

Chien Kuo Construction Co., Ltd. and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Report

For the Years Ended December 31, 2024 and 2023

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

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

Statement Regarding the Consolidated Financial Statements of Affiliated Enterprises

For the year 2024 (from January 1 to December 31, 2024), the Company's entities that are required to be included in the consolidated financial statements of affiliated enterprises under the "Criteria Governing Preparation of Consolidated Business Report of Affiliated Enterprises, Consolidated Financial Statements of Affiliated Enterprises, and Affiliation Reports" are the same as those required to be included in the parent subsidiary consolidated financial statements under the International Financial Reporting Standards 10. Moreover, the related information required to be disclosed for the consolidated financial statements of affiliated enterprises has been fully disclosed in the aforementioned parent subsidiary consolidated financial statements. Consequently, a separate set of consolidated financial statements of affiliated enterprises is not prepared.

Hereby declare by

Company Name: Chien Kuo Construction Co. Ltd.

Responsible person: Chang-Shiou Wu

March 14, 2025

Independent Auditors' Report

The Board of Directors and Shareholders
Chien Kuo Construction Co., Ltd.

Audit Opinions

We have audited the consolidated balance sheets of Chien Kuo Construction Co., Ltd. and its subsidiaries as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, 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 periods from January 1 to December 31, 2024 and 2023.

In our opinion, the aforementioned consolidated financial statements present fairly, in all material respects, the consolidated financial position of Chien Kuo Construction Co., Ltd. and its subsidiaries as of December 31, 2024 and 2023, and its consolidated financial performance and consolidated cash flows for the periods ended December 31, 2024 and 2023 in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and effected by the Financial Supervisory Commission.

Basis for Audit Opinion

We conducted our audit of the financial statements in accordance with the Rules Governing Auditing and Attestation of Financial Statements by Certified Public Accountants," and the Standards on Auditing of the Republic of China. Our responsibilities under the above mentioned regulations are further explained in the Auditor's Responsibilities in Auditing the consolidated financial statements section of the report. We are independent of Chien Kuo Construction Co., Ltd. as required by The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled other responsibilities as stipulated by the Norm. We believe that we have obtained sufficient and appropriate audit evidence to serve as a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2024 consolidated financial statements of Chien Kuo Construction Co., Ltd. and its subsidiaries. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the consolidated financial statements of Chien Kuo Construction Co., Ltd. and its subsidiaries for 2024 are stated as follows:

Construction contracts

The operating revenue of Chien Kuo Construction Co. Ltd. is primarily derived from construction revenue, which is recognized in cost based input method by the management in accordance with IFRS 15 "Revenue from Contracts with Customers." Since the percentage of completion is calculated as the ratio of costs input to the total estimated contract costs, the total estimated construction contract costs are a key factor in calculating the percentage of cost input. The estimated total cost is determined by management based on various factors such as the nature of different projects, the expected contract amount, duration, construction execution, and construction methods. Given the extended duration of construction contracts, the estimation of total costs is influenced by fluctuations in raw material and labor prices, as well as additions or reductions in project scope. If any significant changes occur in the estimates, the revenue recognized based on the percentage of completion may contain errors or have a material impact on the accurate representation of revenue in the financial statements. Therefore, the estimation of total costs for construction contracts is deemed as a key audit matter.

The auditors performed the following key audit procedures regarding the aforementioned matters.

1. Understand the process of estimating the total cost of long-term construction contracts at management level.
2. Examine the supporting documents the management used as evidence for estimating the total costs of construction contracts in order to assess comprehensively the completeness and reasonableness of the estimates of total costs of long-term construction contracts.
3. Review whether there were significant adjustments to the estimated total cost of construction contracts incurred subsequently;
4. Analyze changes in revenue, costs and gross profit of each project.

For information about construction contracts, please refer to Note 23.

Other Matters

We have audited the parent company only financial statements of Chien Kuo Construction Co., Ltd. as of and for the years ended December 31, 2024 and 2023, on which we have issued an unqualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

It is the management's responsibilities to fairly present the consolidated financial statements in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and to maintain internal control which is necessary for the preparation of the consolidated financial statements that are free from material misstatements due to fraud or errors therein.

In preparing the consolidated financial statements, the responsibilities of management includes assessing the ability of Chien Kuo Construction Co., Ltd. and its subsidiaries to continue as a going concern, disclosing related matters, as well as adopting the going concern basis of accounting, unless the management intends to liquidate Chien Kuo Construction Co., Ltd. and its subsidiaries or cease operations, or has no realistic alternative but to do so.

Those charged with the governance of Chien Kuo Construction Co., Ltd. and its subsidiaries, including the Audit Committee, are responsible for overseeing the financial statements.

Auditor's Responsibilities in Auditing the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. "Reasonable assurance" refers to high level of

assurance. Nevertheless, our audit, which was carried out in accordance with the auditing standards, does not guarantee that a material misstatement will be detected in the consolidated financial statements. Misstatements may result from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

We have utilized our professional judgment and maintained professional skepticism when exercising auditing work in accordance with auditing standards. We also:

1. Identify and assess the risks of a material misstatement due to fraud or errors in the consolidated financial statements, designed and carried out appropriate countermeasures against the assessed risks, and obtained sufficient and appropriate audit evidence to provide the basis for audit opinion. As fraud may involve collusion, forgery, deliberate omissions, false statements, or override of internal control, the risk of an undetected material misstatement due to fraud is higher than that due to errors.
2. Obtain an understanding of internal control pertaining to the audit in order to design audit procedures appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Chien Kuo Construction Co., Ltd. and its subsidiaries.
3. Evaluate the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of accounting estimates and relevant disclosures.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that might cast significant doubt on the ability of Chien Kuo Construction Co., Ltd. and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Chien Kuo Construction Co., Ltd. and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within Chien Kuo Construction Co., Ltd. and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to impair our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined the key audit matters that were of most significance in the audit of the consolidated financial statements of Chien Kuo Construction Co., Ltd. and its subsidiaries. We describe these matters in our auditor's report unless law or regulation precludes public disclosures about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

CPA: Li-Chun Chang

CPA: Wen-Chin Lin

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 14, 2025

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 audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

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

Chien Kuo Construction Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

December 31, 2024 and 2023

Unit: NT\$ Thousands

Code	Assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 6)	\$ 810,986	9	\$ 1,634,295	20
1110	Financial assets at fair value through profit or loss (Note 7)	3,031,795	33	1,774,481	22
1120	Financial assets at fair value through other comprehensive income (Note 8)	19,325	-	21,655	-
1136	Financial assets at amortized cost (Note 9)	147,546	2	1,577,619	19
1140	Contract assets (Note 23)	989,010	11	938,706	12
1150	Notes receivable (Notes 10 and 23)	13,650	-	156	-
1170	Accounts receivable (Notes 10 and 23)	734,572	8	291,615	4
1200	Other receivables	28,456	-	76,903	1
1220	Current tax assets	138,396	2	132,644	2
1323	Inventories (for construction business) (Notes 11 and 30)	8,099	-	2,502	-
1410	Prepayments (Note 12)	183,060	2	129,937	2
1470	Other current assets	57,449	1	4,851	-
11XX	Total current assets	<u>6,162,344</u>	<u>68</u>	<u>6,585,364</u>	<u>82</u>
	Non-current assets				
1510	Financial assets at fair value through profit or loss (Note 7)	378,823	4	219,477	3
1517	Financial assets at fair value through other comprehensive income (Notes 8 and 30)	191,251	2	370,478	5
1535	Financial assets at amortized cost (Notes 9 and 30)	1,428,077	16	100,834	1
1550	Investments accounted for using equity method (Note 14)	73,440	1	48,642	1
1600	Property, plant and equipment (Note 15)	141,333	2	95,821	1
1755	Right-of-use assets (Note 16)	69,759	1	41,208	-
1760	Investment properties (Notes 17 and 30)	565,432	6	566,426	7
1780	Intangible assets (Note 18)	19,080	-	10,606	-
1840	Deferred tax assets (Note 25)	29,486	-	37,828	-
1990	Other non-current assets (Note 21 and 30)	12,966	-	15,927	-
15XX	Total non-current assets	<u>2,909,647</u>	<u>32</u>	<u>1,507,247</u>	<u>18</u>
1XXX	Total assets	<u>\$ 9,071,991</u>	<u>100</u>	<u>\$ 8,092,611</u>	<u>100</u>
Code	Liabilities and Equity				
	Current liabilities				
2100	Short-term loans (Note 19)	\$ 200,000	2	\$ -	-
2130	Contract liabilities (Note 23)	927,441	10	801,917	10
2170	Accounts payable (Note 20)	1,654,048	18	1,242,538	15
2200	Other payables	245,834	3	203,608	3
2230	Current tax liabilities	101,040	1	48,685	1
2250	Current provisions (Note 23)	102,262	1	135,217	2
2399	Other current liabilities (Notes 16 and 17)	140,431	2	131,818	1
21XX	Total current liabilities	<u>3,371,056</u>	<u>37</u>	<u>2,563,783</u>	<u>32</u>
	Non-current liabilities				
2570	Deferred tax liabilities (Note 25)	594,737	7	537,026	7
2600	Other non-current liabilities (Note 16)	170,589	2	142,048	1
25XX	Total non-current liabilities	<u>765,326</u>	<u>9</u>	<u>679,074</u>	<u>8</u>
2XXX	Total liabilities	<u>4,136,382</u>	<u>46</u>	<u>3,242,857</u>	<u>40</u>
	Equity (Note 22)				
	Capital				
3110	Common stock	2,016,001	22	2,520,001	31
3200	Additional paid-in capital	<u>187,308</u>	<u>2</u>	<u>187,308</u>	<u>2</u>
	Retained earnings				
3310	Legal reserve	778,147	9	744,264	9
3320	Special reserve	11,397	-	11,397	-
3350	Unappropriated earnings	1,671,553	18	1,178,059	15
3300	Total retained earnings	<u>2,461,097</u>	<u>27</u>	<u>1,933,720</u>	<u>24</u>
3400	Other equity	<u>271,203</u>	<u>3</u>	<u>208,725</u>	<u>3</u>
3XXX	Total equity	<u>4,935,609</u>	<u>54</u>	<u>4,849,754</u>	<u>60</u>
	Total liabilities and equity	<u>\$ 9,071,991</u>	<u>100</u>	<u>\$ 8,092,611</u>	<u>100</u>

