

Chien Kuo Construction Co., Ltd. and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Review Report

For the Six Months Ended June 30, 2024 and 2023

Address: 20F, No. 67, Sec. 2, Dunhua S. Rd., Da'an District, Taipei City

Tel: (02)2784-9730

For the convenience of readers, this report has been translated into English from the original Chinese version, prepared and used in the Republic of China. The English version has not been audited or reviewed by independent auditors. If there are any discrepancies between the English version and the original Chinese version, or any difference in the interpretation of the two versions, the Chinese language report shall prevail.

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Independent Auditors' Review Report

To: The Board of Directors and shareholders of Chien Kuo Construction Co., Ltd.

Introduction

We have reviewed the Consolidated Balance Sheets of Chien Kuo Construction Co., Ltd. and its subsidiaries as of June 30, 2024 and 2023, the Consolidated Statements of Comprehensive Income for the three-month period ended June 30, 2024 and 2023 and for the six-month period ended June 30, 2024 and 2023, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flows, and Notes to the Consolidated Financial Statements (including the Summary of Significant Accounting Policies) for the six-month period ended June 30, 2024 and 2023. Management is responsible for the preparation of a set of fairly presented financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope

We conducted our reviews in accordance with the Standards on Review Engagement No. 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" in the Republic of China. 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 of Chien Kuo Construction Co., Ltd. and its subsidiaries do not present fairly, in all material aspects the financial position of the entity as of June 30, 2024 and 2023, and of its consolidated financial performance for the three months ended June 30, 2024 and 2023, and its consolidated financial performance and cash flows for the six months ended June 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards 34, "Interim Financial Reporting," endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Deloitte Taiwan

CPA: Li-Chun CHANG

CPA: Wen-Chin LIN

Financial Supervisory Commission Approval

Document No.:

FSC Approval Document No. 1100356048

Securities and Futures Bureau Approval

Document No.:

Tai-Cai-Zheng-6 No. 0920123784

August 14, 2024

Notes to Readers

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

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

Chien Kuo Construction Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

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

Unit: NT\$ Thousands

Code	Assets	June 30, 2024		December 31, 2023		June 30, 2023		
		Amount	%	Amount	%	Amount	%	
Current assets								
1100	Cash and cash equivalents (Note VI)	\$ 1,580,466	18	\$ 1,634,295	20	\$ 2,156,792	28	
1110	Financial assets measured at fair value through profit or loss (Note VII)	2,103,150	24	1,774,481	22	1,363,083	18	
1120	Financial assets at fair value through other comprehensive income (Note VIII)	20,803	-	21,655	-	23,961	-	
1136	Financial assets measured at amortized cost (Note IX)	1,102,344	12	1,577,619	19	944,296	12	
1140	Contract assets (Note XXI)	944,056	11	938,706	12	1,202,649	16	
1150	Notes receivable (Note X)	-	-	156	-	-	-	
1170	Accounts receivable (Notes X and XXI)	205,756	2	291,615	4	187,420	2	
1200	Other receivables	93,960	1	76,903	1	53,515	1	
1220	Current tax assets	136,826	2	132,644	2	134,502	2	
1323	Inventories (for construction business) (Notes XI and XXIX)	5,740	-	2,502	-	2,502	-	
1410	Prepayments (Note XII)	213,317	3	129,937	2	152,415	2	
1470	Other current assets	10,199	-	4,851	-	67,705	1	
11XX	Total current assets	<u>6,416,617</u>	<u>73</u>	<u>6,585,364</u>	<u>82</u>	<u>6,288,840</u>	<u>82</u>	
Non-current assets								
1510	Financial assets measured at fair value through profit or loss (Note VII)	261,816	3	219,477	3	106,686	1	
1517	Financial assets measured at fair value through other comprehensive income (Notes VIII and XXIX)	341,976	4	370,478	5	406,448	5	
1535	Financial assets measured at amortized cost (Notes IX and XXIX)	936,340	11	100,834	1	101,376	1	
1550	Investments accounted for using equity method (Note XIV)	48,708	-	48,642	1	48,632	1	
1600	Property, plant and equipment (Note XV)	77,671	1	95,821	1	109,353	2	
1755	Right-of-use assets (Note XVI)	71,694	1	41,208	-	48,540	1	
1760	Investment properties (Notes XVII and XXIX)	565,929	6	566,426	7	566,922	7	
1780	Intangible assets	21,906	-	10,606	-	11,624	-	
1840	Deferred tax assets	34,984	-	37,828	-	24,944	-	
1990	Other non-current assets (Note XV)	69,040	1	15,927	-	10,839	-	
15XX	Total non-current assets	<u>2,430,064</u>	<u>27</u>	<u>1,507,247</u>	<u>18</u>	<u>1,435,364</u>	<u>18</u>	
1XXX	Total assets	<u><u>\$ 8,846,681</u></u>	<u><u>100</u></u>	<u><u>\$ 8,092,611</u></u>	<u><u>100</u></u>	<u><u>\$ 7,724,204</u></u>	<u><u>100</u></u>	
Code	Liabilities and Equity							
Current liabilities								
2100	Short-term loans (Note XVIII)	\$ 150,000	2	\$ -	-	\$ 100,000	1	
2130	Contract liabilities (Note XXI)	891,415	10	801,917	10	485,295	6	
2170	Accounts payable (Note XIX)	1,171,523	13	1,242,538	15	1,024,820	13	
2190	Dividend payable (Note XXV)	252,000	3	-	-	252,000	3	
2200	Other payables (Note XXV)	215,276	2	203,608	3	144,922	2	
2230	Current tax liabilities	57,183	1	48,685	1	40,228	1	
2250	Current provisions (Note XXI)	120,406	1	135,217	2	78,647	1	
2399	Other current liabilities (Note XVI and XVII)	138,282	2	131,818	1	136,721	2	
21XX	Total current liabilities	<u>2,996,085</u>	<u>34</u>	<u>2,563,783</u>	<u>32</u>	<u>2,262,633</u>	<u>29</u>	
Non-current liabilities								
2570	Deferred tax liabilities	592,941	7	537,026	7	547,596	7	
2600	Other non-current liabilities (Note XVI)	180,097	2	142,048	1	147,014	2	
25XX	Total non-current liabilities	<u>773,038</u>	<u>9</u>	<u>679,074</u>	<u>8</u>	<u>694,610</u>	<u>9</u>	
2XXX	Total liabilities	<u><u>3,769,123</u></u>	<u><u>43</u></u>	<u><u>3,242,857</u></u>	<u><u>40</u></u>	<u><u>2,957,243</u></u>	<u><u>38</u></u>	
Equity (Note XX)								
Capital								
3110	Common stock	2,520,001	28	2,520,001	31	2,520,001	33	
3200	Additional paid-in capital	187,308	2	187,308	2	187,308	2	
Retained Earnings								
3310	Legal reserve	778,147	9	744,264	9	744,264	10	
3320	Special reserve	11,397	-	11,397	-	11,397	-	
3350	Unappropriated earnings	1,231,285	14	1,178,059	15	1,014,867	13	
3300	Total retained earnings	<u>2,020,829</u>	<u>23</u>	<u>1,933,720</u>	<u>24</u>	<u>1,770,528</u>	<u>23</u>	
3400	Other equity	349,420	4	208,725	3	289,124	4	
3XXX	Total equity	<u>5,077,558</u>	<u>57</u>	<u>4,849,754</u>	<u>60</u>	<u>4,766,961</u>	<u>62</u>	
Total liabilities and equity								
		<u><u>\$ 8,846,681</u></u>	<u><u>100</u></u>	<u><u>\$ 8,092,611</u></u>	<u><u>100</u></u>	<u><u>\$ 7,724,204</u></u>	<u><u>100</u></u>	

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

Chairman: Chang-Shiou WU

Manager: Mao-Sheng KAN

Accounting Manager: Lin-Ju LIN

Chien Kuo Construction Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

April 1 to June 30, 2024 and 2023, and January 1 to June 30, 2024 and 2023

Unit: NT\$ Thousands, except for Earnings per share (in Dollars)

Code		April 1 to June 30, 2024		April 1 to June 30, 2023		January 1 to June 30, 2024		January 1 to June 30, 2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Note XXI)	\$ 1,351,810	100	\$ 978,798	100	\$ 2,514,152	100	\$ 2,011,031	100
5000	Operating costs (Notes XXII)	1,161,085	86	879,110	90	2,211,895	88	1,806,864	90
5900	Gross profit	190,725	14	99,688	10	302,257	12	204,167	10
	Operating expenses (Notes XXII and XXVIII)								
6200	Administrative expenses	87,057	6	81,337	8	184,053	7	161,328	8
6450	Gain on reversal of expected credit loss	—	—	—	—	—	—	(10,600)	(1)
	Total operating expenses	87,057	6	81,337	8	184,053	7	150,728	7
6900	Net operating income	103,668	8	18,351	2	118,204	5	53,439	3
	Non-operating income and expenses (Notes XIV, XXII and XXVIII)								
7010	Other income	37,447	2	37,609	4	73,554	3	82,116	4
7020	Other gains and losses	(2,470)	-	62,220	6	195,078	7	81,837	4
7050	Finance costs	(416)	-	(3,057)	-	(758)	-	(6,152)	-
7060	Shares of loss of associates accounted for using equity method	66	—	(83)	—	66	—	(148)	—
7000	Total non-operating income and expenses	34,627	2	96,689	10	267,940	10	157,653	8
7900	Income before income tax	138,295	10	115,040	12	386,144	15	211,092	11
7950	Income tax expense (Note XXIII)	27,402	2	18,712	2	57,636	2	35,459	2
8200	Net income	110,893	8	96,328	10	328,508	13	175,633	9
	Other comprehensive income								
8310	Items that will not be reclassified subsequently to profit or loss:								
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	21,187	2	31,553	3	(10,608)	-	62,629	3
8360	Items that may be reclassified subsequently to profit or loss:								
8361	Exchange differences on translation of financial statements of foreign operations	47,905	4	79,078	8	202,379	8	49,812	2
8399	Income tax related to items that will be reclassified subsequently to profit or loss (Note XXIII)	(9,581)	(1)	(15,815)	(1)	(40,475)	(2)	(9,961)	—
8300	Other comprehensive income (after tax)	59,511	5	94,816	10	151,296	6	102,480	5
8500	Total comprehensive income	\$ 170,404	13	\$ 191,144	20	\$ 479,804	19	\$ 278,113	14
	Earnings per share (Note XXIV)								
9750	Basic	\$ 0.44		\$ 0.38		\$ 1.30		\$ 0.70	
9850	Diluted	\$ 0.44		\$ 0.38		\$ 1.30		\$ 0.69	

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

Chien Kuo Construction Co., Ltd. and Subsidiaries

Consolidated Statements of Changes in Equity

January 1 to June 30, 2024 and 2023

Unit: NT\$ Thousands, except for Dividends per share (in Dollars)

Other equity

Code		Retained Earnings					Exchange differences on translation of financial statements of foreign operations	Unrealized Gain or Loss on Financial Assets at Fair Value through Other Comprehensive Income	Total	Total equity
		Capital	Additional paid-in capital	Legal reserve	Special reserve	Unappropriated earnings				
A1	Balance as of January 1, 2023	\$ 2,520,001	\$ 187,308	\$ 724,858	\$ 11,397	\$ 1,110,640	\$ 67,920	\$ 118,724	\$ 186,644	\$ 4,740,848
	Appropriation and distribution of retained earnings for 2022									
B1	Provision of legal reserve	-	-	19,406	-	(19,406)	-	-	-	-
B5	Cash dividends appropriated to shareholders - NT\$1.00 per share	-	-	-	-	(252,000)	-	-	-	(252,000)
D1	Net income for the six months ended June 30, 2023	-	-	-	-	175,633	-	-	-	175,633
D3	Other comprehensive income after tax for the six months ended June 30, 2023	-	-	-	-	-	39,851	62,629	102,480	102,480
D5	Total comprehensive income for the six months ended June 30, 2023	-	-	-	-	175,633	39,851	62,629	102,480	278,113
Z1	Balance as of June 30, 2023	<u>\$ 2,520,001</u>	<u>\$ 187,308</u>	<u>\$ 744,264</u>	<u>\$ 11,397</u>	<u>\$ 1,014,867</u>	<u>\$ 107,771</u>	<u>\$ 181,353</u>	<u>\$ 289,124</u>	<u>\$ 4,766,961</u>
A1	Balance as of January 1, 2024	\$ 2,520,001	\$ 187,308	\$ 744,264	\$ 11,397	\$ 1,178,059	\$ 65,648	\$ 143,077	\$ 208,725	\$ 4,849,754
	Appropriation and distribution of retained earnings for 2023									
B1	Provision of legal reserve	-	-	33,883	-	(33,883)	-	-	-	-
B5	Cash dividends appropriated to shareholders - NT\$1.00 per share	-	-	-	-	(252,000)	-	-	-	(252,000)
D1	Net income for the six months ended June 30, 2024	-	-	-	-	328,508	-	-	-	328,508
D3	Other comprehensive income after tax for the six months ended June 30, 2024	-	-	-	-	-	161,904	(10,608)	151,296	151,296
D5	Total comprehensive income for the six months ended June 30, 2024	-	-	-	-	328,508	161,904	(10,608)	151,296	479,804
Q1	Disposal of equity instrument investments measured at fair value through other comprehensive income	-	-	-	-	10,601	-	(10,601)	(10,601)	-
Z1	Balance as of June 30, 2024	<u>\$ 2,520,001</u>	<u>\$ 187,308</u>	<u>\$ 778,147</u>	<u>\$ 11,397</u>	<u>\$ 1,231,285</u>	<u>\$ 227,552</u>	<u>\$ 121,868</u>	<u>\$ 349,420</u>	<u>\$ 5,077,558</u>

