

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

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

First 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 March 31, 2024 and 2023, and the related Consolidated Statement of Comprehensive Income, of Consolidated Statement of Changes in Equity and of Consolidated Statement of Cash Flows for the three 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 review 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 March 31, 2024 and 2023 and its consolidated financial performance and its consolidated cash flows as of March 31, 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

Certified Public Accountant:

Approval reference number of the securities authority :

May 10, 2024

Yi-Lian Han

Kuo-Yang Tseng

Jin-Guan-Zheng-Shen-Zi No. 1090332798

Jin-Guan-Zheng-Liu No. 0940129108

Kindom Development Co., LTD. and Subsidiaries
Consolidated Balance Sheet
March 31, 2024, December 31, 2023 and March 31, 2023

Unit: NTD thousand

Assets		2024.3.31		2023.12.31		2023.3.31		Liabilities and equity		2024.3.31		2023.12.31		2023.3.31	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (Note 6(1) and (26))	\$ 12,812,974	22	14,178,534	25	14,658,904	27	2100	Short-term borrowings (Note 6(14) and (26))	\$ 14,486,050	25	15,181,178	26	15,035,418	28
1110	Financial assets at fair value through profit or loss - current (Note 6(2) and (26))	127,011	-	117,984	-	97,954	-	2110	Short-term bills payable (Note 6(13) and (26))	101,000	-	30,000	-	-	-
1140	Contract assets - current (Note 6(23))	3,255,461	6	2,996,809	5	1,333,814	3	2130	Contract liabilities - current (Note 6(23))	3,323,304	6	3,249,651	6	2,356,376	4
1170	Notes and accounts receivable, net (Note 6(4), (23), and (26))	1,498,903	3	1,124,565	2	2,337,561	4	2150	Notes payable (Note 6(26))	263,739	-	299,864	1	282,038	1
1220	Current income tax assets	145	-	217	-	64	-	2170	Accounts payable (Note 6(26))	5,546,222	10	6,028,647	11	5,155,080	9
1300	Inventories - trading (Note 6(5))	10,213	-	9,166	-	12,095	-	2200	Other payables (Note 6(26))	2,106,800	4	1,022,535	2	631,395	1
1320	Inventories (for the construction industry) (Note 6(5) and 8)	25,499,030	45	25,316,121	44	21,170,390	39	2230	Current income tax liabilities	809,667	2	653,287	1	770,204	2
1410	Prepayments	259,776	-	251,314	-	272,467	-	2250	Provision - current (Note 6(17))	180,975	-	181,670	-	181,785	-
1476	Other financial assets - current (Note 6(12), (23), (26) and 8)	2,591,860	5	2,504,580	5	3,352,134	6	2251	Provision for employee benefits - current (Note 6(19))	15,955	-	17,054	-	19,991	-
1479	Other current assets - others	74,744	-	44,337	-	84,316	-	2280	Lease liabilities - current (Note 6(16) and (26))	198,483	-	201,443	-	168,393	-
1480	Incremental cost of obtaining contracts - current (Note 6(12))	26,542	-	33,295	-	11,992	-	2321	Corporate bonds maturing within one year or one operating cycle or for which the redemption rights are exercised (Note 6(15) and (26))	1,000,000	2	1,000,000	2	1,000,000	2
		46,156,659	81	46,576,922	81	43,331,691	79	2322	Long-term borrowings due within one year or one operating cycle (Note 6(14) and (26))	204,640	-	204,640	-	204,640	-
								2399	Other current liabilities - others (Note 6(26))	124,762	-	183,192	-	66,326	-
										28,361,597	49	28,253,161	49	25,871,646	47
Non-current assets:								Non-current liabilities:							
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6(3) and (26))	35,748	-	35,673	-	11,725	-	2530	Corporate bonds payable (Note 6(15) and (26))	2,000,000	4	2,000,000	3	2,000,000	4
1550	Investment under equity method (Note 6(6))	1,144,615	2	1,143,545	2	1,138,148	2	2540	Long-term borrowings (Note 6(14) and (26))	882,400	2	933,560	2	1,387,040	3
1600	Property, plant and equipment (Note 6(8) and 8)	6,165,856	11	6,213,844	11	6,343,748	12	2573	Deferred income tax liabilities - other	1,200	-	825	-	44	-
1755	Right-of-use assets (Note 6(9))	2,858,324	5	2,905,154	5	3,048,261	6	2580	Lease liabilities - non-current (Note 6(16) and (26))	2,845,389	5	2,941,468	5	3,037,183	5
1760	Investment property (Note 6(10) and 8)	457,125	1	458,173	1	461,317	1	2640	Net defined benefit liabilities - non-current	-	-	-	-	819	-
1780	Intangible assets (Note 6(11))	53,800	-	53,119	-	51,667	-	2645	Guarantee deposits received (Note 6(26))	101,601	-	95,271	-	99,187	-
1840	Deferred income tax assets	56,026	-	55,397	-	57,654	-	2670	Other non-current liabilities - others (Note 6(26))	-	-	-	-	8,168	-
1975	Net defined benefit assets - non-current	6,983	-	7,016	-	5,777	-			5,830,590	11	5,971,124	10	6,532,441	12
1980	Other financial assets - non-current (Note 6(26) and 8)	88,894	-	63,039	-	60,167	-		Total liabilities	34,192,187	60	34,224,285	59	32,404,087	59
1995	Other non-current assets - others	51,727	-	52,744	-	65,631	-		Equity attributable to owners of the parent company (Note 6(21)):						
		10,919,098	19	10,987,704	19	11,244,095	21	3100	Share capital	5,541,701	10	5,541,701	10	5,541,701	10
								3200	Capital reserve	1,472,805	3	1,472,401	3	1,451,905	3
								3300	Retained earnings	12,832,046	22	13,074,843	22	12,129,043	22
								3400	Other equity	(28,383)	-	(28,435)	-	(26,782)	-
								3500	Treasury stock	(98,702)	-	(98,702)	-	(98,702)	-
									Subtotal of equity attributable to owners of the parent	19,719,467	35	19,961,808	35	18,997,165	35
								36XX	Non-controlling interests (Note 6(7))	3,164,103	5	3,378,533	6	3,174,534	6
									Total equity	22,883,570	40	23,340,341	41	22,171,699	41
									Total liabilities and equity	\$ 57,075,757	100	57,564,626	100	54,575,786	100

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

Chairman: Chih-Kang Ma

Manager: Chang-Jung Hsieh

Sheng-An Chang

Accounting supervisor: Shu-Lian Chang

Kindom Development Co., LTD. and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to March 31, 2024 and 2023

		Unit: NTD thousand			
		January to March 2024		January to March 2023	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue (Note 6(18) and (23))	\$ 4,812,657	100	4,492,665	100
5000	Operating cost (Note 6(5) and (19))	3,287,785	68	3,237,184	72
	Gross operating profit	<u>1,524,872</u>	<u>32</u>	<u>1,255,481</u>	<u>28</u>
	Operating expenses:				
6100	Sales and marketing expenses (Note 6(19))	42,770	1	40,562	1
6200	Administrative expenses (Note 6(19) and (24))	430,167	9	415,952	9
6450	Expected credit impairment reversal gain (Note 6(4))	(44)	-	(157)	-
		<u>472,893</u>	<u>10</u>	<u>456,357</u>	<u>10</u>
	Net operating profit	<u>1,051,979</u>	<u>22</u>	<u>799,124</u>	<u>18</u>
	Non-operating income and expenses:				
7100	Interest revenue (Note 6(25))	31,285	1	31,005	1
7020	Other gains and losses (Note 6(25))	30,610	1	3,968	-
7050	Financial costs (Note 6(25))	(66,746)	(2)	(72,199)	(2)
7060	Share of profit or loss of affiliated companies and joint ventures under equity method (Note 6(6))	1,070	-	2,030	-
		<u>(3,781)</u>	<u>-</u>	<u>(35,196)</u>	<u>(1)</u>
	Net income before tax from continuing operations	<u>1,048,198</u>	<u>22</u>	<u>763,928</u>	<u>17</u>
7950	Less: Income tax expenses (Note 6(20))	<u>192,078</u>	<u>4</u>	<u>157,263</u>	<u>4</u>
	Net income for the period	<u>856,120</u>	<u>18</u>	<u>606,665</u>	<u>13</u>
8300	Other comprehensive income:				
8310	Items not reclassified into profit or loss				
8316	Unrealized valuation gains or losses on investments in equity instruments measured at fair value through other comprehensive income	75	-	(784)	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of financial statements of foreign operations	71	-	(28)	-
8300	Other comprehensive income for the period (net amount after tax)	<u>146</u>	<u>-</u>	<u>(812)</u>	<u>-</u>
	Total comprehensive income for the period	<u>\$ 856,266</u>	<u>18</u>	<u>605,853</u>	<u>13</u>
	Net profit for the period attributable to:				
8610	Owner of the parent company	\$ 752,909	16	480,588	10
8620	Non-controlling interests	103,211	2	126,077	3
		<u>\$ 856,120</u>	<u>18</u>	<u>606,665</u>	<u>13</u>
	Total comprehensive income attributable to:				
8710	Owner of the parent company	\$ 752,961	16	480,350	10
8720	Non-controlling interests	103,305	2	125,503	3
		<u>\$ 856,266</u>	<u>18</u>	<u>605,853</u>	<u>13</u>
9750	Basic earnings per share (NTD) (Note 6(22))	<u>\$ 1.39</u>		<u>0.89</u>	
9850	Diluted earnings per share (NTD) (Note 6(22))	<u>\$ 1.39</u>		<u>0.89</u>	