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

Chien Kuo Construction Co., Ltd. and Subsidiaries
 Consolidated Statements of Comprehensive Income
 January 1 to December 31, 2024 and 2023
 Unit: NT\$ Thousands, except for earnings per share (in Dollars)

Code		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (Note 23)	\$ 6,120,883	100	\$ 4,186,359	100
5000	Operating costs (Notes 24 and 29)	5,336,501	87	3,797,123	91
5900	Gross profit	784,382	13	389,236	9
	Operating expenses (Notes 24 and 29)				
6200	Administrative expenses	396,921	7	342,295	8
6450	Expected credit losses (gains)	4,852	-	(10,600)	-
6000	Total operating expenses	401,773	7	331,695	8
6900	Net operating income	382,609	6	57,541	1
	Non-operating income and expenses (Notes 14, 24 and 29)				
7010	Other income	163,564	3	164,507	4
7020	Other gains and losses	267,736	4	181,680	4
7050	Finance costs	(3,228)	-	(8,147)	-
7060	Shares of profits or losses of associates accounted for using equity method	298	-	(138)	-
7000	Total non-operating income and expenses	428,370	7	337,902	8
7900	Income before income tax	810,979	13	395,443	9
7950	Income tax expense (Note 25)	129,222	2	56,930	1
8200	Net income	681,757	11	338,513	8

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Code		2024		2023	
		Amount	%	Amount	%
	Other comprehensive income				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans (Note 21)	\$ 3,160	-	\$ 390	-
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(34,037)	-	24,353	1
8349	Income tax related to items that will not be reclassified subsequently to profit or loss (Note 25)	(632)	-	(78)	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of financial statements of foreign operations	239,508	4	(2,840)	-
8399	Income tax related to items that will be reclassified subsequently to profit or loss (Note 25)	(47,901)	(1)	568	-
8300	Other comprehensive income, net after tax	160,098	3	22,393	1
8500	Total comprehensive income	\$ 841,855	14	\$ 360,906	9
	Earnings per share (Note 26)				
9750	Basic	\$ 2.91		\$ 1.34	
9850	Diluted	\$ 2.90		\$ 1.34	

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 December 31, 2024 and 2023

Unit: NT\$ Thousands

Code		Retained earnings					Other equity	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 2023	-	-	-	-	338,513	-	-	-	338,513
D3	Other comprehensive income, net of tax, for 2023	-	-	-	-	312	(2,272)	24,353	22,081	22,393
D5	Total comprehensive income in 2023	-	-	-	-	338,825	(2,272)	24,353	22,081	360,906
Z1	Balance as of December 31, 2023	\$ 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)
E1	Capital reduction	(504,000)	-	-	-	-	-	-	-	(504,000)
D1	Net income for 2024	-	-	-	-	681,757	-	-	-	681,757
D3	Other comprehensive income, net after tax, for 2024	-	-	-	-	2,528	191,607	(34,037)	157,570	160,098
D5	Total comprehensive income in 2024	-	-	-	-	684,285	191,607	(34,037)	157,570	841,855
Q1	Disposal of equity instrument investments at fair value through other comprehensive income	-	-	-	-	95,092	-	(95,092)	(95,092)	-
Z1	Balance as of December 31, 2024	\$ 2,016,001	\$ 187,308	\$ 778,147	\$ 11,397	\$ 1,671,553	\$ 257,255	\$ 13,948	\$ 271,203	\$ 4,935,609

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

Chien Kuo Construction Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

January 1 to December 31, 2024 and 2023

Unit: NT\$ Thousands

Code		2024	2023
	Cash flows from operating activities		
A10000	Income before income tax	\$ 810,979	\$ 395,443
A20010	Adjustments to reconcile income (loss):		
A20100	Depreciation expense	70,577	56,984
A20200	Amortization expenses	6,142	4,085
A20300	Expected credit loss (reversal gain)	24,666	(12,916)
A20400	Net gain on financial assets at fair value through profit or loss	(279,307)	(182,044)
A20900	Finance costs	3,228	8,147
A21000	Gain on derecognition of financial assets measured at amortized cost	(1,612)	-
A21200	Interest income	(123,649)	(135,971)
A21300	Dividend income	(28,014)	(18,837)
A22300	Shares of profits or loss of associates accounted for using equity method	(298)	138
A22500	Gains on disposal of property, plant and equipment	(18)	(68)
A29900	Profit from lease modification	(7)	-
A30000	Changes in operating assets and liabilities, net		
A31125	Contract assets	(50,304)	647,537
A31130	Notes receivable	(13,494)	(156)
A31150	Accounts receivable	(447,622)	(172,089)
A31180	Other receivables	16,354	(13,759)
A31200	Construction in Progress	(5,597)	(740)
A31230	Prepayments	(53,123)	27,286
A31240	Other current assets	(52,598)	67,476
A32125	Contract liability	125,524	773,032
A32150	Accounts payable	411,510	(11,895)
A32180	Other payables	41,178	29,070
A32230	Other current liabilities	(31,691)	90,578
A33000	Cash generated from operations	422,824	1,551,301
A33100	Interest received	152,749	82,884
A33300	Interest paid	(3,028)	(8,330)
A33500	Income taxes paid	(56,343)	(61,281)
AAAA	Net cash generated from operating activities	<u>516,202</u>	<u>1,564,574</u>

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Code		2024	2023
	Cash flows from investing activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(\$ 76,433)	\$ -
B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	223,953	-
B00040	Acquisition of financial assets at amortized cost	(1,396,574)	(1,420,703)
B00050	Disposal of financial assets at amortized cost	1,580,594	23,843
B00100	Acquisition of financial assets at fair value through profit or loss	(5,244,160)	(1,413,246)
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	4,220,734	656,453
B01800	Acquisition of investments accounted for using equity method	(24,500)	-
B02700	Acquisition of property, plant and equipment	(94,961)	(10,620)
B02800	Proceeds from disposal of property, plant, and equipment	114	130
B03700	Increase in refundable deposits	(85)	(339)
B04500	Acquisition of intangible assets	(6,020)	(1,258)
B02900	Advance received from disposal of investment properties	-	115,685
B07100	Increase in prepayment for equipment	(1,781)	(6,296)
B07600	Dividend received	26,433	42,018
BBBB	Net cash used in investing activities	(792,686)	(2,014,333)
	Cash flows from financing activities		
C00100	Increase (decrease) in short-term loans	200,000	(500,000)
C00500	Decrease in short-term notes and bills payable	-	(349,787)
C03000	Increase in guarantee deposits received	6,864	7,912
C04020	Repayment of principal portion of lease liabilities	(18,859)	(17,017)
C04500	Cash dividends distributed	(252,000)	(252,000)
C04700	Cash reduction	(504,000)	-
CCCC	Net cash used in financing activities	(567,995)	(1,110,892)
DDDD	Effect of exchange rate changes on cash and cash equivalents	21,170	28,765
EEEE	Net decrease in cash and cash equivalents	(823,309)	(1,531,886)
E00100	Cash and cash equivalents at the beginning of year	1,634,295	3,166,181
E00200	Cash and cash equivalents at the end of period	\$ 810,986	\$ 1,634,295

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

Chien Kuo Construction Co., Ltd. and Subsidiaries
Notes to Consolidated Financial Statements
January 1 to December 31, 2024 and 2023
(Amount in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Company History

Chien Kuo Construction Co., Ltd. ("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.

2. Date and Procedures of Authorization of Financial Statements

The consolidated financial statements were approved by the Board of Directors on March 14, 2025.

3. Application of New and Amended Standards and Interpretations

a. 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) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission ("FSC") with effective date:

The application of the amended IFRS Accounting Standards endorsed and issued into effect by the FSC did not result in significant changes in the accounting policies of the Group.

b. The IFRS Accounting Standards endorsed by the FSC- for application starting from 2025

New, Amended, and Revised Standards and Interpretations	Effective Date Issued by IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments" regarding the application guidelines for the classification of financial assets	January 1, 2026 (Note 2)

Note1: 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.

Note2: These amendments shall be applied for the annual reporting period beginning on or after January 1, 2026, with companies having the option to early adopt

them starting from January 1, 2025. Upon the initial application of the amendment, it should be applied retrospectively, without the need to restate comparative periods. The impact of the initial application should be recognized as of the implementation date. However, if a company fails to exercise foresight when given the opportunity to reorganize, it may choose to do so during a comparative period. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

As of the date the consolidated financial statements were authorized for issue, the Group assessed that the amendments to other standards and interpretations shall not have significant impact on the financial position and financial performance.

c. The IFRS Accounting Standards issued but not yet endorsed and issued into effect by the FSC

New, Amended, and Revised Standards and Interpretations	Effective Date Issued by IASB (Note 1)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments regarding the application guidelines for the derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sales or Contributions of Assets between an Investor and its Associate or 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 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note1: 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 are as follows:

- The income statement should categorize revenue and expense items into operating, investing, financing, income tax, and discontinued operations.
- The income statement shall present totals and subtotals for operating profit or loss, profit or loss before financing and income tax and profit or loss.
- Guidelines to enhance the requirements of aggregation and disaggregation: 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. The Company shall disaggregate items that have at least one similar characteristic. When the Group is unable to find a more descriptive label, it will categorize such items as "other."

- Disclosure on Management-defined Performance Measures (MPMs): 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 Management-defined Performance Measures (MPMs) 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.

