>	<u>3,397,844</u>	<u>3,352,187</u>

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 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	July to September 2024			July to September 2023		
	Attributable to operating costs	Classified as operating expenses	Total	Attributable to operating costs	Classified as operating expenses	Total
By nature						
Employee benefit expense						
Salary	129,768	211,879	341,647	139,911	168,746	308,657

**Notes to the consolidated financial statements (Continued)**

<b>By function</b>	<b>July to September 2024</b>			<b>July to September 2023</b>		
	<b>Attributable to operating costs</b>	<b>Classified as operating expenses</b>	<b>Total</b>	<b>Attributable to operating costs</b>	<b>Classified as operating expenses</b>	<b>Total</b>
<b>By nature</b>						
expenses						
Labor and national health insurance expenses	13,740	13,760	27,500	12,744	13,855	26,599
Pension expense	5,145	6,209	11,354	5,089	6,042	11,131
Other employee benefit expenses	3,760	10,934	14,694	3,710	12,510	16,220
Depreciation expense	6,259	105,338	111,597	6,375	105,446	111,821
Amortization expense	811	5,387	6,198	140	4,258	4,398

<b>By function</b>	<b>January to September 2024</b>			<b>January to September 2023</b>		
	<b>Attributable to operating costs</b>	<b>Classified as operating expenses</b>	<b>Total</b>	<b>Attributable to operating costs</b>	<b>Classified as operating expenses</b>	<b>Total</b>
<b>By nature</b>						
Employee benefit expense						
Salary expenses	393,369	661,403	1,054,772	445,103	496,566	941,669
Labor and national health insurance expenses	38,924	41,538	80,462	38,156	40,690	78,846
Pension expense	14,763	18,450	33,213	15,290	17,736	33,026
Other employee benefit expenses	11,608	32,498	44,106	11,664	30,216	41,880
Depreciation expense	20,623	312,331	332,954	16,097	313,231	329,328
Amortization expense	1,784	16,772	18,556	220	10,621	10,841

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

## Notes to the consolidated financial statements (Continued)

### 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 nine months ended September 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	\$ 9,842,361	14,192	14,192	14,192	-	0.29%	9,842,361	N	Y	N
2	Dingtian Construction	Kindom Development Corp.	Parent and Subsidiary	57,053	14,192	14,192	14,192	-	24.88%	57,053	N	Y	N
2	"	Kedge Construction	Parent and Subsidiary	8,557,921	1,376,500	1,376,500	1,376,500	-	2,412.67%	17,115,842	N	Y	N
3	Global Mall	Guan Hua Co., Ltd. (Global Mall Nangang Store)	2	6,928,139	180,000	180,000	-	-	3.12%	11,546,898	Y	N	N
3	"	Guan Cheng Co., Ltd. (Global Mall Banqiao Store)	2	6,928,139	110,000	110,000	20,000	-	1.91%	11,546,898	Y	N	N
3	"	Guan Yun Co., Ltd. (Global Mall Zuoying Store)	2	6,928,139	143,100	143,100	123,100	-	2.48%	11,546,898	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

## Notes to the consolidated financial statements (Continued)

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 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	57,315	- %	57,315	
"	Stocks - Everterminal Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income - non-current	99	1,716	0.20 %	1,716	
"	Stock - Gongxin	-	"	29	389	0.05 %	389	
"	Stock - Fubon Financial Preferred Shares C (FBFHCPCSC)	-	"	12	613	- %	613	
"	Stock - Preferred stock of Ta Shee Resort Co., Ltd.	-	"	-	25,276	- %	25,276	
Jiechun Investment Co., Ltd.	Stock - Fubon Financial	-	Financial assets at fair value through profit or loss - current	592	53,484	- %	53,484	
"	Stock - Sinopac Holdings	-	"	235	5,691	- %	5,691	
"	Stock - Fubon Financial Preferred Shares C (FBFHCPCSC)	-	Financial assets measured at fair value through other comprehensive income - non-current	11	572	- %	572	
"	Stock - Taiwan Calcom International Computer Graphic Co., Ltd.	-	"	405	-	0.78 %	-	
Guanqing Electromechanical Co., Ltd.	Stock - Fubon Financial	-	Financial assets at fair value through profit or loss - current	525	47,504	- %	47,504	
"	Stock - Fubon Financial Preferred Shares C (FBFHCPCSC)	-	Financial assets measured at fair value through other comprehensive income - non-current	10	508	- %	508	
"	Stock - Global Views Commonwealth Publishing Group	-	"	177	5,914	0.59 %	5,914	