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

Chairman:
Chih-Kang Ma

Manager:
Chang-Jung Hsieh
Sheng-An Chang

Accounting supervisor:
Shu-Lian Chang

Kindom Development Co., LTD. and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to March 31, 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	Non-controlling interests	Total equity
						Retained earnings					Exchange differences on translation of financial statements of foreign operations			
	Common stock capital	Capital reserve	Legal reserve	Special reserves	Undistributed earnings	Total								
Balance as of January 1, 2023	\$ 5,541,701	1,451,569	2,502,670	26,727	9,119,058	11,648,455	(29,493)	2,949	(98,702)	18,516,479	3,048,969	21,565,448		
Net income for the period	-	-	-	-	480,588	480,588	-	-	-	480,588	126,077	606,665		
Other comprehensive income in the current period	-	-	-	-	-	-	(23)	(215)	-	(238)	(574)	(812)		
Total comprehensive income for the period	-	-	-	-	480,588	480,588	(23)	(215)	-	480,350	125,503	605,853		
Overdue dividends not received	-	336	-	-	-	-	-	-	-	336	62	398		
Balance as of March 31, 2023	\$ 5,541,701	1,451,905	2,502,670	26,727	9,599,646	12,129,043	(29,516)	2,734	(98,702)	18,997,165	3,174,534	22,171,699		
Balance as of January 1, 2024	\$ 5,541,701	1,472,401	2,736,352	26,544	10,311,947	13,074,843	(29,496)	1,061	(98,702)	19,961,808	3,378,533	23,340,341		
Net income for the period	-	-	-	-	752,909	752,909	-	-	-	752,909	103,211	856,120		
Other comprehensive income in the current period	-	-	-	-	-	-	59	(7)	-	52	94	146		
Total comprehensive income for the period	-	-	-	-	752,909	752,909	59	(7)	-	752,961	103,305	856,266		
Distribution of cash dividends	-	-	-	-	(995,706)	(995,706)	-	-	-	(995,706)	-	(995,706)		
Difference between the equity price and book value of the subsidiary's equity actually acquired or disposed of	-	12	-	-	-	-	-	-	-	12	(12)	-		
Overdue dividends not received	-	392	-	-	-	-	-	-	-	392	93	485		
Increase/decrease in non-controlling equity	-	-	-	-	-	-	-	-	-	-	(317,816)	(317,816)		
Balance as of March 31, 2024	\$ 5,541,701	1,472,805	2,736,352	26,544	10,069,150	12,832,046	(29,437)	1,054	(98,702)	19,719,467	3,164,103	22,883,570		

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

Chairman: Chih-Kang Ma

Manager: Chang-Jung Hsieh

Sheng-An Chang

Accounting supervisor: Shu-Lian Chang

Kindom Development Co., LTD. and Subsidiaries

Consolidated Statement of Cash Flows

January 1 to March 31, 2024 and 2023

	Unit: NTD thousand	
	January to March 2024	January to March 2023
Cash flow from operating activities:		
Net income before tax for the current period	\$ 1,048,198	763,928
Adjustments:		
Income and expenses		
Depreciation expense	111,260	107,262
Amortization expense	5,726	2,926
Reversal gain of expected credit impairment	(44)	(157)
Net gains from financial assets and liabilities measured at fair value through profit or loss	(9,027)	(320)
Interest expense	66,746	72,199
Interest revenue	(31,285)	(31,005)
Share of income from affiliated companies and joint ventures accounted for using the equity method	(1,070)	(2,030)
Gains from the disposal of property, plant and equipment	-	(362)
Total income and expense	<u>142,306</u>	<u>148,513</u>
Changes in operating assets/liabilities:		
Net changes in assets related to operating activities:		
Increase of financial assets measured at fair value through profit or loss	-	(168)
Decrease (increase) of contract assets	(258,652)	342,125
Increase in notes and accounts receivable	(374,294)	(187,252)
Inventory increase	(127,644)	(27,636)
Increase in prepayments	(10,391)	(79,380)
Increase of other current assets	(21,950)	(2,088)
Increase of other financial assets - current	(88,393)	324,415
Decrease (increase) of incremental cost of obtaining a contract	6,753	(2,014)
Decrease in net defined benefit assets - non-current	33	43
Decrease of other non-current assets	2	6
Total net changes in assets related to operating activities	<u>(874,536)</u>	<u>368,051</u>
Net changes in liabilities related to operating activities:		
Increase in contract liabilities	73,653	310,571
Decrease in notes payable	(36,125)	(110,624)
Decrease in accounts payable	(482,425)	(800,826)
Decrease in other payables	(222,839)	(260,724)
Decrease of employee benefit liabilities - current	(1,099)	(183)
Debt reserve - current decrease	(695)	(1,451)
Increase (decrease) of other current liabilities	(58,430)	25,540
Decrease in net defined benefit liability	-	(2)
Decrease in other non-current liabilities	-	(8,168)
Total net changes in liabilities related to operating activities	<u>(727,960)</u>	<u>(845,867)</u>
Total net changes in assets and liabilities related to operating activities	<u>(1,602,496)</u>	<u>(477,816)</u>
Total adjustment items	<u>(1,460,190)</u>	<u>(329,303)</u>
Cash inflow (outflow) from operations	(411,992)	434,625
Income tax paid	(44,477)	(42,882)
Net cash (outflow) inflow from operating activities	<u>(456,469)</u>	<u>391,743</u>

Kindom Development Co., LTD. and Subsidiaries
Consolidated Statement of Cash Flows (Continued)
January 1 to March 31, 2024 and 2023

Unit: NTD thousand

	January to March 2024	January to March 2023
Cash flow from investing activities:		
Acquisition of property, plant and equipment	(19,971)	(20,608)
Disposal of property, plant and equipment	-	362
Acquisition of intangible assets	(4,338)	(411)
Decrease (increase) of other financial assets - non-current	(25,855)	13,399
Increase (decrease) of other non-current assets	1,015	(1,608)
Interest received	32,398	30,228
Net cash (outflow) inflow from investing activities	(16,751)	21,362
Cash flow from financing activities:		
Increase in short-term borrowings	2,006,005	990,000
Decrease in short-term borrowings	(2,701,133)	(980,438)
Increase in short-term bills payable	597,000	50,000
Decrease in short-term bills payable	(526,000)	(50,000)
Repayment of corporate bonds	-	(1,000,000)
Repayment of long-term borrowings	(51,160)	(51,160)
Increase in guarantee deposits received	6,330	2,983
Lease principal repayment	(108,515)	(112,442)
Interest paid	(114,936)	(126,036)
Changes in non-controlling interests	(2)	-
Net cash outflow from financing activities	(892,411)	(1,277,093)
Effect of exchange rate changes on cash and cash equivalents	71	(28)
Decrease in cash and cash equivalents in current period	(1,365,560)	(864,016)
Opening balance of cash and cash equivalents	14,178,534	15,522,920
Closing balance of cash and cash equivalents	\$ 12,812,974	14,658,904

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

Chairman:
Chih-Kang Ma

Manager:
Chang-Jung Hsieh
Sheng-An Chang

Accounting supervisor:
Shu-Lian Chang

Notes to the consolidated financial statements (Continued)

Kindom Development Co., LTD. and Subsidiaries

Notes to the consolidated financial statements

First 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 May 10, 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 7and IFRS 7 “Supplier Finance Arrangements”

·Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

(II) 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:

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	January 1, 2027

Notes to the consolidated financial statements (Continued)

New or amended standards	Major amendments	Effective date of IASB's announcement
	<p>foundation for better and more consistent information provided to users, and will affect all companies.</p> <ul style="list-style-type: none"> • 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. 	
IFRS 18 "Presentation and Disclosure in Financial Statements"	<ul style="list-style-type: none"> • 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. • 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. 	January 1, 2027

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

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

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

Notes to the consolidated financial statements (Continued)

- Amendments to IFRS 17 "Insurance Contracts" and IFRS 17
- Amendments to IAS 21 "Lack of Exchangeability"

IV. Summary of significant accounting policies

(I) Declaration of compliance

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

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

(II) Basis for consolidation

1. Subsidiaries included in the consolidated financial statements

Investment company	Name	Name of subsidiary	Nature of business	Percentage of equity held			Description
				2024.3.31	2023.12.31	2023.3.31	
The Company		KEDGE CONSTRUCTION CO., LTD. (Kedge Construction)	Comprehensive Construction Activities, etc.	34.18%	34.18%	34.18%	The Company has acquired more than half of the company's board seats
"		Global Mall Co., LTD. (Global Mall)	Supermarkets, department stores, international trading, wholesale and retail of medical equipment, and more.	84.02%	84.02%	84.02%	Subsidiaries with voting shares held by the Company exceeding 50% of the total number of issued shares
Kedge Construction		Jiequn Investment Co., Ltd. (Jiequn Investment)	General investment	99.98%	99.98%	99.98%	Subsidiaries with voting shares held by Kedge Construction exceeding 50% of the total number of issued shares
"		Guanqing Electromechanical Co., Ltd. (Guanqing Electromechanical) (Note)	Electrical Appliance Installation and Fire Safety Equipment Installation Engineering	99.97%	99.96%	99.96%	Subsidiaries with voting shares held by Kedge Construction exceeding 50% of the total number of issued shares
Jointly held by Guanqing Electromechanical Co., Ltd. and Jiequn 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 International Investment Co., Ltd. (KGM)	Investing and operating the overall planning of shopping malls in mainland China,	100.00%	100.00%	100.00%	Subsidiaries with voting shares held by the Global Mall exceeding 50% of the total number of

Notes to the consolidated financial statements (Continued)

Investment company Name	Name of subsidiary	Nature of business	Percentage of equity held			Description
			2024.3.31	2023.12.31	2023.3.31	
		supporting engineering consulting, shopping mall leasing planning and consulting.				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 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 12 months after the reporting period are restricted.