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

Chairman: Chang-Shiou WU

Manager: Mao-Sheng KAN

Accounting Manager: Lin-Ju LIN

Chien Kuo Construction Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

January 1 to June 30, 2024 and 2023

Unit: NT\$ Thousands

Code		January 1 to June 30, 2024	January 1 to June 30, 2023
	Cash flows from operating activities		
A10000	Income before income tax for the current period	\$ 386,144	\$ 211,092
A20010	Adjustments to reconcile income (loss)		
A20100	Depreciation expense	28,938	28,043
A20200	Amortization expenses	2,501	1,917
A20300	Gain on reversal of expected credit loss	6,741	(13,000)
A20400	Net gain on financial assets at fair value through profit or loss	(187,927)	(77,053)
A20900	Finance costs	758	6,152
A21200	Interest income	(67,671)	(71,742)
A21300	Dividend income	(4,318)	(3,008)
A22300	Shares of profits or loss of associates accounted for using equity method	(66)	148
A22500	Gain on disposal of property, plant and equipment	-	(68)
A29900	Profit from lease modification	(7)	-
A30000	Changes in operating assets and liabilities, net		
A31125	Contract assets	(5,350)	383,593
A31130	Notes receivable	156	-
A31150	Accounts receivable	86,093	(67,922)
A31180	Other receivables	(11,717)	(13,741)
A31200	Inventories (for construction business)	(3,238)	(740)
A31230	Prepayments	(83,380)	4,808
A31240	Other current assets	(5,348)	4,622
A32125	Contract liability	89,498	456,410
A32150	Accounts payable	(71,015)	(229,613)
A32180	Other payables	(56,898)	(28,810)
A32230	Other current liabilities	(14,140)	34,258
A32990	Other non-current liabilities	3	3
A33000	Cash inflow generated from operations	89,757	625,349
A33100	Interest received	62,896	43,334
A33300	Interest paid	(685)	(6,326)
A33500	Income taxes paid	(27,712)	(35,270)
AAAA	Net cash inflow from operating activities	124,256	627,087

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Code		January 1 to June 30, 2024	January 1 to June 30, 2023
	Cash flows from investment activities		
B00010	Acquisition from disposal of financial assets at fair value through other comprehensive income	(\$ 2,044)	\$ -
B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	23,847	-
B00040	Acquisition of financial assets measured at amortized cost	(793,631)	(733,383)
B00050	Disposal of financial assets measured at amortized cost	576,768	4,058
B00100	Acquisition of financial assets at fair value through profit or loss	(1,786,953)	(453,013)
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	1,689,680	144,939
B02700	Acquisition of property, plant and equipment	(872)	(5,071)
B02800	Proceeds from disposal of property, plant, and equipment	-	130
B02900	Advances received from disposal of investment properties	-	117,065
B03800	Decrease (increase) in refundable deposits	253	(102)
B04500	Acquisition of intangible assets	(4,630)	(236)
B07100	Increase in prepayment for equipment	(61,962)	(2,300)
B07600	Dividend received	4,318	<u>26,189</u>
BBBB	Net cash outflows from investing activities	(355,226)	(901,724)
	Cash flows from financing activities		
C00100	Increase in short-term loans	150,000	-
C00200	Decrease in short-term loans	-	(400,000)
C00600	Decrease in short-term notes and bills payable	-	(349,787)
C03000	Increase in guarantee deposits received	13,108	8,891
C04020	Repayment of lease principal	(9,167)	(7,946)
CCCC	Net cash inflows (outflows) from financing activities	153,941	(748,842)
DDDD	Effect of exchange rate changes on cash and cash equivalents	23,200	<u>14,090</u>
EEEE	Net decrease in cash and cash equivalents	(53,829)	(1,009,389)
E00100	Cash and cash equivalents at beginning of period	1,634,295	<u>3,166,181</u>
E00200	Cash and cash equivalents at end of period	\$ 1,580,466	<u>\$ 2,156,792</u>

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

Chairman: Chang-Shiou WU

Manager: Mao-Sheng KAN

Accounting Manager: Lin-Ju LIN

Chien Kuo Construction Co., Ltd. and Subsidiaries
Notes to Consolidated Financial Statements
For the Six Months Ended June 30, 2024 and 2023
(Amount in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

I. Company History

Chien Kuo Construction Co., Ltd. (Hereinafter "the Company") was founded in November 1960. It mainly engages in business relating to design, supervision of modification, and construction of various construction projects of different sizes, as well as trading of construction materials. The Company's stocks, which had been traded on Taipei Exchange since February 1, 1999, were transferred to be listed on Taiwan Stock Exchange in October 2003.

The consolidated financial statements were expressed in New Taiwan Dollars, the Company's functional currency.

II. Date and Procedures of Authorization of Financial Statements

The consolidated financial statements were approved by the Board of Directors on August 14, 2024.

III. Application of New and Amended Standards and Interpretations

(I) The first-time application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC), and Standard Interpretations Committee (SIC) (hereinafter referred to as "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as "FSC") with effective date: The application of the amended IFRSs endorsed and issued into effect by the FSC did not result in significant changes in the accounting policies of the Group.

(II) FSC-endorsed IFRSs that are applicable from 2025 onward

New/Revised/Amended Standards and Interpretations	Effective Date Issued by IASB
Amendment to IAS 21: "Lack of Exchangeability"	January 1, 2025 (Note 1)

Note 1: These amendments shall be applied for the annual reporting period beginning on or after January 1, 2025. The comparative period should not be restated when applying the amendment for the first time. Instead, the impact amounts should be recognized in the retained earnings or equity under the exchange differences on translation of foreign operations on the initial application date, as well as the related affected assets and liabilities.

(III) IFRSs issued by the International Accounting Standards Board but not yet endorsed and issued into effect by the FSC

New/Revised/Amended Standards and Interpretations	Effective Date Issued by IASB (Note 1)
Annual Improvements to IFRS 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sales or Contributions of Assets Between an Investor and Its Associate/Joint Venture"	To be determined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendment to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9—Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Disclosure for Non-Publicly Accountable Subsidiaries"	January 1, 2027

Note 1: Unless otherwise stated, the aforementioned new standards, interpretations and amendments are effective from the reporting fiscal year after their respective effective dates.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS 1 "Presentation of Financial Statements". The main changes in this standard are as follows:

- The income statement should categorize revenue and expense items into operating, investing, financing, income tax, and discontinued operations.
- The income statement should include the reporting of operating income, financing, and income before tax, as well as subtotals and totals of income.
- Guidelines for strengthening consolidation and subdivision provisions: The Group is important to identify and classify assets, liabilities, equity, income, expenses, and cash flows from individual transactions or other matters based on common characteristics. This ensures that each line item reported in the main financial statements shares at least one similar characteristic. Projects with varying characteristics should be classified in the primary financial statements and accompanying notes. When the Group is unable to find a more descriptive name, it will categorize such items as "Other".
- Disclosure of performance measures defining management levels: When the Group engages in public communication outside of financial statements and communicates the perspective of management levels on the overall financial performance of the Group, relevant information regarding the disclosure of performance measures defining management levels should be provided in a single note to the financial statements. This note should include the description of the measures, how they are calculated, adjustments to subtotals or totals as defined by IFRS accounting standards, and the impact of income tax and non-controlling interests related to the adjustments.

Besides the effects mentioned above, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other effects on its financial position and financial performance of amendments to the other standards and interpretations. Any relevant effect will be disclosed when the assessment is completed.

IV. Summary of Significant Accounting Policies

(I) Statement of compliance

The consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" endorsed and issued into effect by FSC. The consolidated financial statements do not present all the disclosures required for a complete set of annual consolidated financial statements prepared under the IFRSs.

(II) Basis of preparation

The consolidated financial statements were prepared on a historical cost basis, except for financial instruments measured at fair value and net defined benefit liabilities recognized at the present value of defined benefit obligations less fair value of plan assets.

The fair value measurement is classified into 3 levels based on the observability and importance of related input:

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities on the measurement date.
2. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
3. Level 3 inputs are unobservable inputs for the assets or liabilities.

(III) Basis of consolidation

The consolidated financial statements include the financial reports of the Company and its wholly-owned entities. The financial statements of the subsidiaries have been adjusted to bring their accounting policies in line with those used by the Group. When compiling the consolidated financial statements, all transactions, account balances, income and expenses between the entities were eliminated. A subsidiary's total comprehensive income is attributed to the owners of the Company and non-controlling interests, even if non-controlling interests become having deficit balances in the process.

Please refer to Note XIII and Appendixes 6 and 7 for details, shareholding ratios, and operations of subsidiaries.

(IV) Other significant accounting policies

Except for the following explanations, please refer to the summary of significant accounting policies in the consolidated financial statements for the year ended December 31, 2023.

1. Criteria for Classification of Current and Non-current Assets and Liabilities

Current assets include:

- (1) Assets held primarily for trading purposes;
- (2) Assets that are expected to be realized within 12 months after the balance sheet date; and
- (3) Cash and cash equivalents, excluding those that are restricted for being used to exchange or settle liabilities beyond 12 months after the balance sheet date.

Current liabilities include:

- (1) Liabilities held primarily for trading purposes;

- (2) Liabilities to be settled within 12 months after the balance sheet date; and
- (3) Liabilities that do not have significant rights to postpone the repayment period for at least 12 months after the balance sheet date.

The Company classifies all other assets or liabilities that are not specified above as non-current.

The Group is engaged in the construction business, which has an operating cycle of over one year. The normal operating cycle applies when considering the classification of current or non-current for the construction-related assets and liabilities.

2. Post-employment benefits under defined benefit plan

Pension costs for an interim period are calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, and adjusted for major market fluctuations, major project modifications, payoffs or other major one-off matters for the period.

3. Income Tax

Income tax expenses are the sum of current income tax and deferred income tax. The income tax expenses for an interim period are accrued by applying the tax rate applicable based on expected total annual earnings to the pre-tax income of the interim period.

V. Primary Sources of Uncertainties in Material Accounting Judgments, Estimates, and Assumptions

When the Group adopts accounting policies, the management must make judgments, estimates and assumptions based on historical experience and other critical factors for related information that are not readily available from other sources. Actual results may differ from these estimates.

In developing significant accounting estimates, the Group has taken into consideration the possible effects of relevant government policies and regulations, inflation, and fluctuations in market interest rates on the related significant accounting estimates. The management will continue to review the estimates and basic assumptions.

Construction contracts

Income or loss of construction contracts are recognized separately based on the percentage of completion of contractual activities, and the percentage of completion is measured at the proportion of the contract costs incurred to date to the estimated total contract costs. Changes in incentives and compensations stipulated in the contracts will be included in and recognized as contract revenue only when relevant uncertainties are subsequently eliminated and the probability of reversing the amount of accumulated contract revenue is quite low.

As estimated total costs and contractual activities are evaluated and judged by the management based on the nature of the different construction projects, the estimated amount of the contract, the duration of construction, the undertaking of construction and the construction methods, they may affect the calculation of the percentage of completion and the construction income or loss.