4. Summary of Significant Accounting Policies

a. 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 IFRSs endorsed and issued into effect by FSC.

b. Basis of preparation

The consolidated financial statements were prepared on a historical cost basis, except for financial assets at fair value and net defined benefit assets 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.

c. 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;
- 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;
- 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.

d. Basis of consolidation

The consolidated financial statements include the financial reports of the Company and its wholly-owned entities. The consolidated statements of comprehensive income include the operating income/loss of the acquired or disposed subsidiaries from the date of acquisition to the date of disposal in the current period. 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.

When a change in the Group's ownership interests in a subsidiary does not cause a loss of control over the subsidiary, it shall be treated as an equity transaction. The carrying amounts of the Group and its non-controlling interests have been adjusted to reflect the relative changes in the interest in the subsidiaries. The difference between the adjustment amount of non-controlling interests and the fair value of consideration paid or collected shall be directly recognized in equity attributable to the owners of the Company.

Please refer to Note 13 and Appendices 7 and 8 for details, shareholding ratios, and operations of subsidiaries.

e. Foreign Currency

In preparing each individual financial statement, transactions denominated in a currency other than the entity's functional currency (i.e. foreign currency) are translated into the entity's functional currency by using the exchange rate at the date of the transaction before they are recorded by each entity.

Monetary items denominated in foreign currencies are translated at the closing rates on the balance sheet date. Exchange differences arising on the settlement or on translating of monetary items are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. The resulting exchange difference is recognized in profit or loss, except for items whose changes in fair value are recognized in other comprehensive income, where the resulting exchange difference is recognized in other comprehensive income.

Non-monetary items measured at historical cost that are denominated in foreign currencies are translated at the exchange rates prevailing on the transaction dates and are not re-translated.

In preparing the consolidated financial statements, assets and liabilities of a foreign operation (i.e. a subsidiary or an associate of which the activities are based or conducted in a country or currency other than those of the Company) are translated into New Taiwan Dollars by using the exchange rates at each balance sheet date. Income and expense items are translated using the average exchange rates of the current period, with exchange differences arising from recognized in other comprehensive income.

f. Investments in associates

Associates are entities over which the Group has significant influence and which is neither a subsidiary nor a joint venture

The Group uses the equity method to account for its investments in associates and joint ventures.

Under the equity method, investments in associates are initially recognized at cost and adjusted thereafter to recognize the Group's shares of the profit or loss and other comprehensive income of the associates. In addition, changes in the equity of associates are recognized based on the percentage of ownership.

g. Property, plant, and equipment

Property, Plant and Equipment (PP&E) are stated at cost and subsequently measured at cost less accumulated depreciation and impairment.

Except for freehold land which is not depreciated, the depreciation of PP&E in its useful life is made on a straight-line basis for each major part/component separately. The Group reviews the estimated useful lives, residual value and depreciation methods at least once at each financial year end and applies the changes in accounting estimates prospectively.

When derecognizing PP&E, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in loss or profit.

h. Investment property

Investment property is real estate held for rent or capital appreciation or both.

Investment property is initially measured at costs (including transaction costs) and is subsequently measured at costs less accumulated depreciation and accumulated impairment losses. Depreciation is provided on a straight line basis by the Group.

Real estate that is part of the inventory is reclassified as investment properties at their book value when the pre-sale purchase agreement is signed.

In the event of derecognition of an investment property, the difference between its net disposal proceeds and carrying amount is recognized in loss or profit.

i. Impairment on property, plant and equipment, right of use assets, investment property and intangible assets, excluding goodwill

On each balance sheet date, the Group evaluates whether there is any indication that its property, plant and equipment and right of use assets have suffered an impairment loss. If there is an indication that an asset may be impaired, then the Group estimates the recoverable amount of such assets. If it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash generating unit to which the asset belongs.

The recoverable amount is the fair value minus cost of sales or the value in use, whichever is higher. If the carrying amount of an individual asset or a cash generating

unit is less than its recoverable amount, the carrying amount is reduced to its recoverable amount, with an impairment loss recognized in profit or loss.

If an impairment loss is reversed subsequently, the carrying amount of the asset or cash generating unit is raised to its recoverable amount, provided that the increased carrying amount shall not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior years. Reversal of impairment loss is recognized in profit or loss.

j. Financial Instruments

Financial assets and liabilities are recognized in the balance sheet when the Group becomes a party to the contract of financial instrument.

Financial assets and liabilities are recognized initially based on fair value plus transaction costs that could be directly attributed to their acquisition or issuance of such financial assets or financial liabilities, if they are not measured at fair value through profit or loss. For financial assets and liabilities that are measured at fair value through profit or loss, such transaction costs are recognized immediately in profit or loss or maybe also included in the amounts originally recognized for financial assets and financial liabilities.

1) Financial assets

Regular trading of financial assets is recognized or derecognized in accordance with trade date accounting.

a) Types of measurement

Financial assets held by the Group comprise financial assets at fair value through profit or loss (FVTPL), financial assets at amortized cost, investments in debt instruments at fair value through other comprehensive income (FVTOCI), and investments in equity instruments at FVTOCI.

A. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets mandatorily at fair value through profit or loss. Such assets include investments in equity instruments that are not designated by the Company to be measured at fair value through other comprehensive income and investments in debt instruments that fail to meet the criteria as to be measured at amortized cost or at fair value through other comprehensive income.

Such assets are measured at fair value, of which any dividends and interest accrued are recognized as other revenue and remeasurement gains or losses are recognized in profit or loss. Please refer to Note 28 for the determination of fair value.

B. Financial assets at amortized cost

When the Group's investments in financial assets satisfy the following two conditions simultaneously, they are classified as financial assets at amortized cost:

a. Held under a business model whose purpose of holding such financial assets is to collect the contractual cash flows; and

- b. The contractual terms give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, such assets, including cash and cash equivalents, restricted term deposit, notes receivable, accounts receivable and other receivables measured at amortized cost are measured at the amortized cost equal to the gross carrying amount as determined using the effective interest method less any impairment loss; any foreign exchange gain or loss arising therefrom is recognized in profit or loss.

Except for the following two circumstances, interest revenue is calculated by multiplying effective interest rate by the gross carrying amount of such assets:

- a. In the case of purchased or originated credit impaired financial assets, interest revenue is recognized by applying the credit adjusted effective interest rate to the amortized cost.
- b. In the case of a financial asset that is not a purchased or originated credit impaired financial asset but subsequently has become credit impaired, interest revenue is calculated by applying the effective interest rate to the amortized cost.

Credit impaired financial assets are those where the issuer or debtor has experienced major financial difficulties or defaults, the debtor is likely to claim bankruptcy or other financial restructuring, or disappearance of an active market for the financial asset due to financial difficulties.

Cash equivalents comprise time deposits that will mature within 6 months after the acquisition date, that are highly liquid and readily convertible to known amount of cash, and that are subject to an insignificant risk of changes in value. Cash equivalents are used to satisfy short term cash commitments.

- C. Investment in equity instruments measured at fair value through other comprehensive income (FVTOCI)

The Group may, at initial recognition, make an irrevocable election to designate an equity instrument that is neither held for trading nor contingent consideration arising from a business combination to be measured at FVTOCI.

Investments in an equity instrument measured at FVTOCI are measured at fair value, and any subsequent fair value changes are recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss upon their disposal; instead, they will be transferred to retained earnings.

Dividends of investments in equity instruments measured at FVTOCI are recognized in profit or loss when the Group's right to receive payment is established, unless such dividends clearly represent the recovery of a part of the investment cost.

b) Impairment of financial assets and contract assets

The Group evaluates credit losses based on expected credit loss (ECL) at each balance sheet date for financial assets at amortized cost (including accounts receivable), investments in debt instruments at fair value through other comprehensive income, and impairment losses on contract assets.

Loss allowances are recognized against accounts receivable and contract assets based on the expected credit loss during the term of duration. For all other financial instruments, the Company recognizes their loss allowance at an amount equal to 12 month expected credit losses if their credit risk has not increased significantly since initial recognition, or otherwise their lifetime expected credit losses.

An ECL is a weighted average credit loss with the risks of default as weights. The 12 month ECL on a financial instrument represents the portion of its lifetime ECL that is expected to result from possible default events within 12 months after the reporting date, whereas the lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument.

Through the loss allowance account, the carrying amount of all financial assets is reduced for the impairment loss, except for the investment in debt instruments measured at FVTOCI for which the impairment loss is recognized in other comprehensive income and does not reduce the carrying amount.

c) Derecognition of financial assets

The Group derecognizes financial assets when the contractual rights to the cash inflow from the asset expire or when the company transfers all the risks and rewards of ownership of the financial assets to other enterprises substantially.

On derecognition of a financial asset measured at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received is recognized in profit or loss. On derecognition of equity instruments measured at fair value through other comprehensive income in its entirety, the accumulated profit or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

2) Equity instruments

Equity instruments issued by the Group are recognized at the acquisition price less direct issue costs.

The repurchase of equity instruments issued by the Company is recognized in equity as a deduction. The purchase, sale, issue or cancellation of the Company's own equity instruments is not recognized in profit or loss.

3) Financial liabilities

All financial liabilities of the Group are subsequently measured at amortized cost using the effective interest method.

When a financial liability is derecognized, the difference between the carrying amount and the consideration paid (including any non-cash asset transferred or liability assumed) is recognized in profit or loss.

k. Provision for Liabilities

The amount recognized as a provision for liabilities is the best estimate of the expenses required to settle the obligation as of the balance sheet date, taking into account the risks and uncertainties associated with the obligation. The provision for liabilities is measured at the present value of the estimated cash flows required to settle the obligation.

1) Unprofitable contract

When the Group expects that the unavoidable costs of meeting a contractual obligation exceed the expected economic benefits to be received from the contract, provision for liabilities are recognized for the present obligation arising from the unprofitable contract. When evaluating whether a contract is unprofitable, the costs of fulfilling the contract include the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling the contract.