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

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

(IV) Income tax

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

Notes to the consolidated financial statements (Continued)

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

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Cash and petty cash	\$ 12,201	12,271	12,146
Bank deposits			
Check deposits	1,593,553	1,991,787	2,658,350
Demand deposits	2,476,868	2,646,939	1,142,157
Time deposit	5,343,571	6,953,754	8,969,458
Cash equivalents	3,386,781	2,573,783	1,876,793
	<u>\$ 12,812,974</u>	<u>14,178,534</u>	<u>14,658,904</u>

The maturity intervals of the above cash equivalents are April to May 2024, January to March 2024, and April 2023, and the interest rate intervals are 1.32% - 1.38%, 1.30% - 1.36% and 1.07% - 1.20%.

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

Notes to the consolidated financial statements (Continued)

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

	2024.3.31	2023.12.31	2023.3.31
Financial assets mandatorily measured at fair value through profit or loss:			
Listed (OTC) company stocks	<u>\$ 127,011</u>	<u>117,984</u>	<u>97,954</u>

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

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

	2024.3.31	2023.12.31	2023.3.31
Equity instruments measured at fair value through other comprehensive income:			
Stock of domestic (OTC) listed companies - Fubon Financial Preferred Shares C (FBFHCPCS)	\$ 1,773	1,780	1,912
Stock of domestic emerging (listed) companies - Clientron Corp.	403	445	699
Stock of domestic non-listed (OTC) companies - Everterminal Co., Ltd.	1,739	1,744	3,295
Stock of domestic (OTC) listed companies - Global Views Commonwealth Publishing Group	6,557	6,428	5,819
Stock of domestic (OTC) listed companies - Taiwan Calcom International Computer Graphic Co., Ltd	-	-	-
Stock of domestic non-listed (OTC) companies - Preferred stock of Ta Shee Resort Co., Ltd.	25,276	25,276	-
Total	<u>\$ 35,748</u>	<u>35,673</u>	<u>11,725</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 consolidated company did not dispose of the strategic investment from January 1 to March 31, 2024 and 2023, and the accumulated gain or loss during that period was not transferred within the equity.

Notes to the consolidated financial statements (Continued)

3. Please refer to Note 6(26) for credit risk (including impairment of debt instrument investment) and market risk information.

4. The above financial assets have not been provided as collateral guarantees.

(IV) Notes and accounts receivable

	2024.3.31	2023.12.31	2023.3.31
Notes receivable	\$ 10,693	2,637	2,534
Accounts receivable	1,496,341	1,130,103	2,342,966
Less: Loss allowance	(8,131)	(8,175)	(7,939)
	\$ 1,498,903	1,124,565	2,337,561

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

	2024.3.31		
	Carrying amount of notes and accounts receivable	Weighted average rate of expected credit losses	Allowance for expected credit losses during the duration
Not past due	\$ 1,499,126	-	-
Overdue for more than 90 days	8,131	100%	8,131
	\$ 1,507,257		8,131
	2023.12.31		
	Carrying amount of notes and accounts receivable	Weighted average rate of expected credit losses	Allowance for expected credit losses during the duration
Not past due	\$ 1,124,565	-	-
Overdue for more than 90 days	8,175	100%	8,175
	\$ 1,132,740		8,175
	2023.3.31		
	Carrying amount of notes and accounts receivable	Weighted average rate of expected credit losses	Allowance for expected credit losses during the duration
Not past due	\$ 2,337,561	-	-
Overdue for more than 90 days	7,939	100%	7,939

Notes to the consolidated financial statements (Continued)

	2023.3.31	
Carrying amount of notes and accounts receivable	Weighted average rate of expected credit losses	Allowance for expected credit losses during the duration
	\$ 2,345,500	7,939

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

	January to March 2024	January to March 2023
Opening balance	\$ 8,175	8,096
Reversal of impairment loss	(44)	(157)
Closing balance	\$ 8,131	7,939

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

(V) Inventory

	2024.3.31	2023.12.31	2023.3.31
Inventories - Trading	\$ 10,213	9,166	12,095
Inventories - Construction			
Prepayments for building and land	28,320	28,320	4,235
Construction site	1,634,216	1,214,861	1,371,643
Building and land under construction	17,649,505	16,986,514	13,301,547
Buildings and land for sale	6,186,989	7,086,426	6,492,965
Subtotal	25,499,030	25,316,121	21,170,390
Total	\$ 25,509,243	25,325,287	21,182,485

1. For the years ended March 31, 2024 and 2023, the amount of provision for reversal of valuation losses due to sales of inventories was NTD 0 and NTD 1,133 thousand, respectively.
2. The inventory costs recognized as sales costs and expenses from January 1 to March 31, 2024 and 2023 were NTD 1,127,116 thousand and NTD 700,956 thousand, respectively.
3. The consolidated company's building in progress from January 1 to March 31, 2024 and 2023 was calculated at the capitalization interest rate of 2.305% and 2.136%, respectively. For the capitalized interest amount, please refer to Note 6(25).
4. On March 31, 2024, December 31, 2023 and March 31, 2023, the consolidated company entrusted the legal parking spaces for sale to others for an amount of NTD 11,649 thousand, NTD 11,649 thousand, and NTD 12,663 thousand, respectively.
5. Please refer to Note 8 for the consolidated company's inventories provided as collateral for March 31, 2024, December 31, and March 31, 2023.

Notes to the consolidated financial statements (Continued)

(VI) Investment under equity method

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

	2024.3.31	2023.12.31	2023.3.31
Affiliated enterprise	\$ 115,593	116,360	114,430
Joint venture	1,029,022	1,027,185	1,023,718
	\$ 1,144,615	1,143,545	1,138,148

1. Affiliated enterprises

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

Name of affiliated enterprise	The nature of the relationship with the Company	Principal place of business/Country of incorporation	Proportion of ownership interests and voting rights		
			2024.3.31	2023.12.31	2023.3.31
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.:

	2024.3.31	2023.12.31	2023.3.31
Current assets	\$ 370,280	239,119	299,559
Non-current assets	1,713,878	1,845,065	200,000
Current liabilities	(1,124)	(1,209)	(14)
Non-current liabilities	(1,581,830)	(1,581,830)	-
Net assets	\$ 501,204	501,145	499,545
Net assets attributable to the consolidated company	\$ 100,241	100,229	99,909

	January to March 2024	January to March 2023
Operating revenue	\$ -	-
Net income (loss) from continuing operations	59	(231)
Total comprehensive income	\$ 59	(231)
Total comprehensive income attributable to the consolidated company	\$ 12	(46)

The consolidated company's affiliated companies under equity method are individually

Notes to the consolidated financial statements (Continued)

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:

	2024.3.31	2023.12.31	2023.3.31
Summarized book value of equity in affiliated companies that are not significant at the end of the period	\$ 15,352	16,131	14,521
Shares attributable to the consolidated company:			
Net income (loss) from continuing operations	\$ (779)	129	
Total comprehensive income	\$ (779)	129	

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 March 31, 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..

	2024.3.31	2023.12.31	2023.3.31
Percentage of ownership interests	51%	51%	51%
Current assets	\$ 2,019,219	2,015,168	2,008,287
Non-current assets	120	138	183
Current liabilities	(1,596)	(1,147)	(1,055)

Notes to the consolidated financial statements (Continued)

	2024.3.31	2023.12.31	2023.3.31
Non-current liabilities	(53)	(71)	(124)
Net assets	\$ 2,017,690	2,014,088	2,007,291
Cash and cash equivalents	\$ 108,751	102,539	196,392
The consolidated company's share of net assets	\$ 1,029,022	1,027,185	1,023,718
Book value of joint venture equity	\$ 1,029,022	1,027,185	1,023,718

	January to March 2024	January to March 2023
Operating revenue	\$ -	-
Net income from continuing operations for the period	3,602	3,818
Total comprehensive income	\$ 3,602	3,818
Operating expenses	\$ 17	20
Interest revenue	\$ 4,520	3,839
Interest expense	\$ 1	1
Income tax expense	\$ 900	-
The consolidated company's share of total comprehensive income	\$ 1,837	1,947

3. Guarantee

As of March 31, 2024, December 31, 2023 and March 31, 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		
		2024.3.31	2023.12.31	2023.3.31
Kedge Construction and its subsidiaries	Taiwan	65.82%	65.82%	65.82%

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

Notes to the consolidated financial statements (Continued)

Summarized financial information of the Kedge Construction and its subsidiaries:

	2024.3.31	2023.12.31	2023.3.31
Current assets	\$ 11,232,226	11,819,601	10,798,179
Non-current assets	789,354	765,294	648,050
Current liabilities	(7,351,922)	(7,586,014)	(6,887,873)
Non-current liabilities	(190,433)	(192,984)	(196,047)
Net assets	<u>\$ 4,479,225</u>	<u>4,805,897</u>	<u>4,362,309</u>
Book value of non-controlling equity at the end of period	<u>\$ 2,241,107</u>	<u>2,476,890</u>	<u>2,303,774</u>
		January to March 2024	January to March 2023
Operating revenue		<u>\$ 3,002,404</u>	<u>3,270,556</u>
Net income for the period		121,461	167,296
Other comprehensive income		34,612	8,488
Total comprehensive income		<u>\$ 156,073</u>	<u>175,784</u>
Net income for the period attributable to non-controlling interests		<u>\$ 81,867</u>	<u>108,615</u>
Total comprehensive income attributable to non-controlling interests		<u>\$ 81,949</u>	<u>108,046</u>
Cash flow from operating activities		\$ (694,610)	(139,413)
Cash flow from investing activities		1,056	2,716
Cash flow from financing activities		(4,009)	(211,862)
Increase in cash and cash equivalents		<u>\$ (697,563)</u>	<u>(348,559)</u>