VI. Cash and cash equivalents

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand and revolving funds	\$ 2,613	\$ 2,505	\$ 2,253
Bank checks and demand deposits	772,714	787,452	449,837
Cash equivalents (time deposits with original maturity date within 6 months)			
Bank time deposits	<u>805,139</u>	<u>844,338</u>	<u>1,704,702</u>
	<u><u>\$ 1,580,466</u></u>	<u><u>\$ 1,634,295</u></u>	<u><u>\$ 2,156,792</u></u>

The interest rate intervals of time deposits as of the balance sheet dates are as follows:

	June 30, 2024	2023	June 30, 2023
Time deposits	0.64%~5.49%	0.52%~5.85%	0.52%~5.60%

Time deposits that do not meet the definition of cash equivalents have been reclassified under "financial assets carried at amortized cost." Please refer to Note IX.

VII. Financial assets measured at fair value through profit or loss

	June 30, 2024	2023	June 30, 2023
Mandatorily measured at fair value through profit or loss			
<u>Current</u>			
— Emerging stocks	\$ 192,029	\$ 198,207	\$ 144,415
— Fund beneficiary certificates (I)	<u>1,911,121</u>	<u>1,576,274</u>	<u>1,218,668</u>
	<u><u>\$ 2,103,150</u></u>	<u><u>\$ 1,774,481</u></u>	<u><u>\$ 1,363,083</u></u>
<u>Non-current</u>			
— Listed stocks and emerging stocks	\$ 90,207	\$ 69,106	\$ 7,220
— Unlisted stocks	73,858	46,632	46,821
— Unlisted preferred stocks	61,950	61,950	-
— Private equity funds	<u>35,801</u>	<u>41,789</u>	<u>52,645</u>
	<u><u>\$ 261,816</u></u>	<u><u>\$ 219,477</u></u>	<u><u>\$ 106,686</u></u>

(I) According to the beneficiary certificate contract, foreign private equity funds can only be redeemed at 98% of the redemption price within one year. In addition, the fund company has set a monthly/quarterly redemption threshold, above which the fund cannot be redeemed in that month/quarter.

VIII. Financial assets measured at fair value through other comprehensive income

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Investment in equity instruments</u>			
Listed stocks			
Current	\$ 20,803	\$ 21,655	\$ 23,961
Non-current	<u>341,976</u>	<u>370,478</u>	<u>406,448</u>
	<u><u>\$ 362,779</u></u>	<u><u>\$ 392,133</u></u>	<u><u>\$ 430,409</u></u>

The Group invested in domestic and foreign common stock pursuant to its medium-term and long-term strategies for the purpose of making a profit. The management elected to designate these investments to be measured at fair value through other comprehensive income as they believed that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the aforementioned strategy of holding these investments for long-term purposes.

For financial assets pledged at fair value through other comprehensive income, please refer to Note XXIX.

IX. Financial Assets Measured at Amortized Cost

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Current</u>			
Time deposits with original maturity date over six months	\$ 882,257	\$ 1,369,318	\$ 732,102
Restricted bank deposits (1)	-	15	992
Restricted bank term deposits (1)	<u>220,087</u>	<u>208,286</u>	<u>211,202</u>
	<u><u>\$ 1,102,344</u></u>	<u><u>\$ 1,577,619</u></u>	<u><u>\$ 944,296</u></u>
<u>Non-current</u>			
Corporate bonds (2)	\$ 873,235	\$ 30,867	\$ 31,326
Pledged certificate of deposit	<u>70,050</u>	<u>70,050</u>	<u>70,050</u>
Subtotal	<u>943,285</u>	<u>100,917</u>	<u>101,376</u>
Less: Allowance losses	<u>(6,945)</u>	<u>(83)</u>	<u>-</u>
	<u><u>\$ 936,340</u></u>	<u><u>\$ 100,834</u></u>	<u><u>\$ 101,376</u></u>

The interest rate intervals of time deposits and corporate bonds as of the balance sheet dates are as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Time deposits with original maturity date over six months	5.00%~6.06% 4.50%	5.04%~6.06% 4.50%	3.64%~5.86% 3.80%
Restricted bank term deposits	1.65%~5.95%	5.38%	5.38%
Corporate bonds	1.08%	0.65%	0.65%
Pledged certificate of deposit			

- (1) The aforementioned restricted financial assets are funds repatriated by the Group in accordance with the "The Management, Utilization, and Taxation of Repatriated Offshore Funds Act" (hereinafter the "Act"). The Group intends to deposit the funds in a special account and withdraw them annually after a period of 5 years. The purpose of holding these assets does not meet the requirement for fulfilling short-term cash commitments, the financial assets are measured at amortized cost.
- (2) The Group only invests in debt instruments that have credit ratings of investment grade or higher, which are provided by independent rating agencies. The Group consistently monitors external credit ratings and financial market conditions to oversee the credit risk changes of the invested debt instruments. It also evaluates significant information about debtors and other relevant data to assess whether there has been a significant increase in credit risk since the initial recognition of the debt instrument investments.

The Group considers the historical default probabilities and loss given default rates provided by external rating agencies to measure the expected credit losses of debt instruments over the next 12 months or over the lifetime of the instruments.

The total book value and applicable expected credit loss rates for investments in debt instruments of each credit rating are provided below:

June 30, 2024

Credit Rating	Expected credit loss rate	Total carrying amount measured at amortized cost
Normal	0.12%~2.29%	\$ 873,235

December 31, 2023

Credit Rating	Expected credit loss rate	Total carrying amount measured at amortized cost
Normal	0.27%	\$ 30,867

Summary by credit rating level for changes in loss allowance on the Group's investments in debt instruments measured at amortized cost:

Credit Rating
Normal
\$ 83
6,741
121
<u>\$ 6,945</u>

Balance as of January 1, 2024
Purchase of New Debt
Instruments
Exchange Rates and Other
Changes
Balance as of June 30, 2024

For information on pledged financial assets measured at amortized cost, please refer to Note XXIX.

X. Notes Receivable and Accounts Receivable

	June 30, 2024	December 31, 2023	June 30, 2023
Notes receivable	\$ <u> </u> -	\$ <u>156</u>	\$ <u> </u> -
<u>Accounts receivable</u>			
Measured at amortized cost			
Total carrying amount	\$ 232,033	\$ 316,638	\$ 212,291
Less: Allowance losses	(<u>26,277</u>)	(<u>25,023</u>)	(<u>24,871</u>)
	<u>\$ 205,756</u>	<u>\$ 291,615</u>	<u>\$ 187,420</u>

Accounts receivable

The credit policy of the Group is mainly contract-based, and the notes receivable and accounts receivable are not interest-bearing. To minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual account receivable on the balance sheet date to ensure that adequate allowance is made for possible irrecoverable amounts. As such, the Group's management concludes that the credit risk has been significantly reduced.

The impairment assessment of the Group's accounts receivable is based on individual assessment, aging analysis, historical experience and analysis of customers' current financial position to estimate the amount of irrecoverable receivables. Some of the overdue receivables are under legal proceedings in accordance with the written agreements.

In determining the recoverability of accounts receivable, the Group considers the change in the quality of credit from the time the receivables are originally granted to the time they are presented on the balance sheet. An appropriate allowance for loss is recognized when the receivables are assessed to be irrecoverable beyond the credit period.

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

Aging analysis of notes receivable of the Group is as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Not overdue	\$ <u> </u> -	\$ <u>156</u>	\$ <u> </u> -

Aging analysis of accounts receivable of the Group is as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Not overdue	\$ 200,857	\$ 212,253	\$ 182,783
Less than 180 days	-	74,697	-
More than 361 days	<u>31,176</u>	<u>29,688</u>	<u>29,508</u>
Total	<u>\$ 232,033</u>	<u>\$ 316,638</u>	<u>\$ 212,291</u>

Changes in allowance losses for accounts receivable are as follows:

	January 1 to June 30, 2024	January 1 to June 30, 2023
Beginning balance	\$ 25,023	\$ 34,534
Less: Reversal of impairment loss for the period	-	(9,086)
Exchange difference	<u>1,254</u>	<u>(577)</u>
Ending balance	<u>\$ 26,277</u>	<u>\$ 24,871</u>

XI. Inventories (for construction business)

	June 30, 2024	December 31, 2023	June 30, 2023
Shaoxing S. St., National Taiwan University	<u>\$ 5,740</u>	<u>\$ 2,502</u>	<u>\$ 2,502</u>

XII. Prepayments

	June 30, 2024	December 31, 2023	June 30, 2023
Prepayments for construction contracts	\$ 145,658	\$ 106,183	\$ 140,934
Tax overpaid retained	8,596	2,865	2,644
Prepaid insurance	32,579	16,329	4,293
Prepayments for investment funds	23,000	-	-
Others	<u>3,484</u>	<u>4,560</u>	<u>4,544</u>
	<u>\$ 213,317</u>	<u>\$ 129,937</u>	<u>\$ 152,415</u>

XIII. Subsidiary

(I) Subsidiaries included in the consolidated financial statements

The entities of the consolidated financial statements are as follows:

Name of Investor	Subsidiary Company Name	Business Activities	Shareholding Percentage			Explanation
			June 30, 2024	December 31, 2023	June 30, 2023	
The Company	Golden Canyon Limited (Golden Canyon)	Reinvestment	100%	100%	100%	
	Silver Shadow Holding Limited (Silver Shadow)	Reinvestment	100%	100%	100%	
	CKTech Engineering Co., Ltd. (CKTech Engineering)	Undertaking mechanical, electrical and plumbing/refrigeration/air conditioning engineering; wholesale and retail of equipment	100%	100%	100%	
	Chien Kuo Building Co., Ltd. (Chien Kuo Building)	Building construction commission; public housing lease and sale	100%	100%	100%	
	Golden Canyon Venture Capital Investment Co., Ltd. (Golden Canyon Venture Capital)	Venture capital	100%	100%	100%	
	Golden Canyon II Venture Capital Investment Co., Ltd. (Golden Canyon Venture Capital II)	Venture capital	100%	100%	100%	
	Chien Bang Real Estate Development Co., Ltd. (Chien Bang Building)	Building construction commission; public housing lease and sale	55%	55%	55%	
	Leader Construction Co., Ltd (Leader Construction)	Maintenance and construction/Buying and selling construction materials	100%	100%	-	(Note 1)
	Chien Kuo Building	Chien Bang Real Estate Development Co., Ltd. (Chien Bang Building)	Building construction commission; public housing lease and sale	45%	45%	45%
	Subsidiaries of Golden Canyon and Silver Shadow	CK Asia Co., Ltd. (CK Asia)	Reinvestment	100%	100%	100%
	CK Asia (Shanghai) Information Technology Co., Ltd. (Shanghai Information)	Computer software technology development and consultation	100%	100%	100%	

Subsidiaries included in the consolidated financial statements are described as follows:

(1) Leader Construction was established on August 1, 2023 through an investment made by the Company.

(II) Subsidiaries not included in the consolidated financial statements: None.

XIV. Investments accounted for using equity method

Investments in associates

	December 31,		
	June 30, 2024	2023	June 30, 2023
Associates not individually significant			
Chang Jia Energy Co., Ltd.	\$ 48,708	\$ 48,642	\$ 48,632

<u>Associates not individually significant</u>	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Shares attributable to the Group				
Net profit (loss) from continuing operations	\$ 66	(\$ 83)	\$ 66	(\$ 148)
Total comprehensive income	\$ 66	(\$ 83)	\$ 66	(\$ 148)

XV. Property, plant, and equipment

	December 31,		
	June 30, 2024	2023	June 30, 2023
Land	\$ 15,742	\$ 15,742	\$ 15,742
Buildings	371	396	419
Machinery equipment	732	978	1,223
Transportation equipment	1,876	2,141	1,206
Office equipment	5,292	5,495	5,471
Leasehold improvements	1,723	2,121	1,180
Other equipment	51,935	68,948	84,112
	<u>\$ 77,671</u>	<u>\$ 95,821</u>	<u>\$ 109,353</u>

Apart from recognition of depreciation expenses, there were no significant additions, disposals, or impairments of the Group's property, plant, and equipment from January 1 to June 30 in 2024 and 2023.

Depreciation expenses of the Group's property, plant and equipment were computed by significant component using the straight line method over the following estimated useful lives:

Buildings		
Main buildings of plant		61 years
Rooftop construction		22 years
Leasehold improvements		3~6 years
Machinery equipment		4~6 years
Transportation equipment		5~6 years
Office equipment		2~6 years
Other equipment		3~9 years

Prepaid equipment costs were recorded as other non-current assets and amounted to NT\$61,962 thousand as of June 30, 2024, NT\$8,596 thousand as of December 31, 2023, and NT\$4,600 thousand as of June 30, 2023.