2) Warranty

The warranty obligation to ensure that products conform to agreed specifications is recognized at the most accurate estimate of the expenditure required to settle the Group's obligation as determined by management, and is recognized at the time the related goods are recognized as revenue.

l. Revenue Recognition

After identifying the performance obligations of contracts with the customers, the Group allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are met.

Revenue from construction contracts

For real estate construction contracts, the Group recognizes revenue over the construction period and measures the progress on the basis of costs incurred relative to the total expected costs because costs incurred by the construction works are directly related to the progress in satisfying a performance obligation. A contract asset is recognized during the construction and is reclassified to accounts receivable at the point at which it is invoiced to the customer. If the payment received exceeds the revenue recognized to date, the Company recognizes a contract liability for the difference. Certain payments retained by the customer as specified in the contract is intended to ensure that the Group adequately completes all its contractual obligations. Such retention receivables are recognized as contract assets until the Group satisfies its performance obligations.

If the outcome of the performance obligations cannot be measured reliably, construction revenue is recognized only to the extent of the expenses incurred for satisfaction of performance obligations that are expected to be recovered.

m. Leases

The Group evaluates whether a contract is (or includes) a lease on the contract establishment date.

1) The Group as lessor

Leases in which the lessee assumes substantially all of the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

Under operating leases, lease payments after deducting lease incentives are recognized as revenue on a straight line basis over the relevant lease term.

2) The Group as lessee

Except that payments for leases of low value assets and short term leases to which exemption is applicable are recognized as expenses on a straight line basis over the lease term, other leases are recognized as right of use assets and lease liabilities on the lease start date.

Right of use assets are initially measured at cost (including the initially measured amount of lease liabilities, the lease payments paid before the lease start date less the lease incentives received, the initial direct cost, and the estimated cost of restoring underlying assets), and subsequently measured at cost less accumulated depreciation and accumulated impairment losses, and the re measurement of the lease liabilities are adjusted accordingly. Right of use assets are separately presented on the consolidated balance sheets.

Right of use assets are depreciated on a straight line basis from the lease start date to the end of the useful life or the expiration of the lease term, whichever is earlier.

A lease liability is initially measured at the present value of lease payments (including fixed payments and in substance fixed payments). When the interest rate implicit in a lease can be readily determined, lease payments are discounted using the interest rate. If the interest rate implicit in a lease cannot be easily determined, lease payments are discounted using the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, and interest expenses are amortized over the lease term. In the case that future lease payments change as a result of a change in the lease term, the Group remeasures the lease liability and correspondingly adjusts the right of use asset, except in the case when the carrying amount of the right of use asset has reduced to zero, in which case any residual remeasured amount shall be recognized in profit or loss. Lease liabilities are separately presented on the consolidated balance sheets.

n. Employee benefits

1) Short-term employee benefits

Related liabilities for short term employee benefits are measured by the non-discounted amount expected to be paid in exchange for employee services.

2) Post-employment benefits

Payments that should be contributed to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service.

The defined benefit cost under defined benefit retirement plans (including service cost, net interest, and the remeasurement amount) are calculated based on the projected unit credit method. The cost of services (including the cost of services of the current period and the cost of services of the previous period, and profit and loss from repayment) and the net interest of the net defined benefit liability (asset) are recognized as employee benefit expenses as they occur. Remeasurement (comprising actuarial gains and losses, and return on plan assets net of interests) is recognized in other comprehensive income and included in retained earnings, and is not recycled to profit or loss in subsequent periods.

The net defined benefit liabilities (assets) are the shortfall (surplus) of the defined benefit retirement plan. A net defined benefit asset shall not exceed the present value of the contributions to be refunded from the plan, or the reductions in future contributions.

3) Termination benefits

The Group will recognize the termination benefits liability when it is no longer able to revoke the termination benefits offer or when it recognizes the related restructuring costs (whichever is earlier).

o. Income Tax

Income tax expenses are the sum of current income tax and deferred income tax.

1) Current income tax

The Group determines the current period's income (loss) based on the regulations set by each income tax reporting jurisdiction and calculates the income tax payable (or recoverable) accordingly.

An extra tax is levied on the unappropriated earnings pursuant to the Income Tax Act of the Republic of China and is recorded as income tax expense in the year when the shareholders' meeting resolves to appropriate the earnings.

Adjustments to income tax payable from previous years are recognized in the income tax of current period.

2) Deferred income tax

Deferred income tax is calculated based on the temporary difference between the carrying amount of the assets and liabilities and the taxable basis of the taxable income.

Deferred tax liabilities are generally recognized based on all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that there is taxable income to be applied to temporary difference reductions or loss credits.

Deferred income tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. For deductible temporary differences associated with such investment and equity, when it is probable that sufficient taxable income will be available to realize such temporary difference, a deferred tax asset is recognized, but only to the extent of the amount that is expected to be reversed in the foreseeable future.

The carrying amount of the deferred income tax assets is re-examined at each balance sheet date and the carrying amount is reduced for assets that are no longer likely to generate sufficient taxable income to recover all or part of the assets. The carrying amount of items that were not previously recognized as a deferred tax asset is also reviewed at each balance sheet date and is raised when it becomes probable that sufficient taxable profit will be available in the future to recover all or part of the asset.

Deferred income tax assets and liabilities are measured at the tax rate of the period of expected realization of assets or settlement of liabilities. The rate is based on the

tax rate and tax laws that have been enacted prior to the balance sheet date or have been substantially legislated. Measurement of deferred income tax liabilities and assets is a reflection of the tax consequences resulting from the means by which the Group expects to recover or settle the carrying amount of its assets and liabilities at the balance sheet date.

3) Current and deferred taxes for the year

Current income tax and deferred income tax are recognized in profit or loss, except that for items associated with other comprehensive income, such taxes are recognized in other comprehensive income.

5. 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 impact of inflation and interest rate fluctuations in the market on the related significant accounting estimates. The management will continue to review the estimates and basic assumptions.

Primary Sources of Uncertainties in Estimation, and Assumption

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.

6. Cash and cash equivalents

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash on hand and revolving funds	\$ 2,534	\$ 2,505
Checking accounts and demand deposits	657,925	787,452
Cash equivalents (time deposits with original maturity date within 6 months)	150,527	844,338
Bank time deposits	<u>\$ 810,986</u>	<u>\$ 1,634,295</u>

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Time deposits	0.64%~1.61%	0.52%~5.85%

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 9.

7. Financial assets at fair value through profit or loss

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Mandatorily measured at fair value through profit or loss		
<u>Current</u>		
— Listed stocks and emerging stocks	\$ 287,230	\$ 198,207
— Fund beneficiary certificates	<u>2,744,565</u>	<u>1,576,274</u>
	<u>\$ 3,031,795</u>	<u>\$ 1,774,481</u>
<u>Non-current</u>		
— Listed stocks and emerging stocks	\$ 90,636	\$ 69,106
— Unlisted stocks	190,061	46,632
— Unlisted preferred stocks	61,950	61,950
— Private equity funds	<u>36,176</u>	<u>41,789</u>
	<u>\$ 378,823</u>	<u>\$ 219,477</u>

8. Financial assets at fair value through other comprehensive income

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Investment in equity instruments</u>		
Listed stocks		
Current	\$ 19,325	\$ 21,655
Non-current	<u>191,251</u>	<u>370,478</u>
	<u>\$ 210,576</u>	<u>\$ 392,133</u>

The Group invested in domestic 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 30.

9. Financial assets measured at amortized cost

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Current</u>		
Time deposits with original maturity		
date over six months	\$ 22,297	\$ 1,369,318
Restricted bank deposits (1)	-	15
Restricted time deposits (1)	<u>125,249</u>	<u>208,286</u>
	<u><u>\$ 147,546</u></u>	<u><u>\$ 1,577,619</u></u>
<u>Non-current</u>		
Corporate bonds (2)	\$ 1,378,350	\$ 30,867
Pledged time deposit	<u>70,050</u>	<u>70,050</u>
Subtotal	<u>1,448,400</u>	<u>100,917</u>
Less: Allowance for losses	<u>(20,323)</u>	<u>(83)</u>
	<u><u>\$ 1,428,077</u></u>	<u><u>\$ 100,834</u></u>

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Time deposits with original maturity		
date over six months	5.00%	5.04%~6.06%
Restricted time deposits	5.10%	4.50%
Corporate bonds	1.65%~6.30%	5.38%
Pledged time deposits	1.08%	0.65%

- a. 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.
- b. 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 losses 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:

December 31, 2024

Credit rating	Expected credit loss rate	Total carrying amount measured at amortized cost
Normal	0.05%~3.33%	\$ 1,378,350

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 allowance for losses on the Group's investments in debt instruments measured at amortized cost were as follows

	Credit rating
Balance as of January 1, 2024	Normal
Purchase of new debt instruments	\$ 83
Exchange rates and other changes	19,814
Balance as of December 31, 2024	426
	<u><u>\$ 20,323</u></u>
Balance as of January 1, 2023	\$ -
Purchase of new debt instruments	84
Exchange Rates and Other Changes	(1)
Balance as of December 31, 2023	<u><u>\$ 83</u></u>

For information on pledged financial assets at amortized cost, please refer to Note 30.