(VIII) Property, plant and equipment

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

	Land	Buildings	Leasehold improvements	Other equipment (including transportation, office, machinery, other equipment and leased assets)	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	-	3,562	290	1,786	280	5,918
Disposal and scrap	-	-	-	(310)	-	(310)
Balance as of	<u>\$ 3,607,479</u>	<u>4,385,212</u>	<u>1,015,747</u>	<u>434,315</u>	<u>840</u>	<u>9,443,593</u>

Notes to the consolidated financial statements (Continued)

	Land	Buildings	Leasehold improvements	Other equipment (including transportation, office, machinery, other equipment and leased assets)	Construction in progress	Total
March 31, 2024						
Balance as of January 1, 2023	\$ 3,607,479	4,367,565	1,025,254	431,222	8,471	9,439,991
Addition	-	640	78	10,636	-	11,354
Reclassified from prepayments	-	-	-	5,977	-	5,977
Disposal and scrap	-	(787)	-	(28,467)	-	(29,254)
Decoration engineering adjustment	-	-	-	-	(305)	(305)
Balance as of March 31, 2023	<u>\$ 3,607,479</u>	<u>4,367,418</u>	<u>1,025,332</u>	<u>419,368</u>	<u>8,166</u>	<u>9,427,763</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	-	29,526	10,359	14,021	-	53,906
Disposal and scrap	-	-	-	(310)	-	(310)
Balance as of March 31, 2024	<u>\$ 14,000</u>	<u>2,097,813</u>	<u>856,914</u>	<u>309,010</u>	<u>-</u>	<u>3,277,737</u>
Balance as of January 1, 2023	\$ 14,000	1,953,912	805,394	287,458	-	3,060,764
Depreciation in the current year	-	28,667	11,463	12,375	-	52,505
Disposal and scrap	-	(787)	-	(28,467)	-	(29,254)
Balance as of March 31, 2023	<u>\$ 14,000</u>	<u>1,981,792</u>	<u>816,857</u>	<u>271,366</u>	<u>-</u>	<u>3,084,015</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>
March 31, 2024	<u>\$ 3,593,479</u>	<u>2,287,399</u>	<u>158,833</u>	<u>125,305</u>	<u>840</u>	<u>6,165,856</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>
March 31, 2023	<u>\$ 3,593,479</u>	<u>2,385,626</u>	<u>208,475</u>	<u>148,002</u>	<u>8,166</u>	<u>6,343,748</u>

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

Notes to the consolidated financial statements (Continued)

	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Total</u>
Cost of right-of-use assets:				
Balance as of January 1, 2024	\$ 17,965	3,845,158	20,233	3,883,356
Addition	-	-	1,261	1,261
Transferred out - lease expiry	(4,786)	-	(2,605)	(7,391)
Lease modification	-	8,215	-	8,215
Balance as of March 31, 2024	<u>\$ 13,179</u>	<u>3,853,373</u>	<u>18,889</u>	<u>3,885,441</u>
Balance as of January 1, 2023	\$ 2,302	3,841,187	25,368	3,868,857
Addition	-	112	3,422	3,534
Balance as of March 31, 2023	<u>\$ 2,302</u>	<u>3,841,299</u>	<u>28,790</u>	<u>3,872,391</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	2,636	51,550	2,120	56,306
Transferred out - lease expiry	(4,786)	-	(2,605)	(7,391)
Balance as of March 31, 2024	<u>\$ 4,829</u>	<u>1,014,251</u>	<u>8,037</u>	<u>1,027,117</u>
Balance as of January 1, 2023	\$ -	757,943	12,478	770,421
Current depreciation	162	51,263	2,284	53,709
Balance as of March 31, 2023	<u>\$ 162</u>	<u>809,206</u>	<u>14,762</u>	<u>824,130</u>
Book value:				
January 1, 2024	<u>\$ 10,986</u>	<u>2,882,457</u>	<u>11,711</u>	<u>2,905,154</u>
March 31, 2024	<u>\$ 8,350</u>	<u>2,839,122</u>	<u>10,852</u>	<u>2,858,324</u>
January 1, 2023	<u>\$ 2,302</u>	<u>3,083,244</u>	<u>12,890</u>	<u>3,098,436</u>
March 31, 2023	<u>\$ 2,140</u>	<u>3,032,093</u>	<u>14,028</u>	<u>3,048,261</u>

(X) Investment property

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

Notes to the consolidated financial statements (Continued)

	<u>Land and improvements</u>	<u>Buildings</u>	<u>Total</u>
Cost or recognized cost:			
Balance as of January 1, 2024	\$ 282,087	213,814	495,901
Balance as of March 31, 2024	\$ 282,087	213,814	495,901
Balance as of January 1, 2023	\$ 282,087	213,814	495,901
Balance as of March 31, 2023	\$ 282,087	213,814	495,901
Depreciation and impairment loss:			
Balance as of January 1, 2024	\$ -	37,728	37,728
Depreciation in the current year	-	1,048	1,048
Balance as of March 31, 2024	\$ -	38,776	38,776
Balance as of January 1, 2023	\$ -	33,536	33,536
Depreciation in the current year	-	1,048	1,048
Balance as of March 31, 2023	\$ -	34,584	34,584
Carrying amount:			
January 1, 2024	\$ 282,087	176,086	458,173
March 31, 2024	\$ 282,087	175,038	457,125
January 1, 2023	\$ 282,087	180,278	462,365
March 31, 2023	\$ 282,087	179,230	461,317

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

(XI) Intangible assets

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

	<u>Concession right</u>	<u>Trademarks and Patents</u>	<u>Computer software and others</u>	<u>Total</u>
Cost:				
Balance as of January 1, 2024	\$ 54,199	500	105,402	160,101
Acquired separately	-	-	4,338	4,338
Reclassified from prepayments	-	-	2,069	2,069
Balance as of March 31, 2024	\$ 54,199	500	111,809	166,508
Balance as of January 1, 2023	\$ 54,199	500	137,541	192,240
Acquired separately	-	-	411	411

Notes to the consolidated financial statements (Continued)

	<u>Concession right</u>	<u>Trademarks and Patents</u>	<u>Computer software and others</u>	<u>Total</u>
Reclassified from prepayments	-	-	308	308
Disposal	-	-	(40,727)	(40,727)
Balance as of March 31, 2023	<u>\$ 54,199</u>	<u>500</u>	<u>97,533</u>	<u>152,232</u>
Amortization and impairment loss:				
Balance as of January 1, 2024	\$ 40,096	500	66,386	106,982
Current amortization	869	-	4,857	5,726
Balance as of March 31, 2024	<u>\$ 40,965</u>	<u>500</u>	<u>71,243</u>	<u>112,708</u>
Balance as of January 1, 2023	\$ 36,622	500	101,244	138,366
Current amortization	869	-	2,057	2,926
Disposal	-	-	(40,727)	(40,727)
Balance as of March 31, 2023	<u>\$ 37,491</u>	<u>500</u>	<u>62,574</u>	<u>100,565</u>
Book value:				
January 1, 2024	<u>\$ 14,103</u>	<u>-</u>	<u>39,016</u>	<u>53,119</u>
March 31, 2024	<u>\$ 13,234</u>	<u>-</u>	<u>40,566</u>	<u>53,800</u>
January 1, 2023	<u>\$ 17,577</u>	<u>-</u>	<u>36,297</u>	<u>53,874</u>
March 31, 2023	<u>\$ 16,708</u>	<u>-</u>	<u>34,959</u>	<u>51,667</u>

As of March 31, 2024, December 31, 2023 and March 31, 2023, the consolidated company's intangible assets were not provided as collateral.

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

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Other financial assets - current	\$ 2,591,860	2,504,580	3,352,134
Incremental cost of obtaining a contract	26,542	33,295	11,992
	<u>\$ 2,618,402</u>	<u>2,537,875</u>	<u>3,364,126</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

Notes to the consolidated financial statements (Continued)

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 three months ended March 31, 2024 and 2023, NTD 15,873 thousand and NTD 8,505 thousand were recognized as sales and marketing expenses, respectively.

(XIII) Short-term bills payable

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

	2024.3.31	2023.12.31	2023.3.31
Commercial paper payable	\$ 101,000	30,000	-

The amounts added for the three months ended March 31, 2024 and 2023 were NTD 597,000 thousand and NTD 50,000 thousand, respectively, with the interest rates ranging from 2.538%~2.558%; the repayments were NTD 526,000 thousand and NTD 50,000 thousand.

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

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

2024.3.31				
	Type of currency	Interest rate range	Year to maturity	Amount
Secured bank loan	NTD	2.17%~2.70%	2024 - 2027	\$ 11,953,887
Unsecured bank borrowings	NTD	1.82%~2.96%	2024~2028	3,619,203
Total				\$ 15,573,090
Liquidity				\$ 14,690,690
Non-current				882,400
Total				\$ 15,573,090

2023.12.31				
	Type of currency	Interest rate range	Year to maturity	Amount
Secured bank loan	NTD	2.05%~2.57%	2024~2028	\$ 12,838,945
Unsecured bank borrowings	NTD	1.69%~2.83%	2024~2028	3,480,433
Total				\$ 16,319,378
Liquidity				\$ 15,385,818
Non-current				933,560
Total				\$ 16,319,378

2023.3.31				
	Type of currency	Interest rate range	Year to maturity	Amount
Secured bank loan	NTD	2.18%~2.71%	2023~2027	\$ 12,245,498

Notes to the consolidated financial statements (Continued)

		2023.3.31			
		Type of currency	Interest rate range	Year to maturity	Amount
Unsecured bank borrowings	NTD		1.70%~2.70%	2023~2028	4,381,600
Total					\$ 16,627,098
Liquidity					\$ 15,240,058
Non-current					1,387,040
Total					\$ 16,627,098

1. Issuance and repayment of loans

The amounts added from January 1 to March 31, 2024 and 2023 were NTD 2,006,005 thousand and NTD 990,000 thousand, respectively; the amounts repaid were NTD 2,752,293 thousand and NTD 1,031,598 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:

	2024.3.31	2023.12.31	2023.3.31
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	\$ 3,000,000	3,000,000	3,000,000

1. The consolidated company did not issue corporate bonds payable during January 1 to March 31, 2024 and 2023. For relevant information, please refer to Note 6(15) to the 2023 consolidated financial statements.