XVI. Lease Agreement

(I) Right-of-use assets

	December 31,		
	June 30, 2024	2023	June 30, 2023
Carrying amount of right-of-use assets			
Buildings	\$ 69,506	\$ 39,168	\$ 45,443
Transportation equipment	2,188	2,040	3,097
	<u>\$ 71,694</u>	<u>\$ 41,208</u>	<u>\$ 48,540</u>

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Additions to right-of-use assets	\$ 2,217	\$ 42,593	\$ 40,541	\$ 42,593
Depreciation expense of right-of-use assets				
Buildings	\$ 4,208	\$ 3,638	\$ 8,357	\$ 6,886
Transportation equipment	\$ 533	\$ 510	\$ 1,062	\$ 1,014
	<u>\$ 4,741</u>	<u>\$ 4,148</u>	<u>\$ 9,419</u>	<u>\$ 7,900</u>

Other than the increase and recognition of depreciation expenses above, the Group's right-of-use assets did not undergo significant sublease and impairment for the six-month periods ended June 30, 2024, and 2023.

(II) Lease liabilities

	December 31,		
	June 30, 2024	2023	June 30, 2023
Carrying amount of lease liabilities			
Current (listed as other current liabilities)	\$ 16,839	\$ 11,046	\$ 14,322
Non-current (listed as other non-current liabilities)	\$ 55,369	\$ 30,431	\$ 34,413

The discount rate intervals of the lease liabilities are as follows:

	December 31,		
	June 30, 2024	2023	June 30, 2023
Buildings	1.65%~2.06%	1.65%~2.06%	1.65%~2.00%
Transportation equipment	3.00%	3.00%	3.00%

(III) Other lease information

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Short-term lease expense	\$ 1,739	\$ 1,652	\$ 3,733	\$ 3,808
Total cash outflow on lease	\$ 6,359	\$ 5,785	\$ 12,900	\$ 11,754

XVII. Investment Property

	June 30, 2024	December 31, 2023	June 30, 2023
Land (1)	\$ 554,192	\$ 554,192	\$ 554,192
Buildings	11,130	11,620	12,110
Parking space	<u>607</u>	<u>614</u>	<u>620</u>
	<u><u>\$ 565,929</u></u>	<u><u>\$ 566,426</u></u>	<u><u>\$ 566,922</u></u>
 Fair Value	 <u><u>\$ 750,809</u></u>	 <u><u>\$ 750,809</u></u>	 <u><u>\$ 739,849</u></u>

(1) The Group acquired the land sitting at the northern part of the industrial zone in Xinzhuang District in July 2017. Whereas it was initially planned to construct a building for subsequent sale with the original accounting inventory of NT\$465,926 thousand, the Board of Directors resolved on May 10, 2023, to enter into a pre-sale purchase agreement for the aforementioned real estate. The transaction amount was NT\$583,832 thousand. As a result, the Group reclassified the land as investment property starting from the second quarter of 2023. Following the signing of the contract, the buyer shall engage an architect for the design and application for a building permit, and appoint a contractor for the construction of the building on the land. All costs related to the construction of the building shall be borne by the buyer. The ownership of the land will be transferred to the buyer upon completion of the building, and the transfer registration of the land will be completed simultaneously with the building. As of June 30, 2024, the Group has received a prepayment of NT\$117,065 thousand for the first installment of land payment. This prepayment is recorded as part of other current liabilities. The land is pledged to financial institutions for loans. Please refer to Notes XXIX.

Depreciation expenses of investment property are provided using the straight-line method over 6~50 years of useful lives.

The fair value of investment property is calculated by reference to the latest transaction price in the neighborhood.

For the amount of investment property pledged by the Group as collateral against its secured borrowings, please refer to Note XXIX.

XVIII. Short-term loans

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Unsecured loans</u>			
Credit line loans	\$ 150,000	\$ _____ -	\$ 100,000
 Annual interest rate (%) (Effective interest rate)			
	1.77%	-	1.70%

XIX. Accounts payable

Accounts payable include construction retainage payable for construction contracts. Construction retainage payable is not interest-bearing, and will be paid at the end of the retention period of each construction contract. The aforesaid retention period, usually more than one year, is the normal business cycle of the Group.

XX. Equity

(I) Capital

	June 30, 2024	December 31, 2023	June 30, 2023
Number of authorized shares (in 1,000 shares)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Authorized capital	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
Number of issued and paid shares (in 1,000 shares)	<u>252,000</u>	<u>252,000</u>	<u>252,000</u>
Issued capital	<u>\$ 2,520,001</u>	<u>\$ 2,520,001</u>	<u>\$ 2,520,001</u>

The par value of common share issued is NT\$10 per share. Each share is entitled to the right to vote and receive dividends.

To adjust the capital structure and enhance shareholder return on equity, the Company resolved at a Board meeting on March 13, 2024, to conduct a cash reduction of capital by returning capital to shareholders. This resolution was subsequently approved at the shareholders' meeting on June 18, 2024. The amount of capital reduction was NT\$504,000 thousand, reducing 50,400 thousand shares. The reduction ratio was 20%, resulting in a post-reduction capital of 201,600 thousand shares. The Taiwan Stock Exchange Corporation has approved the aforementioned capital reduction plan, effective August 8, 2024, as per Tai Zheng Shang Yi Zi. No. 1131803642.

(II) Additional paid-in capital

	June 30, 2024	December 31, 2023	June 30, 2023
<u>May be used to offset deficits, appropriated as cash dividends or transferred to capital (1)</u>			
Stock issuance premium	\$ 186,037	\$ 186,037	\$ 186,037
Difference between prices of shares acquired from subsidiaries and book value	993	993	993
<u>May only be used to offset deficits</u>			
Adjustment in additional paid-in capital of subsidiaries using equity method	73	73	73
<u>May not be used for any purpose</u>			
Employee stock options	<u>205</u>	<u>205</u>	<u>205</u>
	<u>\$ 187,308</u>	<u>\$ 187,308</u>	<u>\$ 187,308</u>

(1) This type of additional paid-in capital may be used to offset deficits, if any, or to distribute cash dividends or to transfer to capital, but the transfer is up to a certain ratio of paid-in capital every year.

(III) Retained earnings and dividend policy

According to the earnings appropriation policy set forth in the Articles of Incorporation of the Company, the annual net income, if any, should be used to pay off all the taxes and duties, as well as to compensate prior years' deficits. The remaining amount, if any, should be appropriated in the following order:

1. Provide legal reserve pursuant to laws and regulations.
2. Provide (or reverse) special reserves pursuant to laws and regulations or for operating necessities.
3. The remaining balance, along with unappropriated earnings of prior years, shall be proposed by the Board of Directors for earnings distribution, which shall then be resolved by the shareholders' meeting.

For the appropriation policy regarding compensation to employees and remuneration to directors as set forth in the Company's Articles of Incorporation, please refer to Note XXII (VI).

The Company's dividend policy takes into account the environment and growth of the industry, long-term financial plans and optimization of shareholders' equity. Cash dividends to be appropriated in a year shall not be less than 10% of the total dividends to be appropriated for the year.

The Company appropriates and reverses special reserves in accordance with the regulations in Jin-Guan-Zheng-Fa's Letter No. 1090150022 and Jin-Guan-Zheng-Fa's Letter No. 1010012865 from the FSC and "Q&A on the Applicability of the Appropriation of Special Reserve after the Adoption of the International Financial Reporting Standards (IFRSs)." If other shareholders' equity deductions are reversed afterward, the reversal may be applicable for the appropriation of earnings.

The Company shall set aside a legal reserve until it equals the Company's paid-in capital. Such legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be distributed in cash.

The Company held the regular shareholders' meeting on June 18, 2024, and June 20, 2023, and respectively resolved the 2023 and 2022 earnings distribution proposals as follows:

	Proposal of Earnings Appropriation		Dividends per Share (NT\$)	
	2023	2022	2023	2022
Legal reserve	\$ 33,883	\$ 19,406		
Cash dividends	252,000	252,000	\$ 1.00	\$ 1.00

XXI. Revenue

(I) Revenue from contracts with customers

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Revenue from construction contracts	\$ 1,351,720	\$ 978,714	\$ 2,513,976	\$ 2,010,863
Others	90	84	176	168
	<u>\$ 1,351,810</u>	<u>\$ 978,798</u>	<u>\$ 2,514,152</u>	<u>\$ 2,011,031</u>

The real estate construction contracts of the construction department specify the adjustment for price index fluctuations, performance bonus and penalties for delay, and the Group estimates the most possible amount for transaction price by reference to the past contracts of similar conditions and scale.

(II) Contract balance

	June 30, 2024		December 31, 2023		June 30, 2023	
	Construction Segment	Discontinued Segment	Construction Segment	Discontinued Segment	Construction Segment	Discontinued Segment
Notes receivable (Note X)	\$ -	\$ -	\$ 156	\$ -	\$ -	\$ -
Accounts receivable (Note X)	\$ 200,857	\$ 4,899	\$ 286,950	\$ 4,665	\$ 182,783	\$ 4,637
Contract assets						
Real estate construction	\$ 744,761	\$ -	\$ 693,243	\$ -	\$ 992,142	\$ -
Construction retainage receivable	\$ 199,295	\$ -	\$ 245,463	\$ -	\$ 210,507	\$ -
	<u>\$ 944,056</u>	<u>\$ -</u>	<u>\$ 938,706</u>	<u>\$ -</u>	<u>\$ 1,202,649</u>	<u>\$ -</u>
Contract liability						
Real estate construction	\$ 891,415	\$ -	\$ 801,917	\$ -	\$ 485,295	\$ -
Current provisions	\$ 120,406	\$ -	\$ 135,217	\$ -	\$ 78,647	\$ -

(III) Contracts with customers that have not been fully completed

The aggregate amount of the amortized transaction price of which the performance obligations have not been satisfied and the anticipated years to recognize the revenue for the construction contracts signed by the Group as of June 30, 2024 are as follows:

Anticipated years to recognize revenue	June 30, 2024
2024~2030	\$ 36,189,475

XXII. Net Income from Continuing Operations

(I) Other income

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Interest income	\$ 36,313	\$ 34,819	\$ 67,671	\$ 71,742
Dividend income	509	2,236	4,318	3,008
Litigation compensation	-	-	-	3,193
Gain on reversal of expected credit loss on other receivables	-	-	-	2,400
Others	<u>625</u>	<u>554</u>	<u>1,565</u>	<u>1,773</u>
	<u><u>\$ 37,447</u></u>	<u><u>\$ 37,609</u></u>	<u><u>\$ 73,554</u></u>	<u><u>\$ 82,116</u></u>

(II) Other gains and losses

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Gains (Losses) on valuation of financial assets at fair value through profit or loss	(\$ 6,138)	\$ 55,449	\$ 187,927	\$ 77,053
Foreign exchange gains, net	8,451	4,029	15,730	2,401
Corporate bonds expected credit losses	(3,741)	-	(6,741)	-
Others	(<u>1,042</u>)	<u>2,742</u>	(<u>1,838</u>)	<u>2,383</u>
	<u><u>(\$ 2,470)</u></u>	<u><u>\$ 62,220</u></u>	<u><u>\$ 195,078</u></u>	<u><u>\$ 81,837</u></u>

(III) Finance costs

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Interest expenses				
Interest on bank loans	\$ 87	\$ 2,902	\$ 87	\$ 5,939
Lease liabilities	<u>329</u>	<u>155</u>	<u>671</u>	<u>213</u>
	<u><u>\$ 416</u></u>	<u><u>\$ 3,057</u></u>	<u><u>\$ 758</u></u>	<u><u>\$ 6,152</u></u>

(IV) Depreciation and amortization expenses

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Property, plant, and equipment	\$ 9,500	\$ 9,841	\$ 19,022	\$ 19,646
Right-of-use assets	4,741	4,148	9,419	7,900
Investment property	248	249	497	497
Intangible assets	1,311	1,507	2,501	1,917
Total	<u>\$ 15,800</u>	<u>\$ 15,745</u>	<u>\$ 31,439</u>	<u>\$ 29,960</u>
Depreciation expenses by function				
Operating costs	\$ 9,229	\$ 9,451	\$ 18,466	\$ 18,526
Operating expenses	5,022	4,548	9,995	9,040
Other gains and losses	238	239	477	477
	<u>\$ 14,489</u>	<u>\$ 14,238</u>	<u>\$ 28,938</u>	<u>\$ 28,043</u>
Amortization expenses by function				
Operating costs	\$ 688	\$ 499	\$ 1,293	\$ 507
Operating expenses	623	1,008	1,208	1,410
	<u>\$ 1,311</u>	<u>\$ 1,507</u>	<u>\$ 2,501</u>	<u>\$ 1,917</u>

(V) Employee benefits expenses

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Short-term employee benefits	\$ 135,681	\$ 114,937	\$ 280,055	\$ 229,378
Post-employment benefits				
Defined contribution plan	4,442	4,330	9,054	8,770
Defined benefit plans	171	168	333	332
Termination benefits	495	5	4,231	69
	<u>\$ 140,789</u>	<u>\$ 119,440</u>	<u>\$ 293,673</u>	<u>\$ 238,549</u>
By function				
Operating costs	\$ 72,151	\$ 55,672	\$ 144,289	\$ 112,980
Operating expenses	68,638	63,768	149,384	125,569
	<u>\$ 140,789</u>	<u>\$ 119,440</u>	<u>\$ 293,673</u>	<u>\$ 238,549</u>

(VI) Remuneration for employees and directors

According to the Articles of Incorporation, the Company appropriates 0.1% to 3% of its income before tax, remuneration for employees and directors as employee remuneration, and no more than 3% of such income as directors' remuneration. Remuneration to employees and remuneration to directors for the three-month periods and six-month periods ended June 30, 2024 and 2023 are as follows:

	April 1 to June 30, 2024		April 1 to June 30, 2023		
	Amount	Percentage (%)	Amount	Percentage (%)	
	Employee remuneration	\$ 4,394	3%	\$ 3,525	3%
Director remuneration	\$ 4,394	3%	\$ 3,525	3%	
January 1 to June 30, 2024		January 1 to June 30, 2023			
	Amount	Percentage (%)	Amount	Percentage (%)	
	Employee remuneration	\$ 11,845	3%	\$ 6,574	3%
	Director remuneration	\$ 11,845	3%	\$ 6,574	3%

If there is a change in the amounts after the annual consolidated financial statements are approved for issue, the differences shall be treated as a change in the accounting estimate in the following year.