10. Notes receivable and accounts receivable

	December 31, 2024	December 31, 2023
Notes receivable	<u><u>\$ 13,650</u></u>	<u><u>\$ 156</u></u>
Accounts receivable		
Measured at amortized cost		
Total carrying amount	\$ 765,805	\$ 316,638
Less: Allowance losses	(31,233)	(25,023)
	<u><u>\$ 734,572</u></u>	<u><u>\$ 291,615</u></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:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Not overdue	<u>\$ 13,650</u>	<u>\$ 156</u>

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Not overdue	<u>\$ 734,572</u>	<u>\$ 212,253</u>
Less than 180 days	<u>-</u>	<u>74,697</u>
More than 361 days	<u>31,233</u>	<u>29,688</u>
Total	<u>\$ 765,805</u>	<u>\$ 316,638</u>

Changes in allowance losses for accounts receivable are as follows:

	<u>2024</u>	<u>2023</u>
Beginning balance	<u>\$ 25,023</u>	<u>\$ 34,534</u>
Add: Provision (reversal) of impairment loss for the period	<u>4,852</u>	<u>(9,086)</u>
Exchange difference	<u>1,358</u>	<u>(425)</u>
Ending balance	<u>\$ 31,233</u>	<u>\$ 25,023</u>

11. Inventories (for construction business)

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Shaoxing S. St., National Taiwan University	<u>\$ 8,099</u>	<u>\$ 2,502</u>

In November 2022, the Group entered into an agreement with the Taipei Housing and Urban Regeneration Center to undertake the National Taiwan University Shaoxing South Street Public Urban Renewal Project.

12. Prepayments

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Prepayments for construction contracts	\$ 141,340	\$ 106,183
Excess VAT Paid	1,225	2,865
Prepaid insurance	36,475	16,329
Others	<u>4,020</u>	<u>4,560</u>
	<u><u>\$ 183,060</u></u>	<u><u>\$ 129,937</u></u>

13. Subsidiary

a. Subsidiaries included in the consolidated financial statements

The entities of the consolidated financial statements were as follows:

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

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

- 1) Leader Construction was established on August 1, 2023 through an investment made by the Company.
- b. Subsidiaries not included in the consolidated financial statements: None.

14. Investments accounted for using equity method

Investments in associates

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Associates not individually significant		
Chang Jia Energy Co., Ltd.	<u>\$ 73,440</u>	<u>\$ 48,642</u>

Information of associates not individually significant

	<u>2024</u>	<u>2023</u>
Shares attributable to the Group		
Net income (loss) from continuing operations	<u>\$ 298</u>	<u>(\$ 138)</u>
Total comprehensive income	<u>\$ 298</u>	<u>(\$ 138)</u>

15. Property, plant, and equipment

	Freehold land	Housings and buildings	Machinery equipment	Transportation equipment	Office equipment	Leasehold improvements	Other Equipment	Outstanding Projects and Equipment Awaiting Inspection	Total
<u>Cost</u>									
Balance as of January 1, 2023	\$ 15,742	\$ 1,742	\$ 3,224	\$ 1,738	\$ 4,836	\$ 17,888	\$ 102,480	\$ 10,979	\$ 158,629
Addition	-	-	-	1,200	4,461	2,565	2,728	-	10,954
Disposal	-	-	(933)	-	(422)	(17,346)	(3,082)	(10,979)	(21,783)
Reclassification	-	-	(147)	-	921	-	10,686	-	481
Net exchange differences	-	-	-	-	(42)	-	-	-	(42)
Balance as of December 31, 2023	<u>\$ 15,742</u>	<u>\$ 1,742</u>	<u>\$ 2,144</u>	<u>\$ 2,938</u>	<u>\$ 9,754</u>	<u>\$ 3,107</u>	<u>\$ 112,812</u>	<u>\$</u>	<u>\$ 148,239</u>
<u>Accumulated depreciation</u>									
Balance as of January 1, 2023	\$ -	\$ 1,298	\$ 1,565	\$ 387	\$ 3,380	\$ 16,418	\$ 12,186	\$ -	\$ 35,234
Depreciation expense	-	48	534	410	1,343	1,914	34,698	-	38,947
Disposal	-	-	(933)	-	(422)	(17,346)	(3,020)	-	(21,721)
Net exchange differences	-	-	-	-	(42)	-	-	-	(42)
Balance as of December 31, 2023	<u>\$ -</u>	<u>\$ 1,346</u>	<u>\$ 1,166</u>	<u>\$ 797</u>	<u>\$ 4,259</u>	<u>\$ 986</u>	<u>\$ 43,864</u>	<u>\$</u>	<u>\$ 52,418</u>
Net worth as of December 31, 2023	<u>\$ 15,742</u>	<u>\$ 396</u>	<u>\$ 978</u>	<u>\$ 2,141</u>	<u>\$ 5,495</u>	<u>\$ 2,121</u>	<u>\$ 68,948</u>	<u>\$</u>	<u>\$ 95,821</u>
<u>Cost</u>									
Balance as of January 1, 2024	\$ 15,742	\$ 1,742	\$ 2,144	\$ 2,938	\$ 9,754	\$ 3,107	\$ 112,812	\$ -	\$ 148,239
Addition	-	-	285	-	2,112	867	92,585	-	95,849
Disposal	-	-	-	(178)	(3,374)	(542)	(534)	-	(4,628)
Net exchange differences	-	-	-	-	102	-	-	-	102
Balance as of December 31, 2024	<u>\$ 15,742</u>	<u>\$ 1,742</u>	<u>\$ 2,429</u>	<u>\$ 2,760</u>	<u>\$ 8,594</u>	<u>\$ 3,432</u>	<u>\$ 204,863</u>	<u>\$</u>	<u>\$ 239,562</u>
<u>Accumulated depreciation</u>									
Balance as of January 1, 2024	\$ -	\$ 1,346	\$ 1,166	\$ 797	\$ 4,259	\$ 986	\$ 43,864	\$ -	\$ 52,418
Depreciation expense	-	49	516	515	1,757	824	46,580	-	50,241
Disposal	-	-	-	(82)	(3,371)	(542)	(537)	-	(4,532)
Net exchange differences	-	-	-	-	102	-	-	-	102
Balance as of December 31, 2024	<u>\$ -</u>	<u>\$ 1,395</u>	<u>\$ 1,682</u>	<u>\$ 1,230</u>	<u>\$ 2,747</u>	<u>\$ 1,268</u>	<u>\$ 89,907</u>	<u>\$</u>	<u>\$ 98,229</u>
Net worth as of December 31, 2024	<u>\$ 15,742</u>	<u>\$ 347</u>	<u>\$ 747</u>	<u>\$ 1,530</u>	<u>\$ 5,847</u>	<u>\$ 2,164</u>	<u>\$ 114,956</u>	<u>\$</u>	<u>\$ 141,333</u>

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

16. Lease agreement

a. Right-of-use assets

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Carrying amount of right-of-use assets		
Buildings	\$ 67,344	\$ 39,168
Transportation equipment	<u>2,415</u>	<u>2,040</u>
	<u><u>\$ 69,759</u></u>	<u><u>\$ 41,208</u></u>
	<u>2024</u>	<u>2023</u>
Additions to right-of-use assets	<u><u>\$ 48,528</u></u>	<u><u>\$ 44,405</u></u>
Depreciation expense of right-of-use assets		
Buildings	\$ 17,189	\$ 14,973
Transportation equipment	<u>2,153</u>	<u>2,071</u>
	<u><u>\$ 19,342</u></u>	<u><u>\$ 17,044</u></u>

Other than the addition and recognition of depreciation expenses above, the Group's right-of-use assets did not have significant sublease and impairment for 2024 and 2023.

b. Lease liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Carrying amount of lease liabilities		
Current (listed as other current liabilities)	<u><u>\$ 18,398</u></u>	<u><u>\$ 11,046</u></u>
Non-current (listed as other non-current liabilities)	<u><u>\$ 52,106</u></u>	<u><u>\$ 30,431</u></u>

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Buildings	1.65%~2.19%	1.65%~2.06%
Transportation equipment	3.00%	3.00%

c. Other lease information

	<u>2024</u>	<u>2023</u>
Short-term lease expense	<u><u>\$ 7,421</u></u>	<u><u>\$ 7,528</u></u>
Total cash outflow on lease	<u><u>\$ 26,280</u></u>	<u><u>\$ 24,545</u></u>

17. Investment property

	2024	2023
<u>Cost</u>		
Beginning balance	\$ 586,533	\$ 120,607
Reclassification (1)	-	<u>465,926</u>
Ending balance	<u>\$ 586,533</u>	<u>\$ 586,533</u>
<u>Accumulated depreciation and impairment</u>		
Beginning balance	\$ 20,107	\$ 19,114
Depreciation expense	994	993
Ending balance	<u>\$ 21,101</u>	<u>\$ 20,107</u>
Net amount - end of year	<u>\$ 565,432</u>	<u>\$ 566,426</u>
Fair Value	<u>\$ 753,806</u>	<u>\$ 750,809</u>

a. 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 December 31, 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.

Depreciation expenses of the building and parking spaces under the investment property are provided using the straight-line method over 6 to 50 years of useful lives.

The fair value of building and parking spaces under the 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 30.

18. Intangible assets

	2024	2023
<u>Cost</u>		
Beginning balance	\$ 16,051	\$ 8,114
New additions	6,020	1,386
Reductions	(585)	-
Reclassification	8,596	6,551
Ending balance	<u>\$ 30,082</u>	<u>\$ 16,051</u>
<u>Accumulated amortization</u>		
Beginning balance	\$ 5,445	\$ 1,097
Amortization expenses	6,142	4,085
Reductions	(585)	-
Reclassification	-	263
Ending balance	<u>\$ 11,002</u>	<u>\$ 5,445</u>
Net amount - end of year	<u>\$ 19,080</u>	<u>\$ 10,606</u>

19. Loans

Short-term loans

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Unsecured loans</u>		
Credit line loans	<u>\$ 200,000</u>	<u>\$ -</u>
Annual interest rate (%) (Effective interest rate)	1.85%~1.93%	-

20. 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.