2. Please refer to Note 8 for the description of the collateral provided for the aforementioned secured ordinary corporate bonds.

(XVI) Lease liabilities

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

	2024.3.31	2023.12.31	2023.3.31
Current	\$ 198,483	201,443	168,393
Non-current	\$ 2,845,389	2,941,468	3,037,183

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

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

Notes to the consolidated financial statements (Continued)

	January to March 2024	January to March 2023
Interest expense of lease liabilities	<u><u>\$ 13,698</u></u>	<u><u>14,290</u></u>
Expenses of short-term and low-price leases	<u><u>\$ 12,521</u></u>	<u><u>5,343</u></u>

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

	January to March 2024	January to March 2023
Variable lease payments not included in the measurement of lease liabilities	<u><u>\$ 30,822</u></u>	<u><u>26,896</u></u>
Total cash outflow for leases	<u><u>\$ 165,556</u></u>	<u><u>158,971</u></u>

1. Lease of buildings and structures

- (1) The consolidated company leased the land of Pingtung Gongyuan Section of Pingtung Farmland Hydraulic Association of Taiwan. 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 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 the Taiwan Railways Administration, Ministry of Transportation and Communications, 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 the Taiwan

Notes to the consolidated financial statements (Continued)

Railways Administration 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.

- (6) The consolidated company signed the "New Zuoying Station Building" operation investment contract with the Taiwan Railways Administration, Ministry of Transportation and Communications (hereinafter referred to as "TRA"). TRA 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 TRA. In addition to a fixed royalty every year, rent payments include operating royalty based on a certain percentage of turnover.

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

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Warranty reserve	<u>\$ 180,975</u>	<u>181,670</u>	<u>181,785</u>

There was no significant change in the consolidated company's liability provisions during the three months ended March 31, 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:

Notes to the consolidated financial statements (Continued)

	2024.3.31	2023.12.31	2023.3.31
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	18,885	21,316	26,885
Total undiscounted lease payments	\$ 67,515	69,946	75,515

The rent income generated from the investment property from January 1 to March 31, 2024 and 2023 were both NTD 2,431 thousand; furthermore, there was no significant maintenance and repair expense.

(XIX) Employee benefits

1. Defined benefit plan

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

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

	January to March 2024	January to March 2023
Operating cost	\$ 73	77
Operating expenses	\$ 83	179

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:

	January to March 2024	January to March 2023
Operating cost	\$ 4,853	5,053
Operating expenses	\$ 6,041	5,662

3. Liabilities for short-term paid leave

	2024.3.31	2023.12.31	2023.3.31
Short-term paid leave of absence	\$ 15,955	17,054	19,991

(XX) Income tax

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

Notes to the consolidated financial statements (Continued)

	January to March 2024	January to March 2023
Current income tax expense		
Occurred in the current period	\$ 150,594	118,657
Imposition on undistributed earnings	337	-
Adjustment of the current income tax of the previous period	(864)	61
Land Value Increment Tax	42,265	39,915
	192,332	158,633
Deferred income tax expense		
Occurrence and reversal of temporary difference	(254)	(1,370)
Income tax expenses of continuing operations	\$ 192,078	157,263

2. Except for the consolidated company's profit-seeking business income tax settlement, except for Kindom Development Corp., Kedge Construction, Guanqing Electromechanical and Jiequn Investment, which have been approved through 2022, all others have been approved by the tax authorities through 2021.

(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 three months ended March 31, 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:

	2024.3.31	2023.12.31	2023.3.31
Issued stock premium	\$ 827,906	827,906	827,906
Premium of corporate bond conversion	236,408	236,408	236,408
Treasury stock trading	345,697	345,697	325,201
Gain on disposal of assets	34,912	34,912	34,912
Others	27,882	27,478	27,478
	\$ 1,472,805	1,472,401	1,451,905

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

Notes to the consolidated financial statements (Continued)

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 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 March 31, 2024, the special reserve balance amounted to NTD 26,544 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:

Notes to the consolidated financial statements (Continued)

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

3. Treasury stock

The consolidated company's shares held on March 31, 2024 and 2023 are as follows:

Name of subsidiary	2024.3.31			2023.3.31		
	Number of shares	Book value (Note)	Market price	Number of shares	Book value (Note)	Market price
Kedge Construction	550	\$ 1,222	22,990	550	1,222	16,500
Jiequn Investment Co., Ltd.	9,373	55,384	391,795	9,373	55,384	281,193
Guanqing Electromechani cal	1,768	14,590	73,890	1,768	14,590	53,031
	11,691	\$ 71,196	488,675	11,691	71,196	350,724

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	59	-	12	71
Unrealized gains or losses on financial assets at fair value through other comprehensive income	-	(7)	82	75
Balance as of March 31, 2024	\$ (29,437)	1,054	(5,303)	(33,686)
Balance as of January 1, 2023	\$ (29,493)	2,949	(5,172)	(31,716)
Exchange differences arising from the	(23)	-	(5)	(28)

Notes to the consolidated financial statements (Continued)

	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
translation of net assets of foreign operations				
Unrealized gains or losses on financial assets at fair value through other comprehensive income	-	(215)	(569)	(784)
Balance as of March 31, 2023	<u>\$ (29,516)</u>	<u>2,734</u>	<u>(5,746)</u>	<u>(32,528)</u>

(XXII) Earnings per share

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

	January to March 2024	January to March 2023
Basic earnings per share		
Net profit attributable to the Company's common stock shareholders	<u>\$ 752,909</u>	<u>480,588</u>
Weighted average outstanding common stock	<u>541,479</u>	<u>541,479</u>
	<u>\$ 1.39</u>	<u>0.89</u>
Diluted earnings per share		
Net income attributable to the Company's common stock shareholders (diluted)	<u>\$ 752,909</u>	<u>480,588</u>
Weighted average outstanding common stock	541,479	541,479
Effect of employee stock compensation	<u>1,237</u>	<u>1,433</u>
Weighted average outstanding common stock shares (after adjusting the potential dilutive effect of the common stock shares)	<u>542,716</u>	<u>542,912</u>
	<u>\$ 1.39</u>	<u>0.89</u>

(XXIII) Revenue from customer contracts

1. Breakdown of revenue

	January to March 2024			
	Building department	Construction Department	Department of Department Stores	Total
Key regional markets:				
Taiwan	<u>\$ 2,031,514</u>	<u>2,353,235</u>	<u>427,908</u>	<u>4,812,657</u>
Main product/service lines:				

Notes to the consolidated financial statements (Continued)

	January to March 2024			
	Building department	Construction Department	Department of Department Stores	Total
Revenue from sales of real estate	\$ 1,850,243	-	-	1,850,243
Construction contract revenue	178,647	2,353,235	-	2,531,882
Net income from counters	-	-	357,252	357,252
Revenue from service provision	-	-	7,193	7,193
Rental income	2,624	-	38,426	41,050
Other income	-	-	25,037	25,037
	\$ 2,031,514	2,353,235	427,908	4,812,657
Timing of revenue recognition:				
Commodities transferred at a certain point in time	\$ 1,850,243	-	384,660	2,234,903
Income gradually transferred over time	2,624	-	43,248	45,872
Construction transferred over time	178,647	2,353,235	-	2,531,882
	\$ 2,031,514	2,353,235	427,908	4,812,657

	January to March 2023			
	Building department	Construction Department	Department of Department Stores	Total
Key regional markets:				
Taiwan	\$ 1,289,037	2,800,977	402,651	4,492,665
Main product/service lines:				
Revenue from sales of real estate	\$ 1,216,775	-	-	1,216,775
Construction contract revenue	69,633	2,800,977	-	2,870,610
Net income from counters	-	-	324,018	324,018
Revenue from service provision	-	-	6,937	6,937
Rental income	2,629	-	41,435	44,064
Other income	-	-	30,261	30,261
	\$ 1,289,037	2,800,977	402,651	4,492,665
Timing of revenue recognition:				
Commodities transferred at a certain point in time	\$ 1,216,775	-	356,442	1,573,217
Income gradually transferred over time	2,629	-	46,209	48,838

Notes to the consolidated financial statements (Continued)

	January to March 2023			
	Building department	Construction Department	Department of Department Stores	Total
Construction transferred over time	69,633	2,800,977	-	2,870,610
	\$ 1,289,037	2,800,977	402,651	4,492,665
2. Contract balance				
	2024.3.31	2023.12.31	2023.3.31	
Notes and accounts receivable	\$ 1,507,034	1,132,740	2,345,500	
Less: Loss allowance	(8,131)	(8,175)	(7,939)	
Total	\$ 1,498,903	1,124,565	2,337,561	
Contract assets - construction projects	\$ 3,255,461	2,996,809	1,333,814	
Less: Loss allowance	-	-	-	
Total	\$ 3,255,461	2,996,809	1,333,814	
Contract liabilities - construction projects	\$ 1,759,444	2,036,374	1,840,904	
Contract liabilities - sales of buildings and land	1,443,744	1,102,830	400,141	
Contract liabilities - gym	13,656	12,491	12,478	
Contract liabilities - bonus points	23,718	17,681	25,429	
Contract liabilities - gift vouchers	82,742	80,275	77,424	
Total	\$ 3,323,304	3,249,651	2,356,376	

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 was no other material change from January 1 to March 31, 2024 and 2023.