The remuneration to employees and remuneration to directors and supervisors for 2023 and 2022 were resolved by the Board of Directors on March 13, 2024 and March 15, 2023 respectively as follows:

	2023		2022	
	Amount	Percentage (%)	Amount	Percentage (%)
	Cash	(%)	Cash	(%)
Employee remuneration	\$ 12,522	3%	\$ 7,178	3%
Director remuneration	<u>\$ 12,522</u>	3%	<u>\$ 7,178</u>	3%
	<u>\$ 25,044</u>		<u>\$ 14,356</u>	

The amounts of the employee remuneration and director remuneration distributed for the years ended December 31, 2023 and 2022 and those recognized in the consolidated financial statements are consistent.

Information about remuneration to employees and remuneration to directors approved by the Board of Directors is available at the Market Observation Post System website of Taiwan Stock Exchange.

XXIII. Income Tax

(I) Income tax recognized in profit or loss

Major components of income tax expenses are as follows:

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Current-period income tax				
Income tax expenses recognized in the current period	\$ 24,766	\$ 17,109	\$ 57,819	\$ 39,304
Additional tax on unappropriated earnings	-	1,406	-	1,406
Adjustments for previous years	(18,592)	(512)	(18,467)	(512)
	<u>6,174</u>	<u>18,003</u>	<u>39,352</u>	<u>40,198</u>
Deferred income tax				
Income tax expenses recognized in the current period	8,275	709	5,331	(4,739)
Adjustments for previous years	<u>12,953</u>	<u>709</u>	<u>12,953</u>	<u>(4,739)</u>
	<u>21,228</u>	<u>709</u>	<u>18,284</u>	<u>(4,739)</u>
Income tax expenses recognized in profit or loss	<u>\$ 27,402</u>	<u>\$ 18,712</u>	<u>\$ 57,636</u>	<u>\$ 35,459</u>

(II) Income tax recognized in other comprehensive income

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Deferred income tax				
Arise from current period				
— Exchange differences on translation of financial statements of foreign operations	(\$ 9,581)	(\$ 15,815)	(\$ 40,475)	(\$ 9,961)

(III) Income tax approval status

The tax authorities have approved the profit-seeking enterprise income tax returns of the Company and domestic subsidiaries as follows:

Company name	Year Approved
The Company	2022
Chien Kuo Building Co., Ltd.	2022
CKTech Engineering Co., Ltd.	2022
Golden Canyon Venture Capital Investment Co., Ltd.	2022
Golden Canyon II Venture Capital Investment Co., Ltd.	2022
Chien Bang Real Estate Development Co., Ltd.	2022

XXIV. Earnings Per Share

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023	Unit: NT\$
Basic earnings per share	\$ 0.44	\$ 0.38	\$ 1.30	\$ 0.70	
Diluted earnings per share	\$ 0.44	\$ 0.38	\$ 1.30	\$ 0.69	

Net income and the weighted average number of shares of common stocks used for calculation of earnings per share are as follows:

Net income

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Net income attributable to owners of the Company	\$ 110,893	\$ 96,328	\$ 328,508	\$ 175,633

Number of shares

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023	(in Thousand)
Weighted average number of shares of common stock used for the calculation of basic earnings per share	252,000	252,000	252,000	252,000	
Effect of potentially dilutive shares of common stocks:					
Employee remuneration	198	265	784	743	
Weighted average number of shares of common stock used for the calculation of diluted earnings per share	252,198	252,265	252,784	252,743	

If the Group may choose between stocks or cash for distribution for employee remuneration, it assumes stocks would be distributed in the calculation of diluted EPS. The potential shares of common stock with dilutive effect shall be incorporated in the weighted average number of shares outstanding when calculating the diluted EPS. Such dilutive effect of potential shares of common stock is still included in the calculation of diluted earnings per share before the shareholders' meeting in the following year resolves the number of shares to be distributed to employees.

XXV. Information on Cash Flows of Investment Activities of Non-cash Transactions

Except as disclosed in other notes, the Group conducted the following investment and financing activities of non-cash transaction from January 1 to June 30, 2024 and 2023:

- (I) The financial assets measured at amortized cost are assets that the Group purchased from January 1 to June 30, 2024 are recognized as other payables amounted to NT\$64,867 thousand on June 30, 2024 due to settlement-date lag.
- (II) The financial assets measured at fair value through other comprehensive income that the Group purchased from January 1 to June 30, 2024 are recognized as other payables amounted to NT\$3,057 thousand on June 30, 2024 due to settlement-date lag.
- (III) The Group's cash dividends approved by the shareholders' meeting were not distributed as of June 30, 2024 and 2023 (Please refer to Note XX).

XXVI. Capital Risk Management

The objective of the Group's capital management is to ensure that the Group can continue as a going concern, that an optimal capital structure is maintained to lower the cost of capital, and that returns are provided to shareholders. To maintain or adjust the capital structure, the Company may adjust dividends paid to shareholders, refund capital to shareholders or issue new shares to lower its debts.

XXVII. Financial Instruments

(I) Fair value of financial instruments that are not measured at fair value

Please refer to the information stated in the consolidated balance sheets. The management of the Group believes that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values, such that their carrying amounts recognized in the consolidated balance sheets are used as a reasonable basis for estimating their fair values.

(II) Fair value of financial instruments measured at fair value on a recurring basis

1. Fair value level

June 30, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value through profit or loss</u>				
Listed stocks and emerging stocks	\$ -	\$ 282,236	\$ -	\$ 282,236
Unlisted stocks	-	-	73,858	73,858
Unlisted preferred stocks	-	-	61,950	61,950
Fund beneficiary certificates	1,911,121	-	-	1,911,121
Private equity funds	-	-	35,801	35,801
Total	<u>\$ 1,911,121</u>	<u>\$ 282,236</u>	<u>\$ 171,609</u>	<u>\$ 2,364,966</u>

Financial assets measured at fair value through other comprehensive income

Listed stocks	<u>\$ 362,779</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ 362,779</u>
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December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value through profit or loss</u>				
Listed stocks and emerging stocks	\$ -	\$ 267,313	\$ -	\$ 267,313
Unlisted stocks	-	-	46,632	46,632
Unlisted preferred stocks	-	-	61,950	61,950
Fund beneficiary certificates	1,575,405	869	-	1,576,274
Private equity funds	-	-	41,789	41,789
Total	<u>\$ 1,575,405</u>	<u>\$ 268,182</u>	<u>\$ 150,371</u>	<u>\$ 1,993,958</u>

Financial assets measured at fair value through other comprehensive income

Listed stocks	<u>\$ 392,133</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ 392,133</u>
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June 30, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value through profit or loss</u>				
Emerging stocks	\$ -	\$ 151,635	\$ -	\$ 151,635
Unlisted stocks	-	-	46,821	46,821
Fund beneficiary certificates	1,114,214	104,454	-	1,218,668
Private equity funds	-	-	52,645	52,645
Total	<u>\$ 1,114,214</u>	<u>\$ 256,089</u>	<u>\$ 99,466</u>	<u>\$ 1,469,769</u>
<u>Financial assets measured at fair value through other comprehensive income</u>				
Listed stocks	<u>\$ 430,409</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 430,409</u>

There was no transfer between Level 1 and Level 2 fair value measurement for the six months ended June 30, 2024, and 2023.

2. Adjustments on the financial instruments measured at Level 3 fair value

	January 1 to June 30, 2024	January 1 to June 30, 2023
Beginning balance	\$ 150,371	\$ 197,029
Recognized in profit and loss		
— Unrealized valuation gains or losses on financial assets at fair value through profit or loss	2,227	2,722
Recognized in other comprehensive income		
— Differences on translation of foreign operations	\$ 2,226	\$ 727
Purchase	25,000	15,000
Return on Capital	(8,215)	-
Transfer out from Level 3 (Note 1)		(116,012)
Ending balance	<u>\$ 171,609</u>	<u>\$ 99,466</u>

Note 1: The unlisted domestic stocks originally held by the Group have been listed and traded on the Emerging Stock Market since January 2023, and thus were transferred from Level 3 to Level 2 for fair value measurement.

3. Valuation techniques and inputs applied to Level 2 fair value measurement

Type of Financial Instruments	Valuation Techniques and Inputs
Listed stocks and emerging stocks	The liquidity is adjusted by the price of inactive market transactions.
Fund beneficiary certificates	The quotation is provided by the fund company.

4. Valuation techniques and inputs applied to Level 3 fair value measurement

The fair value of private equity funds is estimated based on the valuation report provided by the fund company with consideration for liquidity. The fair value of unlisted stocks and preferred stocks without active market is estimated with reference to recent financing price.

The unobservable inputs applied by the Group were a 10% discount for lack of liquidity and a 10% discount for minority interest on June 30, 2024, December 31 and June 30, 2023. When other inputs are held constant, a 1% discount would decrease the fair value by NT\$9,022 thousand, NT\$9,132 thousand and NT\$2,589 thousand, respectively.

(III) Types of financial instruments

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Financial assets</u>			
Measured at fair value through profit or loss			
Mandatorily measured at fair value through profit or loss	\$ 2,364,966	\$ 1,993,958	\$ 1,469,769
Financial assets measured at amortized cost (Note I)	3,925,562	3,687,916	3,509,058
Financial assets measured at fair value through other comprehensive income			
Investment in equity instruments	362,779	392,133	430,409
<u>Financial liabilities</u>			
Measured at amortized cost (Note II)	1,913,525	1,557,765	1,634,342

Note 1: The balance includes financial assets measured at amortized cost, which comprise cash and cash equivalents, restricted bank deposits, time deposit, note receivables, accounts receivable, other receivables, and refundable deposits and pledged certificate of deposit.

Note 2: The balance includes financial liabilities at amortized cost, which comprise notes payable, accounts payable, other payables, guarantee deposit received and short-term loans.

(IV) Financial risk management objectives and policies

The daily operations of the Group are subject to a number of financial risks, including market risk (including foreign exchange rate risk, interest rate risk and other price risks), credit risk and liquidity risk. The overall financial risk management policy of the Group focuses on the uncertainties in the financial market to reduce the potentially adverse effects on the financial position and performance of the Group.

Financial risk management of the Group is carried out by its finance department based on the policies approved by the Board of Directors. Through cooperation with the Group's operating units, the finance department is responsible for identifying, evaluating and hedging financial risks. The Board of Directors has established written principles with respect to the overall risk management, and there are policies in writing for specified scope and matters, such as foreign exchange rate risk, interest rate risk, other price risks, credit risk, utilization of derivatives and non-derivatives and investment of remaining liquidity.

1. Market risk

(1) Foreign exchange rate risk

The Company has repatriated its offshore funds with the applicable Repatriated Offshore Funds Act; therefore, the Company is exposed to the risk of fluctuation in the exchange rate.

Please see Note XXXI for details on carrying amounts of significant monetary assets denominated in foreign currencies on the balance sheet dates.