21. Post-retirement Benefit Plans

a. Defined contribution plans

The pension system applicable to the Group under the "Labor Pension Act" is a defined contribution plan under government administration, to which the Group contributes 6% of employees' monthly salary and wages to their personal accounts at the Bureau of Labor Insurance.

b. Defined Benefit Plans

The Group's pension system under the "Labor Standards Act" is a defined benefit pension plan managed by the government. Pension payment to an employee is calculated based on her/his number of service years and average salary/wage of the last 6 months prior to approved retirement. The Group contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to a retirement fund that is deposited with

Bank of Taiwan under the name of The Supervisory Committee of Workers' Retirement Fund. Before the end of year, if the balance at the retirement fund is not sufficient to pay employees who will meet the retirement criteria next year, a lump sum deposit for the shortfall should be made before the end of March of the following year. The retirement fund is managed by the Bureau of Labor Funds, Ministry of Labor, and the Group does not have rights to influence its investment management strategy.

The funds for defined benefit plans included in the consolidated balance sheets are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Present value of defined benefit obligations	\$ 29,172	\$ 33,690
Fair value of plan assets	(37,365)	(38,114)
Net defined benefit assets (listed as other non-current assets)	(\$ 8,193)	(\$ 4,424)

Changes in net defined benefit assets are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit (assets) liabilities
January 1, 2023	<u>\$ 33,103</u>	<u>(\$ 36,671)</u>	<u>(\$ 3,568)</u>
Service costs			
Current service cost	245	-	245
Interest expense (income)	408	(456)	(48)
Recognized in profit and loss	<u>653</u>	<u>(456)</u>	<u>197</u>
Remeasurement			
Return on plan assets (excluding amounts that are included in net interest)	-	(324)	(324)
Actuarial loss - Experience adjustments	(251)	-	(251)
Actuarial gain - Change in demographic and financial assumptions	<u>185</u>	<u>-</u>	<u>185</u>
Recognized in other comprehensive income	(66)	(324)	(390)
Contribution from employer	<u>-</u>	<u>(663)</u>	<u>(663)</u>
December 31, 2023	<u>33,690</u>	<u>(38,114)</u>	<u>(4,424)</u>

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	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit (assets) liabilities
Service costs			
Current service cost	\$ 111	\$ -	\$ 111
Interest expense (income)	<u>353</u>	(<u>407</u>)	(<u>54</u>)
Recognized in profit and loss	<u>464</u>	(<u>407</u>)	<u>57</u>
Remeasurement			
Return on plan assets (excluding amounts that are included in net interest)	-	(3,373)	(3,373)
Actuarial loss - Experience adjustments	885	-	885
Actuarial gain - Change in demographic and financial assumptions	(672)	-	(672)
Recognized in other comprehensive income	<u>213</u>	(<u>3,373</u>)	(<u>3,160</u>)
Contribution from employer	-	(<u>666</u>)	(<u>666</u>)
Benefits paid	(<u>5,195</u>)	<u>5,195</u>	-
December 31, 2024	<u><u>\$ 29,172</u></u>	<u><u>(\$ 37,365)</u></u>	<u><u>(\$ 8,193)</u></u>

The amounts recognized in profit or loss for the defined benefit plans are summarized by function as follows:

	2024	2023
By function		
Operating costs	\$ 23	\$ 64
Operating expenses	<u>34</u>	<u>133</u>
	<u><u>\$ 57</u></u>	<u><u>\$ 197</u></u>

The Group has the following risks owing to the implementation of the pension system under the "Labor Standards Act":

- 1) Investment risk: The pension funds are invested in local and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau of Labor Funds, Ministry of Labor, or through its designated agencies. However, the rate of return on plan assets shall not be less than the average interest rate on a two year time deposit published by the local banks.
- 2) Interest rate risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation. However, the return on the debt investments of the plan assets will also increase. Those two will partially offset each other.

3) Payroll risk: The present value of the defined benefit obligation is calculated by reference to the future salary of plan participants. As such, an increase in the salary of the plan participants will raise the present value of the defined benefit obligation.

The present value of the Group's defined benefit obligations is calculated by certified actuaries and the major assumptions on the measurement date are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Discount rate	1.55%	1.15%
Expected growth rate of salary	2.00%	2.00%

If reasonable changes occur in major actuarial assumptions respectively with other assumptions unchanged, the present value of defined benefit obligations will increase (decrease) as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Discount rate		
Increase by 0.25%	(\$ 405)	(\$ 460)
Decrease by 0.25%	<u>\$ 416</u>	<u>\$ 472</u>
Expected growth rate of salary		
Increase by 0.25%	<u>\$ 413</u>	<u>\$ 467</u>
Decrease by 0.25%	(\$ 405)	(\$ 457)

As actuarial assumptions may be related to one another, the likelihood of fluctuation in a single assumption is not high. Therefore, the aforementioned sensitivity analysis may not reflect the actual fluctuations of the present value of defined benefit obligations.

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Expected contribution amounts within 1 year	<u>\$ 642</u>	<u>\$ 663</u>
Average maturity period of defined benefit obligations	5 years	6 years

22. Equity

a. Capital

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Number of shares authorized (in thousands)	<u>500,000</u>	<u>500,000</u>
Authorized capital	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>201,600</u>	<u>252,000</u>
Issued capital	<u>\$ 2,016,001</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, and it reduced 50,400 thousand shares. The reduction ratio was 20%, and the issued capital is 201,600 thousand shares after the capital reduction. The Taiwan Stock Exchange Corporation has approved the aforementioned capital reduction plan, effective on August 8, 2024, as per Tai Zheng Shang Yi Zi. No. 1131803642. The Board of Directors has also decided to designate August 26, 2024, as the reference date for cash reduction. The Company has completed the registration change on September 13, 2024.

b. Additional paid-in capital

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

c. 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 24 (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 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 as follows:

	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

The appropriation of earnings and dividends per share for 2024 proposed by the Board of Directors on March 14, 2025 are as follows:

	Earnings Appropriation	Dividends per Share (NT\$)
Legal reserve	\$ 77,938	
Cash dividends	433,440	\$ 2.15

The distribution of earnings for 2024 is subject to the resolution of the Stockholders' meeting to be held on June 13, 2025.

23. Revenue

a. Revenue from contracts with customers

	2024	2023
Revenue from construction contracts	\$ 6,120,527	\$ 4,186,024
Others	356	335
	<u>\$ 6,120,883</u>	<u>\$ 4,186,359</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.

b. Contract balances

	December 31, 2024		December 31, 2023	
	Construction Segment	Discontinued Segment	Construction Segment	Discontinued Segment
Notes receivable (Note 10)	\$ 13,650	\$ -	\$ 156	\$ -
Accounts receivable (Note 10)	\$ 734,572	\$ -	\$ 286,950	\$ 4,665
Contract assets				
Real estate construction	\$ 746,137	\$ -	\$ 693,243	\$ -
Construction retainage receivable	242,873	\$ -	245,463	\$ -
	<u>\$ 989,010</u>	<u>\$ -</u>	<u>\$ 938,706</u>	<u>\$ -</u>
Contract liability				
Real estate construction	\$ 927,441	\$ -	\$ 801,917	\$ -
Current provisions	\$ 102,262	\$ -	\$ 135,217	\$ -

c. Contracts with customers that have not been fully completed

The aggregate amount of the 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 December 31, 2024 were as follows:

Anticipated years to recognize revenue	December 31, 2024
2025-2030	<u>\$ 37,610,469</u>

24. Net Income from Continuing Operations

a. Other income

	2024	2023
Interest income	\$ 123,649	\$ 135,971
Dividend income	28,014	18,837
Litigation compensation	-	3,193
Gain on reversal of expected credit loss on other receivables	-	2,400
Overdue accounts payable that are no longer required to be paid are reclassified as income	9,345	-
Others	<u>2,556</u>	<u>4,106</u>
	<u>\$ 163,564</u>	<u>\$ 164,507</u>

b. Other gains and losses

	2024	2023
Gains on valuation of financial assets at fair value through profit or loss	\$ 279,307	\$ 182,044
Foreign exchange gains (losses), net	11,273	(315)
Gains on disposal of property, plant and equipment	18	68
Net income from derecognition of financial assets at amortized cost	1,612	-
Corporate bonds expected credit losses	(19,814)	(84)
Others	(4,660)	(33)
	<u><u>\$ 267,736</u></u>	<u><u>\$ 181,680</u></u>

c. Finance costs

	2024	2023
Interest expenses		
Interest on bank loans	\$ 1,760	\$ 7,533
Interest on lease liabilities	1,314	614
Others	154	-
	<u><u>\$ 3,228</u></u>	<u><u>\$ 8,147</u></u>

d. Depreciation and amortization expenses

	2024	2023
Property, plant, and equipment	\$ 50,241	\$ 38,947
Right-of-use assets	19,342	17,044
Investment property	994	993
Intangible assets	6,142	4,085
Total	<u><u>\$ 76,719</u></u>	<u><u>\$ 61,069</u></u>

Depreciation expenses by function

Operating costs	\$ 49,570	\$ 37,397
Operating expenses	20,052	18,633
Other gains and losses	955	954
	<u><u>\$ 70,577</u></u>	<u><u>\$ 56,984</u></u>

Amortization expenses by function

Operating costs	\$ 2,604	\$ 1,410
Operating expenses	3,538	2,675
	<u><u>\$ 6,142</u></u>	<u><u>\$ 4,085</u></u>

e. Employee benefits expenses

	2024	2023
Short-term employee benefits	\$ 610,172	\$ 525,301
Post-employment benefits		
Defined contribution plans	18,746	17,982
Defined benefit plans	57	197
Termination benefits	<u>7,602</u>	<u>1,314</u>
	<u><u>\$ 636,577</u></u>	<u><u>\$ 544,794</u></u>
By function		
Operating costs	\$ 317,900	\$ 271,402
Operating expenses	<u>318,677</u>	<u>273,392</u>
	<u><u>\$ 636,577</u></u>	<u><u>\$ 544,794</u></u>

f. 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 2024 and 2023 were resolved by the Board of Directors on March 14, 2025 and March 13, 2024 respectively as follows:

	2024		2023	
	Percentage		Percentage	
	Cash	(%)	Cash	(%)
Employee remuneration	\$ 25,369	3%	\$ 12,522	3%
Director remuneration	<u>25,369</u>	<u>3%</u>	<u>12,522</u>	<u>3%</u>
	<u><u>\$ 50,738</u></u>		<u><u>\$ 25,044</u></u>	

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

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 directors approved by the Board of Directors is available at the Market Observation Post System website of Taiwan Stock Exchange.