## Notes to the consolidated financial statements (Continued)

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

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

Unit: NTD thousand

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	396,890	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	Name of counterparty	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	Unit price	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	2,353,556	78.08%	50% at sight, 50% in 60 days or 100% at sight and 100% in 90 days	Equivalent	Slightly longer than general	(717,309)	59.45%	Note 2
Kedge Construction	Kindom Development Corp.	An investment in Kedge Construction under the equity method	Contract engineering projects	(2,353,556)	(22.31)%	The monthly payment collection according to the contract is generally slightly longer.	“	“	717,309	18.35%	“

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.

## Notes to the consolidated financial statements (Continued)

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 method	717,309	6.03	-	-	97,757	-

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			
				Account title	Amount	Trading terms and conditions	As a percentage of consolidated total operating revenue or total assets
0	The Company	Kedge Construction	1	Construction cost	2,339,604	50% at sight, 50% over 60 days	10.56%
0	The Company	Kedge Construction	1	Buildings and land for sale	67,717	50% at sight, 50% over 60 days	0.12%
0	The Company	Kedge Construction	1	Building and land under construction	197,526	50% at sight, 50% over 60 days	0.35%
0	The Company	Kedge Construction	1	Notes and accounts payable- Related party	717,309	50% at sight, 50% over 60 days	1.26%
0	The Company	Kedge Construction	1	Operating revenue	4,928	Monthly payment	0.02%
0	The Company	Kedge Construction	1	Non-operating revenue	4,586	100% at sight	0.02%
0	The Company	Kedge Construction	1	Operating expenses	2,735	Monthly payment, 100% at sight	0.01%
0	The Company	Dingtian Construction	1	Construction cost	48,530	50% at sight, 50% over 60 days	0.22%
0	The Company	Dingtian Construction	1	Building and land under construction	6,135	50% at sight, 50% over 60 days	0.01%
0	The Company	Dingtian Construction	1	Notes and accounts payable- Related party	12,549	50% at sight, 50% over 60 days	0.02%
0	The Company	Dingtian Construction	1	Operating revenue	74	Monthly payment	0.00%
0	The Company	Guanqing Electromechanical Co., Ltd.	1	Operating revenue	74	Monthly payment	0.00%
0	The Company	Global Mall	1	Non-operating revenue	3,439	Monthly payment	0.02%
1	Kedge Construction	The Company	2	Operating revenue	2,339,604	50% at sight, 50% over 60 days	10.56%
1	Kedge Construction	The Company	2	Operating cost	265,243	50% at sight, 50% over 60 days	1.20%
1	Kedge Construction	The Company	2	Notes and accounts receivable- Related party and contract assets	717,309	50% at sight, 50% over 60 days	1.26%
1	Kedge Construction	The Company	2	Operating revenue	2,735	Monthly payment, 100% at sight	0.01%
1	Kedge Construction	The Company	2	Operating expenses	4,928	Monthly payment	0.02%
1	Kedge Construction	The Company	2	Operating expenses	4,586	100% at sight	0.02%
1	Kedge Construction	Global Mall	3	Operating revenue	279	100% at sight	0.00%