Sensitivity analysis

The Group is mainly exposed to USD, JPY, and RMB fluctuations.

The following table details the Group's sensitivity to a 1% change in New Taiwan Dollars against the relevant foreign currencies. The rate of 1% is the sensitivity rate used when reporting foreign currency risk internally to the key management, and represents the management's assessment of the reasonably possible range of changes in foreign exchange rates. The sensitivity analysis includes only outstanding monetary items denominated in foreign currencies and is used to adjust the translation at the end of the period to a 1% change in the exchange rate. The positive figures in the table below show the increase in income before tax when the currency appreciates by 1% against the combined entity's functional currency.

	Effect on Profit or Loss	
	January 1 to June 30, 2024	January 1 to June 30, 2023
	\$ 2 6,785	\$ 2 2,131
RMB		
USD		

(2) Interest rate risk

The interest rate risk of the Group is mainly from cash and cash equivalents. Cash and cash equivalents held at floating interest rates expose the Group to the cash flow interest rate risk. Part of such risk is offset by loans made at floating rates. Cash and cash equivalents held and loans made at fixed interest rates expose the Group to the fair value interest rate risk. The policy of the Group is to dynamically adjust the proportion of instruments of fixed interest rates and those of floating interest rates based on the overall trend of interest rates.

The carrying amounts of financial assets and financial liabilities of the Group with exposure to interest rate on the balance sheet dates are as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
With fair value interest rate risk			
— Financial assets	\$ 2,843,823	\$ 2,522,776	\$ 2,749,382
— Financial liabilities	72,208	41,477	48,735
With cash flow interest rate risk			
— Financial assets	772,714	787,467	450,829
— Financial liabilities	150,000	-	100,000

Sensitivity analysis

The sensitivity analysis below is prepared based on the risk exposure of derivative and non-derivative instruments to the interest rates at the balance sheet date. For liabilities at floating interest rates, the analysis assumes they are outstanding throughout the reporting period if they are outstanding at the balance sheet date. A 100 basis point increase or decrease is used when reporting the interest rate risk internally to the key management, and represents the management's assessment of the reasonably possible range of changes in interest rates.

If interest rate had increased/decreased by 100 basis points, holding other variables constant, the Group's income before tax would have increased/decreased by NT\$3,114 thousand and NT\$1,754 thousand for the six months ended June 30, 2024, and 2023, respectively.

(3) Other price risks

Investments in beneficiary certificates and domestic and foreign equity instruments expose the Group to the equity price risk. The Group diversifies its investment portfolio to manage the price risk of investments in financial instruments.

Sensitivity analysis

The sensitivity analysis below is based on the exposure to equity price risk at the balance sheet date.

If the equity price increased/decreased by 10%, income before tax from January 1 to June 30, 2024, and 2023 would have increased/decreased by NT\$236,497 thousand and NT\$146,977 thousand due to a change in the fair value of financial assets at fair value through profit or loss.

If the Equity price had increased/decreased by 10%, the other comprehensive income before tax for the six months ended June 30, 2024 and 2023, would have increased/decreased by NT\$36,278 thousand and NT\$43,041 thousand, respectively, due to a change in the fair value of financial assets at fair value through other comprehensive income.

2. Credit risk

Credit risk refers to the risk of financial loss of the Group arising from default by clients or counterparties of financial instruments on the contractual obligations. The policy of the Group in response to credit risk is as follows:

Customers

The Group's established internal credit policy requires that all entities within the Group manage and conduct credit analysis on every new client before stipulating the terms and conditions of payment and delivery. The internal risk control assesses clients' credit quality by taking into account their financial position, past experience, and other factors. Individual risk limits are set by the management based on internal or external ratings. The utilization of credit limits is regularly monitored.

The credit risk of the Group is mainly concentrated in our top five customers. As of June 30, 2024, December 31, 2023, and June 30, 2023, the ratio of accounts receivable and contract assets from aforementioned customers to the total amounted to 82%, 84%, and 81%, respectively. To mitigate credit risk, the Group regularly assesses the financial position of our customers and the likelihood of recovering accounts receivable and recognizes appropriate loss allowance.

3. Liquidity risk

- (1) The cash flow forecast is performed by each operating entity of the Company and compiled by the Company's finance department. The finance department monitors the forecast of circulating capital needs of the Company to ensure that the Company's funds are adequate to finance its operations.
- (2) The following tables detail the Group's non-derivative financial liabilities grouped by the maturity date. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contractual maturity date. The contractual cash flows disclosed below, including those of interest and principals, are undiscounted.

June 30, 2024

	Less than 1 Year			1~2 Year(s)	2~5 Years
Non-interest-bearing liabilities	\$ 1,465,862		\$ 113,105	\$ 59,832	
Lease liabilities	17,958		14,867		42,452
Floating interest rate instruments	150,000		-	-	-
	<u>\$ 1,633,820</u>		<u>\$ 127,972</u>		<u>\$ 102,284</u>

December 31, 2023

	Less than 1 Year	1~2 Year(s)	2~5 Years
Non-interest-bearing liabilities	\$ 1,369,906	\$ 8,719	\$ 67,521
Lease liabilities	<u>11,667</u>	<u>8,560</u>	<u>22,903</u>
	<u><u>\$ 1,381,573</u></u>	<u><u>\$ 17,279</u></u>	<u><u>\$ 90,424</u></u>

June 30, 2023

	Less than 1 Year	1~2 Year(s)	2~5 Years
Non-interest-bearing liabilities	\$ 1,334,588	\$ 52,117	\$ 35,037
Lease liabilities	15,036	8,986	26,732
Floating interest rate instruments	<u>100,000</u>	<u>-</u>	<u>-</u>
	<u><u>\$ 1,449,624</u></u>	<u><u>\$ 61,103</u></u>	<u><u>\$ 61,769</u></u>

The amount of the above non-derivative financial asset and liability instruments with floating interest rates will change due to differences between the floating interest rates and the interest rates estimated as of the balance sheet date.

(3) Financing facilities

	June 30, 2024	December 31, 2023	June 30, 2023
Credit line of unsecured bank loan			
— Amount used	\$ 150,000	\$ -	\$ 100,000
— Amount unused	<u>2,044,163</u>	<u>2,327,283</u>	<u>2,017,020</u>
	<u><u>\$ 2,194,163</u></u>	<u><u>\$ 2,327,283</u></u>	<u><u>\$ 2,117,020</u></u>
Secured bank loan facilities			
— Amount unused	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>

XXVIII. Related Party Transactions

In preparing the consolidated financial statements, all transactions, account balances, income and expenses between the Company and its subsidiaries have been eliminated in full and are not disclosed in this note accordingly. In addition to those disclosed in other notes, material transactions between the Group and other related parties are as follows.

(I) Names and relationships of related parties

Name of Related Party	Relationship with the Group
Chien Hwei Investment Co., Ltd.	The chairman of Chien Hwei Investment is the vice chairman of the Company.
Chien Kuo Foundation for Arts and Culture	The chairman of the foundation is the vice chairman of the Company.

(II) Other related party transactions

1. Lease agreements

The Group rents the office from other related parties based on the local rental standards. The rent is paid on a monthly basis.

Account	Category of Related Parties	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Acquisition of right-of-use assets	Chien Hwei Investment Co., Ltd.	\$ -	\$ -	\$ 37,634	\$ -

Account	Category of Related Parties	June 30, 2024	December 31, 2023	June 30, 2023
Lease Liabilities - Current and Non-current	Chien Hwei Investment Co., Ltd.	\$ 34,651	\$ -	\$ 2,792

Account	Category of Related Parties	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Interest expenses	Chien Hwei Investment Co., Ltd.	\$ 158	\$ 14	\$ 323	\$ 33
Lease expenses	Chien Hwei Investment Co., Ltd.	\$ 52	\$ 46	\$ 110	\$ 92

2. Lease agreements (operating lease)

The Group rents the office to other related parties based on the local rental standards, and a fixed lease payment is collected monthly according to the lease agreement.

Account	Category of Related Parties	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Rent income	Chien Hwei Investment Co., Ltd.	\$ 286	\$ 285	\$ 572	\$ 571

3. Donation

Category of Related Parties	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Other related parties	\$ 2,000	\$ -	\$ 2,500	\$ 2,000

The Group donated funds for broadcast production to related parties.

(III) Remuneration to key management

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Short-term employee benefits	\$ 11,180	\$ 11,357	\$ 22,587	\$ 27,658
Post-employment benefits	361	457	669	913
	\$ 11,541	\$ 11,814	\$ 23,256	\$ 28,571

The remuneration to Directors and other key management is determined by the Remuneration Committee based on individual performance and market trends.

XXIX. Pledged Assets

The Group's assets listed below were provided as collateral against bank loans, collateral against litigations, and deposits for construction performance obligation:

	June 30, 2024	2023	June 30, 2023
	December 31,		
Financial assets measured at			
FVTOCI - non-current	\$ 36,600	\$ 38,100	\$ 43,000
Pledged time deposit			
certificate (classified as			
financial assets at			
amortized - non-current)	70,050	70,050	70,050
Investment Property	<u>492,544</u>	<u>492,831</u>	<u>493,118</u>
	<u><u>\$ 599,194</u></u>	<u><u>\$ 600,981</u></u>	<u><u>\$ 606,168</u></u>

XXX. Significant Contingent Liabilities and Unrecognized Contract Commitments

Except for those disclosed in other notes, significant commitments and contingencies of the Group on the balance sheet date are as follows:

(I) The construction of the National Kaohsiung Center for the Arts (Weiwing) (hereinafter referred to as the Project) contracted by the Group was completed on December 16, 2016 and accepted on November 16, 2018, and is being operated by the National Kaohsiung Center for the Arts (Weiwing) (hereinafter referred to as the Weiwing Center for the Arts). The warranty period of the nonbuilding structures in the project expired on November 16, 2020. The "Weiwing" has been opened to the public and the performance schedule is intensive, and hence, the Group had to coordinate the inspection schedule with the Weiwing Center for the Arts. However, Weiwing Center for the Arts had been making many unreasonable requests for repairs, causing delays in the inspection schedule. On this basis, Weiwing Center for the Arts refused to reimburse the warranty joint guarantee certificate provided by the Group for NT\$96,003 thousand. To fulfill the warranty obligation of the contract, the Group still cooperated with the inspection and repair without any interruption. The Group considered that this action of the Weiwing Center for the Arts was not in accordance with the contract and violated the principle of fairness and reasonableness. Therefore, on March 21, 2022, the Group submitted a proposal for mediation to the Complaint Review Board for Government Procurement, Public Construction Commission, Executive Yuan. The final mediation meeting was held on August 9, 2022, and the members of the mediation committee indicated that they would consider various situations and propose a mediation proposal. The Group received a mediation proposal on April 13, 2023. However, the Weiwing Center for the Arts responded by rejecting the mediation proposal. Consequently, on July 3, 2023, the Group submitted the arbitration pursuant to laws. On August 12, 2024, the Group received the arbitration decision. The arbitration panel determined that the Group was only required to continue providing a warranty guarantee of NT\$10,368 thousand. Consequently, the Group can retrieve the original warranty joint guarantee letter of NT\$96,003 thousand and provide a new warranty joint guarantee letter for the reduced amount of NT\$10,368 thousand.

(II) The construction of social housing at the No. 1 Site in Yangmei District and the No. 1 Site in Pingzhen District, Taoyuan City (hereinafter referred to as the "Project") was contracted by the Group. The costs and related fees for the natural gas company's work were to be paid by the Group based on the procurement contract for the Project, which would then be reimbursed by Office of Housing Development, Taoyuan (hereinafter referred to as the "Office of Housing Development"). After the Group paid Shintao Natural Gas Co., LTD a total of NT\$12,747 thousand and NT\$4,253 thousand for the work and fees, respectively, it applied to the Office of Housing Development for reimbursement of the total payment of NT\$17,000 thousand. However, the Office of Housing Development refused to pay, claiming that the gas engineering item and amounts were listed in the detailed price list in proposal. The Group considered that this action of the Office of Housing Development was not in accordance with the contract. Therefore, on August 29, 2023, the Group submitted a proposal for mediation to the Complaint Review Board for Government Procurement, Taoyuan. After notifying the Office of Housing Development to provide a statement of opinion, the second mediation meeting was held on May 20, 2024. On August 5, 2024, the Group received the mediation recommendation. However, as the Housing and Development Department has not yet indicated its acceptance of the mediation recommendation, the merged company is currently unable to assess the outcome.

(III) As of June 30, 2024, and 2023, the performance guarantee letters issued by the bank for construction projects and public urban renewal project of the Group amounted to NT\$2,970,459 thousand and NT\$2,116,839 thousand, respectively.