25. Income Tax

a. Income tax recognized in profit or loss

Major components of income tax expenses were as follows:

	2024	2023
Current income tax		
Income tax expenses recognized in the current period	\$ 130,477	\$ 75,181
Additional tax on unappropriated earnings	2,647	-
Adjustments for previous years	(<u>21,422</u>)	(<u>511</u>)
	<u>111,702</u>	<u>74,670</u>
Deferred income tax		
Income tax expenses recognized in the current period	4,567	17,740
Adjustments for previous years	<u>12,953</u>	-
	<u>17,520</u>	<u>17,740</u>
Income tax expenses recognized in profit or loss	<u><u>\$ 129,222</u></u>	<u><u>\$ 56,930</u></u>

Reconciliation for accounting income and income tax expenses is as follows:

	2024	2023
Net income before tax	<u><u>\$ 810,979</u></u>	<u><u>\$ 395,443</u></u>
Income tax expenses calculated based on income before income tax and the statutory tax rate	\$ 162,196	\$ 79,089
Permanent difference	139	68
Exemptions	(46,330)	(23,135)
Adjustments on income tax expenses of prior years	(8,469)	(511)
Additional tax on unappropriated earnings	2,647	-
Additional Tax Amount Under the Minimum Tax Liability System	14,359	2,839
Others	<u>4,680</u>	(<u>1,420</u>)
Income tax expenses recognized in profit or loss	<u><u>\$ 129,222</u></u>	<u><u>\$ 56,930</u></u>

b. Income tax recognized in other comprehensive income

	2024	2023
<u>Deferred income tax</u>		
Arising from current period		
Exchange differences on translation of financial statements of foreign operations	\$ 47,901	(\$ 568)
Remeasurement of defined benefit plans	632	78
Income tax recognized in other comprehensive income	<u>\$ 48,533</u>	(\$ 490)

c. Deferred Income Tax Assets and Liabilities

Changes in deferred income tax assets and liabilities are as follows:

2024

	Balance - beginning of year	Recognized in profit and loss	Recognized in other comprehensive income	Balance - end of year
<u>Deferred tax assets</u>				
Warranty Cost	\$ 8,448	(\$ 906)	\$ -	\$ 7,542
Construction proceeds temporarily estimated	9,533	(720)	-	8,813
Unrealized construction loss	18,595	(5,685)	-	12,910
Others	1,252	(1,031)	-	221
	<u>\$ 37,828</u>	<u>(\$ 8,342)</u>	<u>\$ -</u>	<u>\$ 29,486</u>

	Balance - beginning of year	Recognized in profit and loss	Recognized in other comprehensive income	Balance - end of year
<u>Deferred tax liabilities</u>				
Gains or losses from investment accounted for using equity method	\$ 446,143	\$ 6,621	\$ -	\$ 452,764
Exchange differences on translation of financial statements of foreign operations	79,154	-	47,901	127,055
Reserve for land value increment tax	10,814	-	-	10,814
Others	915	2,557	632	4,104
	<u>\$ 537,026</u>	<u>\$ 9,178</u>	<u>\$ 48,533</u>	<u>\$ 594,737</u>

2023

	Balance - beginning of year	Recognized in profit and loss	Recognized in other comprehensive income	Balance - end of year
<u>Deferred tax assets</u>				
Warranty Cost	\$ 7,617	\$ 831	\$ -	\$ 8,448
Construction proceeds temporarily estimated	10,088	(555)	-	9,533
Unrealized construction loss	1,462	17,133	-	18,595
Others	672	658	(78)	1,252
	<u>\$ 19,839</u>	<u>\$ 18,067</u>	<u>(\$ 78)</u>	<u>\$ 37,828</u>

<u>Deferred tax liabilities</u>					
Gains or losses from investment accounted for using equity method	\$ 445,816	\$ 327	\$ -	\$ -	\$ 446,143
Exchange differences on translation of financial statements of foreign operations	79,722	-	(568)	79,154	
Reserve for land value increment tax	10,814	-	-	10,814	
Others	915	-	-	915	
	<u>\$ 537,267</u>	<u>\$ 327</u>	<u>(\$ 568)</u>	<u>\$ 537,026</u>	

d. Unrecognized deferred income tax assets in respect of loss carryforwards

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Loss carryforwards		
Expire in 2026	\$ 5,387	\$ 5,387
Expire in 2032	38	38
Expire in 2033	8,323	12,937
Expire in 2034	<u>18,892</u>	<u>-</u>
	<u>\$ 32,640</u>	<u>\$ 18,362</u>

e. Income tax approval status

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

<u>Company name</u>	<u>Year Approved</u>
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

26. Earnings Per Share

	<u>Unit: NT\$</u>	
	<u>2024</u>	<u>2023</u>
Basic earnings per share	<u>\$ 2.91</u>	<u>\$ 1.34</u>
Diluted earnings per share	<u>\$ 2.90</u>	<u>\$ 1.34</u>

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

<u>Net income</u>	2024	2023
Net income attributable to owners of the Company	<u>\$ 681,757</u>	<u>\$ 338,513</u>
<u>Number of shares</u>	(in Thousand)	
	2024	2023
Weighted average number of shares of common stock used for the calculation of basic earnings per share	234,374	252,000
Effect of potentially dilutive shares of common stocks:		
Employee remuneration	<u>1,106</u>	<u>849</u>
Weighted average number of shares of common stock used for the calculation of diluted earnings per share	<u>235,480</u>	<u>252,849</u>

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 included 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.

27. Capital Risk Management

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

28. Financial Instruments

a. Fair value of financial instruments that are not 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 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.

b. Fair value of financial instruments at fair value on a recurring basis

1) Fair value level

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
Listed stocks and emerging stocks	\$ 55,714	\$ 322,152	\$ -	\$ 377,866
Unlisted stocks	-	-	190,061	190,061
Unlisted preferred stocks	-	-	61,950	61,950
Fund beneficiary certificates	2,744,565	-	-	2,744,565
Private equity funds	-	-	36,176	36,176
Total	<u>\$ 2,800,279</u>	<u>\$ 322,152</u>	<u>\$ 288,187</u>	<u>\$ 3,410,618</u>

Financial assets at fair value through other comprehensive income

Listed stocks	<u>\$ 210,576</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,576</u>
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December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
Listed innovative 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 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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2) Reconciliation of Level 3 fair value measurements of financial instruments

	2024	2023
Beginning balance	<u>\$ 150,371</u>	<u>\$ 197,029</u>
Recognized in profit and loss		
— Unrealized valuation gains or losses on financial assets at fair value through profit or loss	(2,319)	4,032
Recognized in other comprehensive income		
— Exchange differences on translation of financial statements of foreign operations	2,655	(5,451)
Purchase	145,748	76,950
Return on capital	(8,268)	(6,177)
Transfer out from Level 3 (Note 1)	<u>-</u>	<u>(116,012)</u>
Ending balance	<u>\$ 288,187</u>	<u>\$ 150,371</u>

Note1: 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 innovative 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 or the market approach (no recent funding within a year).

The unobservable inputs applied by the Group were a 10% discount for lack of liquidity and a 10% discount for minority interest on December 31, 2024 and December 31, 2023. When other inputs are held constant, a 1% discount would decrease the fair value by NT\$22,257 thousand and NT\$9,132 thousand, respectively.

c. Types of financial instruments

	December 31, 2024	December 31, 2023
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Mandatorily measured at fair value through profit or loss	\$ 3,410,618	\$ 1,993,958
Financial assets at amortized cost (Note 1)	3,221,042	3,687,916
Financial assets at fair value through other comprehensive income		
Investment in equity instruments	210,576	392,133
<u>Financial liabilities</u>		
Measured at amortized cost (Note 2)	2,218,365	1,557,765

Note1: The balance includes financial assets 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 time deposit.

Note2: The balance includes financial liabilities at amortized cost, which comprise notes payable, accounts payable, other payables, guarantee deposit received and short-term loans.

d. 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

a) 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 32 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 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	
	2024	2023
RMB	\$ 2	\$ 2
USD	2,293	2,125

b) 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, and 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:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
With fair value interest rate risk		
– Financial assets	\$ 1,726,150	\$ 2,522,776
– Financial liabilities	270,504	41,477
With cash flow interest rate risk		
– Financial assets	657,925	787,467

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 increases/decreases by 100 basis points, holding other variables constant, the Group's income before tax will increase/decrease by NT\$6,579 thousand and NT\$7,875 thousand in 2024 and 2023, respectively.

c) 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 in 2024 and 2023 would have increased/decreased by NT\$341,062 thousand and NT\$199,396 thousand due to a change in the fair value of financial assets at fair value through profit or loss.

If the equity price increased/decreased by 10%, other comprehensive income before tax in 2024 and 2023 would have increased/decreased by NT\$21,058 thousand or NT\$39,213 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 December 31, 2024 and 2023, the ratio of accounts receivable and contract assets from aforementioned customers to the total amounted to 81% and 82%, respectively. To mitigate credit risk, the Group regularly assesses the financial position of our customers and the likelihood of recovering accounts receivable, and recognized appropriate allowance for loss.

3) Liquidity risk

- a) 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.
- b) 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.