As of March 31, 2024, for the consolidated company's pre-sale of buildings and land projects, the amount of the advances and the interest paid in trust was NTD 242,261 thousand, which had been paid into the trust accounts of each bank, booked in the "Other financial assets - current" account. Relevant trust accounts are as follows:

Project Code	2024.3.31
101A	\$ 242,261

(XXIV) Remuneration to employees and directors

According to the Articles of Incorporation of the Company, if there is profit in the year,

Notes to the consolidated financial statements (Continued)

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 months ended March 31, 2024 and 2023 were NTD 15,365 thousand and NTD 8,813, respectively, and the estimated directors remuneration were NTD 15,365 thousand and NTD 8,813, respectively. The estimate is based on the net income before tax of each period deducting the remuneration of employees and directors, and multiplied by the distribution percentage of the remuneration of employees and directors as stipulated in the Articles of Incorporation of the Company, and is reported as operating expenses for the period. If there is a discrepancy between the actual distributed amount and the estimated figure in the following year, it shall be treated as a change in accounting estimates and recognized as profit or loss of the following year. If the board of directors decides to pay employees' remuneration in shares, the number of shares will be calculated based on the closing price of the common stock on the day before the resolution of the board meeting.

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

(XXV) Non-operating income and expenses

1. Interest revenue

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

	January to March 2024	January to March 2023
Bank deposits (including interest of short-term commercial papers)	\$ 31,124	30,821
Loans and receivables	116	111
Construction deposits paid (including deposits)	6	65
Other interest income	39	8
	\$ 31,285	31,005

2. Other gains and losses

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

	January to March 2024	January to March 2023
Gain (loss) on foreign currency exchange	\$ 2,095	(452)
Financial assets income measured at fair value through profit or loss	9,027	320
Gains from the disposal of property, plant and equipment	-	362

Notes to the consolidated financial statements (Continued)

	January to March 2024	January to March 2023
Rental income	317	268
Other income	19,602	5,948
Other expenses	(431)	(2,478)
	\$ 30,610	3,968

3. Financial costs

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

	January to March 2024	January to March 2023
Interest expense		
Bank borrowings	\$ 95,158	91,410
Interests paid in lieu of cash	53	85
Corporate bond interest and service charge	13,893	13,145
Interest on lease liabilities	13,600	14,251
Other	354	309
Less: capitalized interest	(56,312)	(47,001)
	\$ 66,746	72,199

(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
March 31, 2024						
Non-derivative financial liabilities						
Long-term and short-term borrowings (including current portion)	\$ 15,573,090	16,903,982	9,629,235	5,524,791	1,749,956	-
Short-term bills payable	101,000	101,000	101,000	-	-	-
Ordinary corporate bonds (within one year)	3,000,000	3,094,131	1,005,611	1,009,123	1,079,397	-
Notes, accounts and other payables	7,916,761	7,916,761	5,968,378	1,948,383	-	-
Guarantee deposits received	101,601	101,601	-	101,601	-	-
Other current and non-current liabilities (long- term liabilities)	8,168	8,190	8,190	-	-	-
Lease liabilities (including those due within one year)	3,043,872	3,509,425	248,438	468,895	475,294	2,316,798
	\$ 29,744,492	31,635,090	16,960,852	9,052,793	3,304,647	2,316,798
December 31, 2023						
Non-derivative financial liabilities						
Long-term and short-term borrowings (including current portion)	\$ 16,319,378	17,849,165	11,196,087	1,465,535	5,187,543	-

Notes to the consolidated financial statements (Continued)

	Carrying amount	Contractual cash flow	Within one year	1-3 years	3-5 years	Over 5 years
Short-term bills payable	30,000	30,000	30,000	-	-	-
Ordinary corporate bonds (within one year)	3,000,000	3,101,984	1,007,605	1,010,619	1,083,760	-
Notes, accounts and other payables	7,351,046	7,351,046	5,395,040	1,956,006	-	-
Guarantee deposits received	95,271	95,271	-	95,271	-	-
Other current and non-current liabilities (long-term liabilities)	16,336	16,402	16,402	-	-	-
Lease liabilities (including those due within one year)	3,142,911	3,618,252	251,400	467,004	465,898	2,433,950
	<u>\$ 29,954,942</u>	<u>32,062,120</u>	<u>17,896,534</u>	<u>4,994,435</u>	<u>6,737,201</u>	<u>2,433,950</u>
March 31, 2023						
Non-derivative financial liabilities						
Long-term and short-term borrowings (including current portion)	\$ 16,627,098	17,075,172	10,968,470	4,018,125	2,088,577	-
Ordinary corporate bonds (within one year)	3,000,000	3,033,547	1,004,774	2,028,773	-	-
Notes, accounts and other payables	6,068,513	6,068,513	4,113,575	1,954,938	-	-
Guarantee deposits received	99,187	99,187	-	99,187	-	-
Other current and non-current liabilities (long-term liabilities)	24,504	24,636	16,446	8,190	-	-
Lease liabilities (including those due within one year)	3,205,576	3,722,590	221,453	488,976	467,592	2,544,569
	<u>\$ 29,024,878</u>	<u>30,023,645</u>	<u>16,324,718</u>	<u>8,598,189</u>	<u>2,556,169</u>	<u>2,544,569</u>

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

2. Interest rate analysis

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

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

If the interest rate increases or decreases by 1%, and all other variables remain unchanged, the consolidated company's net profit before tax for the three months ended March 31, 2024 and 2023 would decrease or increase by NTD 38,933 thousand and NTD 41,568 thousand, considering that the net profits after interest capitalization would decrease or increase by NTD 21,117 thousand and NTD 25,177 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:

Notes to the consolidated financial statements (Continued)

Securities price on the reporting date	January to March 2024		January to March 2023	
	Other comprehensive income after tax	Profit or loss after tax	Other comprehensive income after tax	Profit or loss after tax
Up 10%	\$ 3,575	12,701	1,173	9,795
Down 10%	\$ (3,575)	(12,701)	(1,173)	(9,795)

4. Fair value information

(1) Types and fair values of financial instruments

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

	2024.3.31				
	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 mandatorily measured at fair value through profit or loss	\$ 127,011	127,011	-	-	127,011
Financial assets measured at fair value through other comprehensive income	\$ 35,748	2,176	25,276	8,296	35,748
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 12,812,974	-	-	-	-
Notes and accounts receivable	1,498,903	-	-	-	-
Other financial assets- Liquidity	2,591,860	-	-	-	-
Other financial assets- Non-current	88,894	-	-	-	-
Subtotal	16,992,631	-	-	-	-
Total	\$ 17,155,390	129,187	25,276	8,296	162,759
Financial liabilities measured at amortized cost					
Long-term and short-term borrowings (within one year)	\$ 15,573,090	-	-	-	-
Short-term bills payable	101,000	-	-	-	-
Notes, accounts and other payables	7,916,761	-	-	-	-
Corporate bonds payable (within one year)	3,000,000	-	-	-	-
Other current liabilities (long-term payables)	8,168	-	-	-	-
Lease liabilities (within one year)	3,043,872	-	-	-	-

Notes to the consolidated financial statements (Continued)

		2024.3.31			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Guarantee deposits received	101,601	-	-	-	-
Total	\$ 29,744,492	-	-	-	-
		2023.12.31			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	\$ 117,984	117,984	-	-	117,984
Financial assets measured at fair value through other comprehensive income	\$ 35,673	2,225	25,276	8,172	35,673
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 14,178,534	-	-	-	-
Notes and accounts receivable	1,124,565	-	-	-	-
Other financial assets- Liquidity	2,504,580	-	-	-	-
Other financial assets- Non-current	63,039	-	-	-	-
Subtotal	17,870,718	-	-	-	-
Total	\$ 18,024,375	120,209	25,276	8,172	153,657
Financial liabilities measured at amortized cost					
Long-term and short-term borrowings (within one year)	\$ 16,319,378	-	-	-	-
Short-term bills payable	30,000	-	-	-	-
Notes, accounts and other payables	7,351,046	-	-	-	-
Corporate bonds payable (within one year)	3,000,000	-	-	-	-
Other current liabilities (long-term payables)	16,336	-	-	-	-
Lease liabilities (within one year)	3,142,911	-	-	-	-
Guarantee deposits received	95,271	-	-	-	-
Total	\$ 29,954,942	-	-	-	-
		2023.3.31			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	\$ 97,954	97,954	-	-	97,954
Financial assets measured at fair value through other comprehensive income	\$ 11,725	2,611	-	9,114	11,725
Financial assets measured at amortized cost					

Notes to the consolidated financial statements (Continued)

	2023.3.31				
Cash and cash equivalents	\$ 14,658,904	-	-	-	-
Notes and accounts receivable	2,337,561	-	-	-	-
Other financial assets- Liquidity	3,352,134	-	-	-	-
Other financial assets- Non-current	60,167	-	-	-	-
Subtotal	20,408,766	-	-	-	-
Total	\$ 20,518,445	100,565	-	9,114	109,679
Financial liabilities measured at amortized cost					
Long-term and short-term borrowings (within one year)	\$ 16,627,098	-	-	-	-
Notes, accounts and other payables	6,068,513	-	-	-	-
Corporate bonds payable (within one year)	3,000,000	-	-	-	-
Other current liabilities (long-term payables)	16,336	-	-	-	-
Other non-current liabilities (long- term payables)	8,168	-	-	-	-
Lease liabilities (within one year)	3,205,576	-	-	-	-
Guarantee deposits received	99,187	-	-	-	-
Total	\$ 29,024,878	-	-	-	-

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

Non-derivative financial instruments

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

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

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

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

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

Notes to the consolidated financial statements (Continued)

- 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

	Measured at fair value through other comprehensive income
	Equity instruments without public quotations
January 1, 2024	<u><u>\$ 8,172</u></u>
March 31, 2024	<u><u>\$ 8,296</u></u>
January 1, 2023	<u><u>\$ 10,071</u></u>
March 31, 2023	<u><u>\$ 9,114</u></u>