(IV) As of June 30, 2024, and 2023, the guaranteed bills issued by the Group for business needs amounted to NT\$1,148,959 thousand and NT\$230,721 thousand, respectively.

XXXI. Information on Foreign Currency Assets and Liabilities with Significant Influence

Information on financial assets and liabilities denominated in foreign currencies with significant influence is as follows:

Unit: Foreign currency/NT\$ thousand

June 30, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary items</u>			
RMB	\$ 53	0.1403 (RMB:USD)	\$ 239
USD	20,909	32.45 (USD:NTD)	<u>678,489</u>
			<u>\$ 678,728</u>

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary items</u>			
RMB	\$ 53	0.1412 (RMB:USD)	\$ 228
USD	6,921	30.71 (USD:NTD)	<u>212,542</u>
			<u>\$ 212,770</u>

June 30, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary items</u>			
RMB	\$ 53	0.1384 (RMB:USD)	\$ 226
USD	6,843	31.14 (USD:NTD)	<u>213,079</u>
			<u>\$ 213,305</u>

The unrealized gain or loss on foreign currency exchange with significant influence is as follows:

Financial assets	April 1 to June 30, 2024		April 1 to June 30, 2023	
	Exchange Rate	Net Exchange Profit (Loss)	Exchange Rate	Net Exchange Profit (Loss)
RMB	0.1407 (RMB:USD)	(\$ 69)	0.1443 (RMB:USD)	(\$ 661)
JPY	0.0066 (JPY:USD)	(1)	- (JPY:USD)	-
USD	31.90 (USD:NTD)	<u>4,494</u>	30.55 (USD:NTD)	<u>4,721</u>
		<u>\$ 4,424</u>		<u>\$ 4,060</u>

Financial assets	January 1 to June 30, 2024		January 1 to June 30, 2023	
	Exchange Rate	Net Exchange Profit (Loss)	Exchange Rate	Net Exchange Profit (Loss)
RMB	0.1407 (RMB:USD)	(\$ 92)	0.1443 (RMB:USD)	(\$ 482)
JPY	0.0066 (JPY:USD)	(1,507)	- (JPY:USD)	-
USD	31.90 (USD:NTD)	<u>8,639</u>	30.55 (USD:NTD)	(<u>1,794</u>)
		<u>\$ 7,040</u>		<u>(\$ 2,276)</u>

XXXII. Supplementary Disclosures

(I) Information on (I) significant transactions and (II) invested companies is as follows:

1. Loaning Provided to Others: (Appendix 1)
2. Endorsements/Guarantees Provided for Others: (Appendix 2)
3. Marketable Securities Held by the End of the Period (Excluding Investment in Subsidiaries, Associates and Joint Ventures): (Appendix 3)
4. Marketable Securities Acquired and Disposed of Amounting to NT\$300 Million or 20% of the Paid-in Capital or More: (Appendix 4)
5. Acquisition of Real Estate Amounting to NT\$300 Million or 20% of the Paid-in Capital or More: None.
6. Disposal of Real Estate Amounting to NT\$300 Million or 20% of the Paid-in Capital or More: None.
7. Purchases from or Sales to Related Parties Amounting to NT\$100 million or 20% of the Paid-in Capital or More: None.

8. Receivables from Related Parties Amounting to NT\$100 Million or 20% of the Paid-in Capital or More: None.
9. Engaging in Derivatives Trading: None.
10. Others: Inter-company Business Relationships and Significant Inter-company Transactions: (Appendix 5)
11. Information on Invested Companies: (Appendix 6)

(III) Information on investments in Mainland China:

1. Information on invested companies in mainland China, including the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, gain or loss on investments, carrying amount of investment at the end of the period, gain or loss on repatriated investment and limits on investments in mainland China: (Appendix 7)
2. Any of the following significant transactions with invested companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms and unrealized gain or loss: (None)
 - (1) Purchase amount and percentage, and the ending balance and percentage of the related payables.
 - (2) Sales amount and percentage, and the ending balance and percentage of the related receivables.
 - (3) Property transaction amount and the resulting gain or loss.
 - (4) Ending balances and purposes of endorsements/guarantees or collateral provided.
 - (5) The maximum balance, ending balance, interest rate range and the total amount of current-period interest of financing facilities.
 - (6) Other transactions with significant impact on profit or loss or financial position for the period, such as provision or receipt of service.

(IV) Information on major shareholders: names of shareholders with a holding ratio of 5% or more, the amount and proportion of shares held: (Appendix 8)

XXXIII. Segment Information

The information is provided to the main business decision-makers to allocate resources and to evaluate the performance of each department, focusing on the category of service delivered or provided. The Group mainly engages in design, supervision and undertaking of construction projects and trading of building materials. The consolidated statements of comprehensive income present the operating results regularly reviewed by the decision-maker. There is no other business unit of significance such that disclosing information on reportable segments in the financial statements is no longer required.

Chien Kuo Construction Co., Ltd. and Subsidiaries

Loans Provided to Others

January 1 to June 30, 2024

Appendix 1

Unit: NT\$ Thousands

No.	Financing Company	Counterparty	Financial Statement Account	Whether a Related Party	Highest Balance as of the Current Month	Ending balance	Amount Actually Withdrawn	Interest Rate Range	Nature of Financing (Note 1)	Amount of Transaction	Reason for short-term Financing	Allowance for Doubtful Debts	Collateral		Limit on Loans Granted to a Single Party	Total Loan Limit	Note
													Name	Value			
1	Chien Kuo Building Co., Ltd.	Chien Kuo Construction Co., Ltd.	Other receivables	Yes	\$ 36,000	\$ 34,000	\$ 34,000	2.00%	(1)	\$ -	Operating capital	\$ -	-	\$ -	40% of the net value of the lending company \$ 34,822	40% of the net value of the lending company \$ 34,822	
2	Chien Bang Real Estate Development Co., Ltd.	Chien Kuo Construction Co., Ltd.	Other receivables	Yes	19,000	19,000	19,000	2.00%	(1)	-	Operating capital	-	-	-	40% of the net value of the lending company 19,979	40% of the net value of the lending company 19,979	
3	CKTech Engineering Co., Ltd.	Chien Kuo Construction Co., Ltd.	Other receivables	Yes	22,000	10,000	10,000	2.00%	(1)	-	Operating capital	-	-	-	40% of the net value of the lending company 22,283	40% of the net value of the lending company 22,283	

Note 1: The nature of financing is described as follows:

(1) For the purpose of short-term financing.

Chien Kuo Construction Co., Ltd. and Subsidiaries

Endorsements/Guarantees Provided for Others

January 1 to June 30, 2024

Appendix 2

Unit: NT\$ Thousands

No.	Endorsements/Guarantees Provider Company Name	Parties Being Endorsed/Guaranteed		Limit of Endorsements/ Guarantees for a Single Entity (Note 1)	Highest Balance as of the Current Month	Outstanding Endorsements/ Guarantees - Ending	Amount Actually Withdrawn	Endorsements/ Guarantees Secured with Collateral	Ratio of Cumulative Endorsements/ Guarantees to the Net Equity Stated in the Latest Financial Statements	Limit of Endorsements/ Guarantees Provided by Parent for Subsidiary (Note 2)	Endorsements/ Guarantees Provided by Parent for Subsidiary	Endorsements/ Guarantees Provided by Parent for Entities in China	Note
		Company name	Relationship										
0	Chien Kuo Construction Co., Ltd.	CKTech Engineering Co., Ltd.	Subsidiary	\$ 2,579,577	\$ 200,000	\$ 200,000	\$ 81,120	\$ -	3.88%	\$ 5,159,154	Y	N	N
0	Chien Kuo Construction Co., Ltd.	Chien Bang Real Estate Development Co., Ltd.	Subsidiary	2,579,577	24,600	24,600	24,600	-	0.48%	5,159,154	Y	N	N

Note 1: The limit on endorsements/guarantees provided for each guaranteed party is calculated as follows:

1. The limit on endorsements/guarantees made to companies in the same industry should be 200% of net worth of shareholders' equity.
2. The limit on endorsements/guarantees made to other guaranteed parties should be 50% of net worth of shareholders' equity.

Note 2: The maximum endorsements/guarantees amount allowable is calculated as follows:

1. The maximum endorsements/guarantees amount allowable to companies in the same industry should be 400% of net worth of shareholders' equity.
2. The maximum endorsements/guarantees amount allowable to other guaranteed parties should be 100% of net worth of shareholders' equity.

Chien Kuo Construction Co., Ltd. and Subsidiaries
Marketable Securities Held at the End of the Period
June 30, 2024

Appendix 3

Unit: NT\$ Thousands

Holding Company	Type and Name of Marketable Securities	Relationship with the Marketable Security Issuer	Financial Statement Account	End of period				Note
				Number of Shares (in Thousands)	Carrying Amount	Shareholding Percentage (%)	Fair Value	
Chien Kuo Construction Co., Ltd.	<u>Fund</u>	—	Financial assets measured at FVTPL - current	6,937	\$ 90,074	-	\$ 90,074	—
	Mega Diamond Money Market Fund			5,395	90,075	-	90,075	—
	Capital Money Market Fund			6,256	90,078	-	90,078	—
	SinoPac TWD Money Market Fund			5,865	90,076	-	90,076	—
	Jih Sun Money Market Fund			5,685	90,078	-	90,078	—
	Taiwan Money Market Fund			7,908	90,075	-	90,075	—
	CTBC Hua Win Money Market Fund			2,850	35,358	4.92%	35,358	—
	<u>Stock—common stocks</u>			3,000	28,500	6.65%	28,500	—
	BMC Venture Capital Investment Corporation			117	4,779	0.16%	4,779	—
	BMD Venture Capital Investment Corporation			657	26,232	1.23%	26,232	—
	Taiwan Bio Therapeutics Co., Ltd.			86	12,307	0.27%	12,307	—
	Revivegen Co., Ltd.			1,137	20,803	0.14%	20,803	—
	Gogolook Co., Ltd.			6,110	208,952	0.08%	208,952	—
	Chia Hsin Cement Corporation			7,269	133,024	0.92%	133,024	(Note 2)
Golden Canyon Venture Capital Investment Co., Ltd.	<u>Stock—common stocks</u>	—	Financial assets measured at FVTPL - current	1,165	16,112	0.39%	16,112	—
	Phoenix Pioneer Technology Co., Ltd.			534	175,917	0.87%	175,917	—
	MEGA UNION TECHNOLOGY INC.			700	38,899	1.19%	38,899	—
	TCM Biotech International Corporation			200	7,990	0.37%	7,990	—
	Revivegen Co., Ltd.			500	10,000	1.52%	10,000	—
	<u>Stock—preferred stocks</u>			1,000	61,950	-	61,950	—
	Brain Navi Ltd							

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Holding Company	Type and Name of Marketable Securities	Relationship with the Marketable Security Issuer	Financial Statement Account	End of period				Note
				Number of Shares (in Thousands)	Carrying Amount	Shareholding Percentage (%)	Fair Value	
CKTech Engineering Co., Ltd.	<u>Fund</u> Jih Sun Money Market Fund	—	Financial assets measured at FVTPL - current	1,303	\$ 20,017	-	\$ 20,017	—
Golden Canyon Limited	<u>Bonds</u> NOMURA HOLDINGS INC Corporate Bonds (NOMURA 1.653 07/14/26)	—	Financial Assets Measured at Amortized Cost—non-current	1,000	30,059	-	30,059	—
	BARCLAYS PLC Corporate Bonds (BARCLAYS 4.337 01/10/28)	—	“	1,000	31,324	-	31,324	—
	HSBC HOLDINGS PLC Corporate Bonds (HSBC 4.95 03/31/30)	—	“	1,000	31,979	-	31,979	—
	BNP PARIBAS SA Corporate Bonds (BNP 5.176 01/09/30)	—	“	1,000	32,420	-	32,420	—
	JPMORGAN CHASE&CO Corporate Bonds (JP MORGAN 3.782 02/01/28)	—	“	1,000	31,338	-	31,338	—
	CITIGROUP INC Corporate Bonds (CITI 2.976 11/05/30)	—	“	1,000	28,989	-	28,989	—
	GOLDMAN SACHS GROUP INC Corporate Bonds (GS 3.615 03/15/28)	—	“	1,000	31,118	-	31,118	—
	Mercedes-Benz Finance North America LLC Corporate Bonds (MBGGR 5 3/8 11/26/25)	—	“	1,000	32,534	-	32,534	—
	AT&T Inc. Corporate Bonds (AT&T 02/15/30)	—	“	2,000	61,238	-	61,238	—
	IBM INTERNAT CAPITAL Corporate Bonds (IBM4.75 02/05/31)	—	“	1,000	31,425	-	31,425	—
	NextEra Energy Corporate Bonds (NextEra 1.9 06/15/28)	—	“	2,000	56,718	-	56,718	—
	ORACLE CORP Corporate Bonds (Oracle 3.25 05/15/30)	—	“	1,000	28,949	-	28,949	—
	VOLKSWAGEN GROUP AMERICA Corporate Bonds (VW 5.25 03/22/29)	—	“	1,000	32,111	-	32,111	—
	VERIZON COMMUNICATIONS Corporate Bonds (VZ 2.355 03/15/32)	—	“	1,000	26,086	-	26,086	—