## 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
2	Dingtian Construction	The Company	2	Operating revenue	48,530	50% at sight, 50% over 60 days	0.22%
2	Dingtian Construction	The Company	2	Operating cost	6,135	50% at sight, 50% over 60 days	0.03%
2	Dingtian Construction	The Company	2	Notes and accounts receivable- Related party and contract assets	12,549	50% at sight, 50% over 60 days	0.02%
2	Dingtian Construction	The Company	2	Lease liabilities	74	Monthly payment	0.00%
3	Guanqing Electromechanical Co., Ltd.	The Company	2	Lease liabilities	74	Monthly payment	0.00%
4	Global Mall	The Company	2	Operating expenses	3,439	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	44,815	Annual payment, O/A 30 days	0.08%
4	Global Mall	Guan Cheng Co., Ltd. (Global Mall Banqiao Store)	3	Operating revenue	40,791	Annually	0.18%
4	Global Mall	Guan Hua Co., Ltd. (Global Mall Nangang Store)	3	Accounts receivable- Related party	14,164	Annual payment, O/A 30 days	0.02%
4	Global Mall	Guan Hua Co., Ltd. (Global Mall Nangang Store)	3	Operating revenue	13,817	Annually	0.06%
4	Global Mall	Guan You Co., Ltd. (Global Mall Zuoying Store)	3	Accounts receivable- Related party	3,790	Annual payment, O/A 30 days	0.01%
4	Global Mall	Guan You Co., Ltd. (Global Mall Zuoying Store)	3	Operating revenue	3,490	Annually	0.02%
5	Guan Cheng Co., Ltd. (Global Mall Banqiao Store)	Global Mall	3	Accounts payable- Related parties, other payables- Related party	44,815	Annual payment, O/A 30 days	0.08%
5	Guan Cheng Co., Ltd. (Global Mall Banqiao Store)	Global Mall	3	Operating expenses	40,791	Paid once a year	0.18%
6	Guan Hua Co., Ltd. (Global Mall Nangang Store)	Global Mall	3	Other payables- Related party	14,164	Annual payment, O/A 30 days	0.02%
6	Guan Hua Co., Ltd. (Global Mall Nangang Store)	Global Mall	3	Operating expenses	13,817	Paid once a year	0.06%
7	Guan You Co., Ltd. (Global Mall Zuoying Store)	Global Mall	3	Other payables- Related party	3,790	Annual payment, O/A 30 days	0.01%
7	Guan You Co., Ltd. (Global Mall Zuoying Store)	Global Mall	3	Operating expenses	3,490	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



## Notes to the consolidated financial statements (Continued)

statements were prepared.

### (II) Information on the reinvestment business:

The consolidated company's reinvestment for the nine months ended September 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	42,093	34.18%	1,407,644	484,828	163,739	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%	4,875,691	337,851	283,852	"
"	Tua Tiann Co., Ltd.	Taiwan	Commercial Real Estate Development	1,020,000	1,020,000	102,000	51.00%	1,026,463	10,951	5,585	Investment under the equity method
Kedge Construction	Jiechun Investment Co., Ltd.	Taiwan	General investment	163,935	163,935	16,396	99.98%	678,281	34,766	34,758	Sub-subsidiary
"	Guanqing Electromechanical Co., Ltd.	Taiwan	Electrical Appliance Installation and Fire Safety Equipment Installation Engineering	81,326	81,326	7,748	99.97%	305,527	28,593	28,586	"
Jiechun Investment Co., Ltd.	Dingtian Construction	Taiwan	Comprehensive Construction Activities, etc.	16,500	16,500	-	30.00%	17,116	1,779	534	Third-Tier Subsidiary
Guanqing Electromechanical Co., Ltd.	Dingtian Construction	Taiwan	Comprehensive Construction Activities, etc.	11,105	11,105	-	70.00%	39,937	1,779	1,245	"
Dingtian Construction	Readycom Information Services Co., Ltd.	Taiwan	IT software service and management consulting	15,000	15,000	1,400	46.67%	16,784	1,400	653	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%	370,110	106,184	106,184	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%	157,394	14,673	14,673	"
"	Guan Ding Global	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%	1,726	(79)	(79)	"
"	Hon Hui Zhu Gao Co., Ltd.	Taiwan	Department stores, supermarkets, non-store retailing, and	100,000	100,000	10,000	20.00%	100,554	1,623	325	Investment under the equity

## 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			
			more.								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%	92,706	(261)	(261)	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

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	14,088,886 (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 Guan Ding Global 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

## Notes to the consolidated financial statements (Continued)

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 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:

	<b>July to September 2024</b>				
	<b>Building department</b>	<b>Construction Department</b>	<b>Department of Department Stores</b>	<b>Reconciliation and elimination</b>	<b>Total</b>
Revenue:					
Revenue from external customers	\$ 3,914,939	2,647,102	441,570	-	7,003,611
Inter-segment revenue	1,692	749,865	-	(751,557)	-
Total revenue	<u><u>\$ 3,916,631</u></u>	<u><u>3,396,967</u></u>	<u><u>441,570</u></u>	<u><u>(751,557)</u></u>	<u><u>7,003,611</u></u>
<b>Reportable segment income</b>	<u><u>\$ 1,606,582</u></u>	<u><u>276,499</u></u>	<u><u>128,390</u></u>	<u><u>(182,121)</u></u>	<u><u>1,829,350</u></u>

## Notes to the consolidated financial statements (Continued)

July to September 2023					
	<u>Building department</u>	<u>Construction Department</u>	<u>Department of Department Stores</u>	<u>Reconciliation and elimination</u>	<u>Total</u>
Revenue:					
Revenue from external customers	\$ 2,458,625	2,094,540	415,637	-	4,968,802
Inter-segment revenue	<u>1,692</u>	<u>901,274</u>	<u>-</u>	<u>(902,966)</u>	<u>-</u>
Total revenue	<u><b>\$ 2,460,317</b></u>	<u><b>2,995,814</b></u>	<u><b>415,637</b></u>	<u><b>(902,966)</b></u>	<u><b>4,968,802</b></u>
<b>Reportable segment income</b>	<u><b>\$ 874,391</b></u>	<u><b>177,609</b></u>	<u><b>137,408</b></u>	<u><b>(170,462)</b></u>	<u><b>1,018,946</b></u>

January to September 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	\$ 13,356,468	7,516,425	1,287,704	-	22,160,597
Inter-segment revenue	<u>5,076</u>	<u>2,391,212</u>	<u>-</u>	<u>(2,396,288)</u>	<u>-</u>
Total revenue	<u><b>\$ 13,361,544</b></u>	<u><b>9,907,637</b></u>	<u><b>1,287,704</b></u>	<u><b>(2,396,288)</b></u>	<u><b>22,160,597</b></u>
<b>Reportable segment income</b>	<u><b>\$ 5,302,648</b></u>	<u><b>619,086</b></u>	<u><b>429,608</b></u>	<u><b>(453,467)</b></u>	<u><b>5,897,875</b></u>

January to September 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	\$ 4,440,173	8,247,884	1,215,489	-	13,903,546
Inter-segment revenue	<u>5,076</u>	<u>1,969,782</u>	<u>-</u>	<u>(1,974,858)</u>	<u>-</u>

Notes to the consolidated financial statements (Continued)

January to September 2023					
	<u>Building department</u>	<u>Construction Department</u>	<u>Department of Department Stores</u>	<u>Adjustment and elimination</u>	<u>Total</u>
Total revenue	<u>\$ 4,445,249</u>	<u>10,217,666</u>	<u>1,215,489</u>	<u>(1,974,858)</u>	<u>13,903,546</u>
Reportable segment income	<u>\$ 1,748,156</u>	<u>868,034</u>	<u>399,207</u>	<u>(540,057)</u>	<u>2,475,340</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					
September 30, 2024	<u>\$ 41,333,793</u>	<u>12,305,231</u>	<u>11,535,246</u>	<u>(8,065,193)</u>	<u>57,109,077</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>
September 30, 2023	<u>\$ 41,165,392</u>	<u>11,783,248</u>	<u>11,934,627</u>	<u>(7,597,664)</u>	<u>57,285,603</u>
Liabilities of reportable segments					
September 30, 2024	<u>\$ 17,852,317</u>	<u>7,383,821</u>	<u>5,761,797</u>	<u>(767,113)</u>	<u>30,230,822</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>
September 30, 2023	<u>\$ 22,153,498</u>	<u>7,357,423</u>	<u>6,431,607</u>	<u>(828,847)</u>	<u>35,113,681</u>