The above total profit or loss is reported in the "unrealized valuation gain (loss) of financial assets measured at fair value through other comprehensive gain or loss". The assets still held on March 31, 2024 and 2023 are as follows:

	January to March 2024	January to March 2023
Total profit or loss		
Recognized in other comprehensive income (reported in "Unrealized valuation gain or loss on financial assets measured at fair value through other comprehensive income")	<u><u>\$ 124</u></u>	<u><u>(957)</u></u>

(XXVII) Financial risk management

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

(XXVIII) Capital management

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

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

The non-cash transaction investing activities and fund-raising activities of the

Notes to the consolidated financial statements (Continued)

consolidated company from January 1 to March 31, 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:

	January to March 2024	January to March 2023
Purchase of property, plant and equipment	\$ 5,918	11,354
Add: Payables for equipment, beginning	34,719	27,286
Less: Payables for equipment, ending	(20,666)	(18,032)
	\$ 19,971	20,608

VII. Transactions with related parties

(I) Names of related parties and their relationships

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

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

(II) Transactions with related parties

1. The consolidated company donated NTD 3,500 thousand and NTD 4,000 thousand during January 1 to March 31, 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, from January 1 to March 31, 2024 and 2023 and the rent revenue were NTD 32 thousand and NTD 14 thousand, respectively.
3. The consolidated company signed an information professional consulting service contract with Readycom Information Services Co., Ltd. in December 2021 for a total contract value of NTD 50 thousand per month. As of December 31, 2023, NTD 150 thousand has been paid and the contract was terminated in 2023.

(III) Transactions by key management personnel

Remuneration to key management personnel includes:

	January to March 2024	January to March 2023
Short-term employee benefits	\$ 36,076	42,654
Post-employment benefits	68	72
	\$ 36,144	42,726

Notes to the consolidated financial statements (Continued)

VIII. Pledged assets

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

Asset name	Subject matter of pledge guarantee	2024.3.31	2023.12.31	2023.3.31
Buildings and land for sale	Bank borrowings	\$ 5,319,264	5,304,017	5,657,493
Construction site	"	-	211,953	211,953
Building and land under construction	"	16,155,522	15,623,646	10,857,569
Investment property and property, plant and equipment, net	Bank borrowings and corporate bonds payable	6,195,641	6,217,019	6,275,807
Other financial assets- Liquidity	Bank borrowings, pre-payment trust, performance bonds, and corporate bonds payable and restricted assets	1,796,018	1,763,834	2,424,924
Other financial assets - non-current	Performance bond and trust	51,334	51,334	51,002
		<u>\$ 29,517,779</u>	<u>29,171,803</u>	<u>25,478,748</u>

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

	2024.3.31	2023.12.31	2023.3.31
Total contract amount	<u>\$ 40,988,814</u>	<u>40,467,060</u>	<u>42,606,409</u>
Amount received	<u>\$ 20,965,059</u>	<u>18,833,690</u>	<u>17,899,109</u>

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

	2024.3.31	2023.12.31	2023.3.31
Price of signed sales contract	<u>\$ 10,064,049</u>	<u>7,580,667</u>	<u>2,688,107</u>
Amount received according to the contract	<u>\$ 1,443,744</u>	<u>1,102,830</u>	<u>400,141</u>

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

	2024.3.31	2023.12.31	2023.3.31
Guaranteed notes	<u>\$ 232,550</u>	<u>232,550</u>	<u>232,550</u>

Notes to the consolidated financial statements (Continued)

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:

	2024.3.31	2023.12.31	2023.3.31
Refundable deposits	\$ 465,644	413,702	546,489
Performance bond	\$ 1,931,336	1,955,836	1,457,189

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:

	2024.3.31	2023.12.31	2023.3.31
Acquisition of inventory (construction industry)	\$ 3,568,545	3,568,545	-

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

	2024.3.31	2023.12.31	2023.3.31
	\$ 3,496,012	3,397,844	3,940,747

7. The consolidated company's letter of credit issued but not used as of March 31, 2024 was USD 1,008 thousand.

8. 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.

9. 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.

10. 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.

11. 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"

Notes to the consolidated financial statements (Continued)

in December 2022. It is a contract for providing capital and assisting in the implementation of the urban renewal business. According to the contract, the consolidated company needs to leaseback the commercial facilities attached to the administrative office building. The leaseback period is 20 years.

X. Losses from major disasters: None.

XI. Material events after the period: None.

XII. Others

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

By function By nature	January to March 2024			January to March 2023		
	Attributable to operating costs	Classified as operating expenses	Total	Attributable to operating costs	Classified as operating expenses	Total
Employee benefit expense						
Salary expenses	148,217	185,192	333,409	168,108	167,074	335,182
Labor and national health insurance expenses	12,905	12,943	25,848	12,508	15,477	27,985
Pension expense	4,926	6,124	11,050	5,130	5,841	10,971
Other employee benefit expenses	4,602	7,830	12,432	4,277	7,332	11,609
Depreciation expense	7,944	103,316	111,260	3,719	103,543	107,262
Amortization expense	162	5,564	5,726	-	2,926	2,926

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

XIII. Disclosures in Notes

(I) Information on significant transactions

According to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the consolidated company shall further disclose the information of significant transactions in March 31, 2024 as follows:

Notes to the consolidated financial statements (Continued)

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	\$8,958,051	14,192	14,192	14,192	-	0.32%	8,958,051	N	Y	N
2	Dingtian Construction	Kindom Development Corp.	Parent and Subsidiary	54,304	14,192	14,192	14,192	-	26.13%	54,304	N	Y	N
2	"	Kedge Construction	Parent and Subsidiary	8,145,603	1,376,500	1,376,500	1,376,500	-	2,534.80%	16,291,206	N	Y	N
3	Global Mall	Guan Hua Co., Ltd. (Global Mall Nangang Store)	2	6,929,845	110,000	110,000	20,000	-	1.90%	11,549,742	Y	N	N
3	"	Guan Cheng Co., Ltd. (Global Mall Banqiao Store)	2	6,929,845	143,100	143,100	61,550	-	2.48%	11,549,742	Y	N	N
3	"	Guan You Co., Ltd. (Global Mall Zuoying Store)	2	6,929,845	180,000	180,000	-	-	3.12%	11,549,742	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

Notes to the consolidated financial statements (Continued)

exceed 5 times the net worth of the company in its latest financial statement.

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

Note 5: The endorsements and guarantees procedures of the Global Company specifies that the total amount 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	44,190	- %	44,190	
"	Stocks - EVERTERMINAL CO., LTD.	-	Financial assets measured at fair value through other comprehensive income - non-current	99	1,739	0.20 %	1,739	
"	Stock - Gongxin	-	"	29	403	0.05 %	403	
"	Stock - Fubon Financial Preferred Shares C (FBFHCPSC)	-	"	12	642	- %	642	
"	Stock - Preferred stock of Ta Shee Resort Co., Ltd.	-	"	-	25,276	- %	25,276	
Jiequn Investment Co., Ltd.	Stock - Fubon Financial	-	Financial assets at fair value through profit or loss - current	592	41,237	- %	41,237	
"	Stock - Sinopac Holdings	-	"	229	4,957	- %	4,957	
"	Stock - Fubon Financial Preferred Shares C (FBFHCPSC)	-	Financial assets measured at fair value through other comprehensive income - non-current	11	599	- %	599	
"	Stock - Taiwan Calcom International Computer Graphic Co., Ltd	-	"	405	-	0.78 %	-	
Guanqing Electromechanical	Stock - Fubon Financial	-	Financial assets at fair value through profit or loss - current	525	36,627	- %	36,627	
"	Stock - Fubon Financial Preferred Shares C (FBFHCPSC)	-	Financial assets measured at fair value through other comprehensive income - non-current	10	532	- %	532	
"	Stock - Global Views Commonwealth Publishing Group	-	"	177	6,557	0.59 %	6,557	

Notes to the consolidated financial statements (Continued)

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)	

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

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	2024.03	This is a sale of inventories, so it is not applicable.	Not applicable	329,598	101,000	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	Purchase (sale) goods	Transaction status			Circumstances and reasons for the difference between the transaction conditions and general transactions			Notes/Accounts Receivable (Payable)		Remarks
				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	891,625	87.04%	50% at sight, 50% in 60 days or 100% at sight and 100% in 90 days	Equivalent	
Kedge Construction	Kindom Development Corp.	An investment in Kedge Construction under the equity method	Contract engineering projects	(891,625)	(28.74)%	The monthly payment collection according to the contract is generally slightly longer.	"	"	806,917	19.63%	"	

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	806,917	3.09	-	-	131,256	-

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

9. Engagement in derivative transactions: None.
10. Business relationships and important transactions between the parent company and its subsidiaries:

Serial number	Trader's Name	Trading counterpart	Relationship with the counterparty	Transactions with each other			As a percentage of consolidated total operating revenue or total assets
				Account title	Amount	Trading terms and conditions	
0	The Company	Kedge Construction	1	Construction cost	634,265	50% at sight, 50% over 60 days	13.18%
0	The Company	Kedge Construction	1	Buildings and land for sale	97,303	50% at sight, 50% over 60 days	0.17%
0	The Company	Kedge Construction	1	Building under construction	177,933	50% at sight, 50% over 60 days	0.31%
0	The Company	Kedge Construction	1	Notes and accounts payable- Related party	806,917	50% at sight, 50% over 60 days	1.41%
0	The Company	Kedge Construction	1	Operating revenue	1,643	Monthly payment	0.03%
0	The Company	Kedge Construction	1	Non-operating revenue	4,586	100% at sight	0.10%
0	The Company	Kedge Construction	1	Operating expenses	1,119	Monthly payment, 100% at sight	0.02%
0	The Company	Dingtian Construction	1	Construction cost	13,507	50% at sight, 50% over 60 days	0.28%
0	The Company	Dingtian Construction	1	Buildings and land for sale	259	50% at sight, 50% over 60 days	-%
0	The Company	Dingtian Construction	1	Building and land under construction	4,513	50% at sight, 50% over 60 days	0.01%
0	The Company	Dingtian Construction	1	Notes and accounts payable- Related party	8,215	50% at sight, 50% over 60 days	0.02%
0	The Company	Dingtian Construction	1	Operating revenue	25	Monthly payment	0.00%
0	The Company	Guanqing Electromechanical	1	Operating revenue	25	Monthly payment	0.00%
0	The Company	Global Mall	1	Non-operating revenue	1,146	Monthly payment	0.02%
1	Kedge Construction	The Company	2	Operating revenue	634,265	50% at sight, 50% over 60 days	13.18%
1	Kedge Construction	The Company	2	Operating cost	275,236	50% at sight, 50% over 60 days	5.72%