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Holding Company	Type and Name of Marketable Securities	Relationship with the Marketable Security Issuer	Financial Statement Account	End of period				Note
				Number of Shares (in Thousands)	Carrying Amount	Shareholding Percentage (%)	Fair Value	
Silver Shadow Holding Limited	<u>Fund</u> Citi Taiwan - A1USD Trade Finance Fund	(Note 1)	Financial assets measured at FVTPL - current	32	\$ 115,188	-	\$ 115,188	-
	BlackRock ICS US Dollar Liquidity Fund			17	66,249	-	66,249	-
	BlackRock ICS US Dollar Liquidity Premium Fund			2	6,601	-	6,601	-
	AB FCP I-Short Duration Bond Portfolio Class A2			168	102,066	-	102,066	-
	PIMCO GIS Global Investment Grade Credit Fund			177	102,449	-	102,449	-
	AB FCP I-American Income Portfolio Class A2			69	68,030	-	68,030	-
	JPMorgan Funds - Global Corporate Bond Fund			169	103,264	-	103,264	-
	JPMorgan Funds - Income Fund A			15	65,699	-	65,699	-
	PIMCO GIS Income Fund			169	68,736	-	68,736	-
	JPM USD Liquidity LVNAV C			-	55,761	-	55,761	-
	Schroder International Selection Fund Global Credit Income			16	64,866	-	64,866	-
	PVG GCN VENTURES, L.P.		Financial assets measured at FVTPL - non-current	-	487	5.00%	487	-
	CSVI VENTURES, L.P.			-	35,314	4.06%	35,314	-
	<u>Fund</u> Nomura Global Financial Bond Fund		Financial assets measured at FVTPL - current	297	102,764	-	102,764	-
	BlackRock ICS US Dollar Liquidity Fund			4	15,361	-	15,361	-
	BlackRock ICS US Dollar Liquidity Premium Fund			25	97,408	-	97,408	-
	iShares 20+ Year Treasury Bond ETF(TLT)			11	33,493	-	33,493	-
	Lord Abbet Short Duration Income			176	68,277	-	68,277	-
	PIMCO Funds: Global Investors Series plc Dynamic Bond Fund			133	51,521	-	51,521	-
	JPM USD Liquidity LVNAV C Acc			-	81,155	-	81,155	-
	PineBridge Global Funds - Global Focus Equity Fund			11	17,073	-	17,073	-
	WisdomTree Japan Hedged Equity Fund ETF			9	34,293	-	34,293	-
	Nomura Funds Ireland-Japan Strategic Value Fund T Share JPY			8	30,394	-	30,394	-

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Note 1: The chief decision-makers of the fund are the directors of the Group.

Note 2: Among them, 2,000 thousand shares are pledged to the bank as collateral for the performance of construction contracts.

Note 3: For information regarding investment of subsidiaries, please refer to Appendix 6 and Appendix 7.

Chien Kuo Construction Co., Ltd. and Subsidiaries

Marketable Securities Acquired and Disposed of Amounting to NT\$300 Million or 20% of the Paid-in Capital or More

January 1 to June 30, 2024

Appendix 4

Unit: NT\$ thousands, unless otherwise specified

Purchased and sold companies	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning		Purchased		Sold			Valuation gain or loss of financial products	End of period		
					Shares	Amount	Shares	Amount	Shares	Sales prices	Book cost		Shares	Amount	
Golden Canyon Limited	Citi Taiwan - A1USD Trade Finance Fund	Financial assets measured at FVTPL - current	-	-	119	\$ 399,167	30	\$ 107,091	117	\$ 423,363	\$ 390,750	\$ 32,613	\$ 9,427	32	\$ 115,188
Silver Shadow Holding Limited	"	"	-	-	94	316,279	38	136,296	132	477,271	444,588	32,683	-	-	-

Chien Kuo Construction Co., Ltd. and Subsidiaries
 Inter-company Business Relationships and Significant Inter-company Transactions
 January 1 to June 30, 2024

Appendix 5

Unit: NT\$ Thousands

No.	Company Name	Counterparty	Nature of Relationship (Note 1)	Transaction Details			
				Financial Statements Item	Amount	Transaction Terms	Ratio to total Revenue or Total Assets
0	Chien Kuo Construction Co., Ltd.	CKTech Engineering Co., Ltd.	(1)	Other prepayments	\$ 37,830	Note 2	0.43%
			(1)	Construction costs	52,836	Note 2	2.10%
			(1)	Contract assets - property construction	248,051	Note 2	2.80%
			(1)	Accounts payable	56,685	Note 2	0.64%
			(1)	Accounts payable - Provisional	1,191	Note 2	0.01%
		Chien Kuo Building Co., Ltd.	(1)	Short-term loans	10,000	Note 2	0.11%
			(1)	Short-term loans	34,000	Note 2	0.38%
		Chien Bang Real Estate Development Co., Ltd.	(1)	Short-term loans	19,000	Note 2	0.21%

Note 1: The nature of relationship is divided into the following three categories:

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

Note 2: Conducted in line with ordinary terms.

Chien Kuo Construction Co., Ltd. and Subsidiaries
 Information on Invested Companies and Their Locations, etc.
 January 1 to June 30, 2024

Appendix 6

Unit: NT\$ Thousands

Name of Investor	Name of Investee	Location	Principal Business Activities	Original Investment Amount		Ending Balance			Investee Profit/Loss for the Current Period	Investment Profit/Loss Recognized in the Current Period	Note
				End of the Period	End of Last Year	Shares	Ratio (%)	Carrying Amount			
Chien Kuo Construction Co., Ltd.	Golden Canyon Limited	British Virgin Islands	Reinvestment	\$ 126,135	\$ 183,751	4,037	100.00%	\$ 1,708,587	\$ 30,555	\$ 30,555	Subsidiary
	Silver Shadow Holding Limited	British Virgin Islands	Reinvestment	297,126	704,069	9,118	100.00%	1,770,949	43,112	43,112	Subsidiary
	Chien Kuo Building Co., Ltd.	Taiwan	Building construction commission; public housing lease and sale	144,065	144,065	10,000	100.00%	84,483	(2,572)	(2,572)	Subsidiary
	CKTech Engineering Co., Ltd.	Taiwan	Undertaking mechanical, electrical and plumbing/refrigeration/air conditioning engineering; wholesale and retail of equipment	51,219	51,219	7,000	100.00%	52,961	(2,747)	(2,747)	Subsidiary
	Golden Canyon Venture Capital Investment Co., Ltd.	Taiwan	Venture capital business	401,000	401,000	40,100	100.00%	555,053	138,151	138,151	Subsidiary
	Golden Canyon II Venture Capital Investment Co., Ltd.	Taiwan	Venture capital business	200,000	200,000	20,000	100.00%	200,777	762	762	Subsidiary
	Chien Bang Real Estate Development Co., Ltd.	Taiwan	Building construction commission; public housing lease and sale	27,500	27,500	2,750	55.00%	27,547	137	75	Subsidiary
	Leader Construction Co., Ltd.	Taiwan	Maintenance and construction/Buying and selling construction materials	25,000	10,000	2,500	100.00%	16,674	(6,625)	(6,625)	Subsidiary
Chien Kuo Building Co., Ltd.	Chien Bang Real Estate Development Co., Ltd.	Taiwan	Building construction commission; public housing lease and sale	22,500	22,500	2,250	45.00%	22,538	137	62	Subsidiary
Golden Canyon Venture Capital Investment Co., Ltd.	Chang Jia Energy Co., Ltd.	Taiwan	Renewable energy self-used power generation equipment industry	31,500	31,500	3,150	31.50%	31,312	134	42	Associates
Golden Canyon II Venture Capital Investment Co., Ltd.	Chang Jia Energy Co., Ltd.	Taiwan	Renewable energy self-used power generation equipment industry	17,500	17,500	1,750	17.50%	17,396	134	24	Associates
Silver Shadow Holding Limited	CK Asia Co., Ltd.	British Virgin Islands	Reinvestment	974	974	2	54.29%	27,498	(203)	Note 3	Sub-subsidiary
Golden Canyon Limited	CK Asia Co., Ltd.	British Virgin Islands	Reinvestment	840	840	2	45.71%	22,699	(203)	Note 3	Sub-subsidiary

Note 1: Where there involves a foreign currency, it is translated into New Taiwan Dollars by using the exchange rate as of June 30, 2024 (US\$1 = NT\$32.45), except for profit or loss items, which are translated into New Taiwan Dollars by using the average exchange rate for the six months ended June 30, 2024 (US\$1 = NT\$31.90).

Note 2: Please refer to Appendix 7 for information on investments in Mainland China.

Note 3: The gains or losses of an invested company are incorporated into those of the investor. To avoid confusion, they are not separately presented here.

Chien Kuo Construction Co., Ltd. and Subsidiaries

Information on Investments in Mainland China

January 1 to June 30, 2024

Appendix 7

Unit: NT\$ Thousands

Investee in Mainland China	Principal Business Activities	Paid-in Capital	Manner of Investment	Cumulative Investment Amount Remitted from Taiwan - Beginning of the Period	Investment Amount Remitted or Received for the Current Period		Ending Balance of Accumulated Outflow of Investment from Taiwan	Investee Profit/Loss for the Current Period	Percentage of Ownership (Direct or Indirect)	Investment Gains (Losses) Recognized for the Current Period (Note 1)	Carrying Amount as of September 30, 2021 (Note 1)	Investment Gains Repatriated by the End of the Current Period	Note
					Remitted	Received							
CK Asia (Shanghai) Information Technology Co., Ltd.	Computer software technology development and consultation	\$ 3,245	Investment through a company founded in a third region	\$ 68,326	\$ -	\$ -	\$ 68,326	(\$ 608)	100%	(\$ 608)	\$ 13,468	\$ 41,113	

Accumulated Investment Remitted from Taiwan to Mainland China at the End of the Period	Investment Amount Approved by the Investment Commission of the Ministry of Economic Affairs (MOEAIC)	Upper Limit on Investment Authorized by MOEAIC
\$868,785 (Note 3)	\$409,158 (Note 2)	\$3,046,534

Note 1: The amount was recognized based on the reviewed financial statements.

Note 2: The amount authorized by the Investment Commission, MOEA was NT\$1,009,720 thousand, of which NT\$600,562 thousand was the earnings of invested companies in mainland China remitted to the third regions, and was not included in the calculation of the limit on investment.

Note 3: The amount remitted from Taiwan was NT\$868,785 thousand, including the following expenses:

(1) Loss on investment:

Investee in Mainland China	Original Investment Amount	Repatriated Investment Amount	Loss on Investment
Shanghai Chien Chung Concrete Co., Ltd.	\$ 33,553	\$ 14,058	\$ 19,495
Shanghai Ruihui Trading Co., Ltd.	9,210	916	8,294
Nanjing Jianxing Concrete Co., Ltd.	25,728	25,618	110
Jianxiang Management Consultant (Shanghai) Co., Ltd.	1,779	-	1,779

(2) Of the amount, NT\$163,869 thousand (USD 5,682 thousand) originated from the funds of the third regions.

Chien Kuo Construction Co., Ltd.
Information on Major Shareholders

June 30, 2024

Appendix 8

Unit: In thousand shares

List of Major Shareholders	Shareholding	
	Number of Shares	Percentage (%)
	Held	
Chien Hwei Investment Co., Ltd.	46,012	18.25%
Chi-te CHEN	18,844	7.47%
Chen-ching CHEN	14,286	5.66%

Note: Information on major shareholders in this table is provided by Taiwan Depository & Clearing Corporation according to information on shareholders holding at least 5% or greater of common stocks and preferred shares (including treasury stock) that have been issued and delivered without physical registration by the Company on the last business day at the end of the current quarter. The number of shares recorded in the Group's consolidated financial statements and the number of shares that have completed delivery of non-physical registration may differ due to the different calculation bases.