Notes to the consolidated financial statements (Continued)

Serial number	Trader's Name	Trading counterpart	Relationship with the counterparty	Transactions with each other			As a percentage of consolidated total operating revenue or total assets
				Account title	Amount	Trading terms and conditions	
1	Kedge Construction	The Company	2	Notes and accounts receivable- Related party and contract assets	806,917	50% at sight, 50% over 60 days	1.41%
1	Kedge Construction	The Company	2	Operating revenue	1,119	Monthly payment, 100% at sight	0.02%
1	Kedge Construction	The Company	2	Operating expenses	1,643	Monthly payment	0.03%
1	Kedge Construction	The Company	2	Operating expenses	4,586	100% at sight	0.10%
1	Kedge Construction	Global Mall	3	Operating revenue	279	100% at sight	0.01%
2	Dingtian Construction	The Company	2	Operating revenue	13,507	50% at sight, 50% over 60 days	0.28%
2	Dingtian Construction	The Company	2	Operating cost	4,772	50% at sight, 50% over 60 days	0.10%
2	Dingtian Construction	The Company	2	Notes and accounts receivable- Related party and contract assets	8,215	50% at sight, 50% over 60 days	0.01%
2	Dingtian Construction	The Company	2	Lease liabilities	25	Monthly payment	0.00%
3	Guanqing Electromechanical	The Company	2	Lease liabilities	25	Monthly payment	0.00%
4	Global Mall	The Company	2	Operating expenses	1,146	Monthly payment	0.02%
4	Global Mall	Kedge Construction	3	Operating expenses	279	100% at sight	0.01%
4	Global Mall	Guan Cheng Co., Ltd. (Global Mall Banqiao Store)	3	Accounts receivable- Related parties, other receivables- Related party	161,940	Annual payment, O/A 30 days	0.28%
4	Global Mall	Guan Cheng Co., Ltd. (Global Mall Banqiao Store)	3	Operating revenue	14,008	Annually	0.29%
4	Global Mall	Guan Hua Co., Ltd. (Global Mall Nangang Store)	3	Accounts receivable- Related parties, other receivables- Related party	16,987	Annual payment, O/A 30 days	0.03%
4	Global Mall	Guan Hua Co., Ltd. (Global Mall Nangang Store)	3	Operating revenue	4,439	Annually	0.09%
4	Global Mall	Guan You Co., Ltd. (Global Mall Zuoying Store)	3	Accounts receivable- Related parties, other receivables- Related party	6,114	Annual payment, O/A 30 days	0.01%
4	Global Mall	Guan You Co., Ltd. (Global Mall Zuoying Store)	3	Operating revenue	1,174	Annually	0.02%
5	Guan Cheng Co., Ltd. (Global Mall Banqiao Store)	Global Mall	3	Accounts payable- Related parties, other payables- Related	161,940	Annual payment, O/A 30 days	0.28%

Notes to the consolidated financial statements (Continued)

Serial number	Trader's Name	Trading counterpart	Relationship with the counterparty	Transactions with each other			As a percentage of consolidated total operating revenue or total assets
				Account title	Amount	Trading terms and conditions	
				party			
5	Guan Cheng Co., Ltd. (Global Mall Banqiao Store)	Global Mall	3	Operating expenses	14,008	Paid once a year	0.29%
6	Guan Hua Co., Ltd. (Global Mall Nangang Store)	Global Mall	3	Other payables- Related party	16,987	Annual payment, O/A 30 days	0.03%
6	Guan Hua Co., Ltd. (Global Mall Nangang Store)	Global Mall	3	Operating expenses	4,439	Paid once a year	0.09%
7	Guan You Co., Ltd. (Global Mall Zuoying Store)	Global Mall	3	Other payables- Related party	6,114	Annual payment, O/A 30 days	0.01%
7	Guan You Co., Ltd. (Global Mall Zuoying Store)	Global Mall	3	Operating expenses	1,174	Paid once a year	0.02%

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

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

Note 2: Relationships with counterparties are indicated as follows:

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

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

(II) Information on the reinvestment business:

The consolidated company's reinvestment for the three months ended March 31, 2024 is as follows:

Unit: NTD Thousand/Thousand shares

Name of Investment Company	Name of investee	Location of the Company	Main business items	Initial investment amount		Held at end of period			Investee profit or loss for the period	Investment gains and losses recognized in the current period	Remarks
				End of current period	End of last year	Number of shares	Ratio	Carrying amount			
Kindom Development Corp.	Kedge Construction	Taiwan	Comprehensive Construction Activities, etc.	374,353	374,353	41,268	34.18%	1,265,626	121,459	42,528	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%	4,876,886	133,527	112,186	"
"	Tua Tiann	Taiwan	Commercial Real Estate Development	1,020,000	1,020,000	102,000	51.00%	1,029,022	3,602	1,837	Investment under the equity method
Kedge Construction	Jiequn Investment Co., Ltd.	Taiwan	General investment	163,935	163,935	16,396	99.98%	583,077	3,251	3,250	Subsidiary
"	Guanqing Electromechanical	Taiwan	Electrical Appliance Installation and Fire Safety Equipment	81,326	81,326	7,748	99.97%	269,504	3,914	3,913	"

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			
			Installation Engineering								
Jiequn Investment Co., Ltd.	Dingtian Construction	Taiwan	Comprehensive Construction Activities, etc.	16,500	16,500	-	30.00%	16,291	(970)	(291)	Third-Tier Subsidiary
Guanqing Electromechanical	Dingtian Construction	Taiwan	Comprehensive Construction Activities, etc.	11,105	11,105	-	70.00%	38,013	(970)	(679)	Third-Tier Subsidiary
Dingtian Construction	Readycom Information Services Co., Ltd.	Taiwan	IT software service and management consulting	15,000	15,000	1,400	46.67%	15,352	(1,670)	(779)	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%	304,394	40,467	40,467	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%	148,344	5,623	5,623	"
"	KGM	Hong Kong	Investing and operating the overall planning of shopping malls in mainland China, supporting engineering consulting, shopping mall leasing planning and consulting.	9,339 (HKD390 thousand)	9,339 (HKD390 thousand)	- (Limited company)	100.00%	1,814	3	3	"
"	Hon Hui Zhu Gao Co., Ltd.	Taiwan	Department stores, supermarkets, non-store retailing, and more.	100,000	100,000	10,000	20.00%	100,241	59	12	Investment under the equity method
Guan Cheng Co., Ltd. (Global Mall Banqiao Store)	Guan You Co., Ltd. (Global Mall Zuoying Store)	Taiwan	Department stores, supermarkets, non-store retailing, and more.	230,006	230,006	13,500	100.00%	94,524	1,557	1,557	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	11,831,680 (Note 2)

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

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

Notes to the consolidated financial statements (Continued)

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%

Notes to the consolidated financial statements (Continued)

XIV. Segment information

(I) General information

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

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

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

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

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

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

	January to March 2024				
	Building department	Construction Department	Department of Department Stores	Adjustment and elimination	Total
Revenue:					
Revenue from external customers	\$ 2,031,514	2,353,235	427,908	-	4,812,657
Inter-segment revenue	1,692	649,169	-	(650,861)	-
Total revenue	\$ 2,033,206	3,002,404	427,908	(650,861)	4,812,657
Reportable segment income	\$ 883,715	150,973	165,435	(151,925)	1,048,198

Notes to the consolidated financial statements (Continued)

January to March 2023					
	Building department	Construction Department	Department of Department Stores	Adjustment and elimination	Total
Revenue:					
Revenue from external customers	\$ 1,289,037	2,800,977	402,651	-	4,492,665
Inter-segment revenue	1,691	469,579	-	(471,270)	-
Total revenue	<u>\$ 1,290,728</u>	<u>3,270,556</u>	<u>402,651</u>	<u>(471,270)</u>	<u>4,492,665</u>
Reportable segment income	<u>\$ 573,178</u>	<u>209,186</u>	<u>132,031</u>	<u>(150,467)</u>	<u>763,928</u>
	Building department	Construction Department	Department of Department Stores	Adjustment and elimination	Total
Assets of reportable segments					
March 31, 2024	<u>\$ 41,540,691</u>	<u>12,021,580</u>	<u>11,690,967</u>	<u>(8,177,481)</u>	<u>57,075,757</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>
March 31, 2023	<u>\$ 38,950,918</u>	<u>11,446,229</u>	<u>11,540,272</u>	<u>(7,361,633)</u>	<u>54,575,786</u>
Liabilities of reportable segments					
March 31, 2024	<u>\$ 21,821,075</u>	<u>7,542,355</u>	<u>5,916,096</u>	<u>(1,087,339)</u>	<u>34,192,187</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>
March 31, 2023	<u>\$ 19,953,753</u>	<u>7,083,920</u>	<u>6,092,226</u>	<u>(725,812)</u>	<u>32,404,087</u>