December 31, 2024

	Less than 1 Year	1-2 Year(s)	2-5 Years
Non-interest-bearing liabilities	\$ 1,484,587	\$ 206,447	\$ 208,848
Lease liabilities	19,404	16,968	36,727
Fixed interest rate instruments	<u>201,895</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,705,886</u>	<u>\$ 223,415</u>	<u>\$ 245,575</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>\$ 1,381,573</u>	<u>\$ 17,279</u>	<u>\$ 90,424</u>

The amount of the non-derivative financial assets and liabilities 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.

c) Financing facilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Unsecured bank loan facilities		
– Amount used	\$ 200,000	\$ -
– Amount unused	<u>1,896,205</u>	<u>2,327,283</u>
	<u><u>\$ 2,096,205</u></u>	<u><u>\$ 2,327,283</u></u>
Secured bank loan facilities		
– Amount used	\$ -	\$ -
– Amount unused	<u>450,000</u>	<u>450,000</u>
	<u><u>\$ 450,000</u></u>	<u><u>\$ 450,000</u></u>

29. 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 were as follows.

a. Parent Company and ultimate controlling party

The Company is the ultimate controller of itself and its subsidiaries.

b. 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.

c. 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	Name of Related Party	December 31, 2024	December 31, 2023
Acquisition of right-of-use assets	Chien Hwei Investment Co., Ltd.	<u>\$ 37,634</u>	<u>\$ -</u>

Account	Name of Related Party	December 31, 2024	December 31, 2023
Lease liabilities - current and non-current	Chien Hwei Investment Co., Ltd.	<u>\$ 31,641</u>	<u>\$ -</u>

Account	Name of Related Party	2024	2023
Interest expenses	Chien Hwei Investment Co., Ltd.	\$ 618	\$ 42
Lease expenses	Chien Hwei Investment Co., Ltd.	\$ 220	\$ 200

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	Name of Related Party	2024	2023
Rent income	Chien Hwei Investment Co., Ltd.	\$ 1,143	\$ 1,143

3) Donation

Category of Related Parties	2024	2023
Chien Kuo Foundation for Arts and Culture	\$ 2,000	\$ 2,000

The Group donated funds for broadcast production to related parties.

d. Remuneration to key management

	2024	2023
Short-term employee benefits	\$ 65,355	\$ 73,446
Post-employment benefits	1,391	1,793
	\$ 66,746	\$ 75,239

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

30. Pledged Assets

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

	December 31, 2024	December 31, 2023
Financial assets at FVTOCI - non-current	\$ 34,000	\$ 38,100
Pledged time deposits (included in financial assets at amortized cost - non-current)	70,050	70,050
Investment property	492,257	492,831
	\$ 596,307	\$ 600,981

31. 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 were as follows:

- a. The construction of the National Kaohsiung Center for the Arts (Weiwuying) (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 (Weiwuying) (hereinafter referred to as the Weiwuying Center for the Arts). The warranty period of the nonbuilding structures in the project expired on November 16, 2020. The "Weiwuying" has been opened to the public and the performance schedule is intensive, and hence, the Group had to coordinate the inspection schedule with the Weiwuying Center for the Arts. However, Weiwuying Center for the Arts had been making many unreasonable requests for repairs, causing delays in the inspection schedule. On this basis, Weiwuying Center for the Arts refused to return 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 repaired without any interruption. The Group considered that the action of the Weiwuying 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 Weiwuying 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 Group provided a joint guarantee letter of NT\$10,368 thousand, and the Weiwuying Center for the Arts returned a warranty joint guarantee letter of NT\$96,003 thousand.
- b. Regarding the aforementioned project, the Weiwuying Center for the Arts asserted that there are still unresolved warranty defects. On October 23, 2023, they filed a lawsuit with the Kaohsiung District Court to forfeit the warranty joint guarantee letter of NT\$96,003 thousand and requested the Group to cover the repair cost of NT\$17,939 thousand. The case is currently being heard by the Kaohsiung District Court. It is difficult for the Group to predict the outcome before the judgment is made. However, the Group has received the joint warranty guarantee letter of NT\$96,003 thousand, as per the arbitration result mentioned earlier.
- c. 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 first mediation meeting was held on May 20, 2024. On November 4, 2024, the Taoyuan City

Government Procurement Appeals and Review Committee received the mediation agreement. The Group has confirmed that the amount of NT\$8,819 thousand, deemed unrecoverable, was reclassified as project costs upon receipt of the mediation agreement.

- d. As of December 31, 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\$3,070,892 thousand and NT\$2,232,258 thousand, respectively.
- e. As of December 31, 2024 and 2023, the guaranteed bills issued by the Group for business needs amounted to NT\$1,155,205 thousand and NT\$537,271 thousand, respectively.

32. Significant Assets and Liabilities Denominated in Foreign Currencies

Significant assets and liabilities denominated in foreign currencies were as follows:

Unit: Foreign currency/NT\$ thousand

December 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary items</u>			
RMB	\$ 53	0.1391 (RMB:USD)	\$ 240
USD	6,992	32.79 (USD:NTD)	<u>229,279</u>
			<u>\$ 229,519</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>

Significant unrealized gain or loss on foreign currency exchange were as follows:

	2024		2023	
	Exchange Rate	Net Exchange Profit (Loss)	Exchange Rate	Net Exchange Profit (Loss)
<u>Financial assets</u>				
RMB	0.1404 (RMB:USD)	(\$ 210)	0.1420 (RMB:USD)	(\$ 227)
USD	32.11 (USD:NTD)	<u>7,782</u>	31.16 (USD:NTD)	(<u>4,783</u>)
		<u>\$ 7,572</u>		(<u>\$ 5,010</u>)

33. Supplementary Disclosures

- a. Information on (I) significant transactions and (II) invested companies were 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 at costs or prices of at least NT\$300 Million or 20% of the Paid-in Capital: (Appendix 4)
- 5) Acquisition of Real Estate at price at least NT\$300 Million or 20% of the Paid-in Capital: None.
- 6) Disposal of Real Estate at prices of at least NT\$300 Million or 20% of the Paid-in Capital: None.
- 7) Purchases from or Sales to Related Parties Amounting to at least NT\$100 million or 20% of the Paid-in Capital. (Appendix 5)
- 8) Receivables from Related Parties Amounting to at least NT\$100 Million or 20% of the Paid-in Capital: None.
- 9) Engaging in Derivatives Trading: None.
- 10) Others: Inter-company Relationships and Significant Inter-company Transactions: (Appendix 6)

b. Information on Invested Companies (Appendix 7)

c. Information on investments in Mainland China:

- 1) Information on investees 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 8)
- 2) Any of the following significant transactions with investees in mainland China, either directly or indirectly through a third party, and their prices, payment terms and unrealized gain or loss: (None)
 - a) Purchase amount and percentage, and the ending balance and percentage of the related payables.
 - b) Sales amount and percentage, and the ending balance and percentage of the related receivables.
 - c) Property transaction amount and the resulting gain or loss.
 - d) Ending balances and purposes of endorsements/guarantees or collateral provided.
 - e) The maximum balance, ending balance, interest rate range and the total amount of current-period interest of financing facilities.
 - f) Other transactions with significant impact on profit or loss or financial position for the period, such as provision or receipt of service.

d. Information of major shareholders: names of shareholders with ownership of 5% or more, the amount and proportion of shares owned: (Appendix 9)

34. Segment Information

The information was 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.

Information on Major Customers

Individual customers from whom at least 10% of net revenue of the Group is generated are as follows:

	2024
10000001	\$ 750,003
10002164	710,056
10481552	2,825,814
10507409	<u>823,722</u>
	<u><u>\$ 5,109,595</u></u>

	2023
10000001	\$ 906,971
10294428	521,591
10481552	1,114,211
10481854	<u>644,594</u>
	<u><u>\$ 3,187,367</u></u>

Chien Kuo Construction Co., Ltd. and Subsidiaries

Loans Provided to Others

January 1 to December 31, 2024

Appendix 1.

Unit: NT\$ Thousands

No.	Financing Company	Counterparty	Financial Statement Account	Whether a Related Party	Maximum Balance	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 Company's net worth	40% of the Company's net worth		
2	CKTech Engineering Co., Ltd.	Chien Kuo Construction Co., Ltd.	Other receivables	Yes	22,000	20,000	20,000	2.00%	(1)	-	Operating capital	-	-	40% of the Company's net worth	40% of the Company's net worth		
3	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 Company's net worth	40% of the Company's net worth		

Note1: 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 December 31, 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 (Note 2)	Endorsements/ Guarantees Provided by Parent for Subsidiary	Endorsements/ Guarantees Provided by Subsidiary for Parent	Endorsements/ Guarantees for Entities in China	Note
		Company name	Relationship											
0	Chien Kuo Construction Co., Ltd.	CKTech Engineering Co., Ltd.	Subsidiary	\$ 2,330,039	\$ 400,000	\$ 400,000	\$ 178,682	\$ -	8.58%	\$ 4,660,077	Y	N	N	Financing endorsements/ guarantees
0	Chien Kuo Construction Co., Ltd.	Chien Bang Real Estate Development Co., Ltd.	Subsidiary	2,330,039	24,600	24,600	24,600	-	0.53%	4,660,077	Y	N	N	Performance guarantee

Note1: 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.

Note2: 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
December 31, 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>		<p>Financial assets measured at FVTPL - current</p> <p>"/"</p> <p>Financial assets measured at FVTPL - non-current</p> <p>"/"</p> <p>"/"</p> <p>"/"</p> <p>"/"</p>	712	\$ 81,239	-	\$ 81,239	
	Fubon FTSE TWSE Taiwan 50 ETF			2,000	49,160	-	49,160	—
	KGI Taiwan Premium Selection High Dividend 30 ETF			2,888	48,348	-	48,348	—
	Allianz Global Investors All Seasons Double Income Fund of Funds USD A			179	41,045	-	41,045	—
	Allianz Global Investors Taiwan Technology Fund			6,012	63,777	-	63,777	—
	Nomura Global Technology Multi-Asset Fund S (NTD)			202	66,683	-	66,683	—
	Nomura Global Technology Multi-Asset Fund S (USD)			3,138	32,071	-	32,071	—
	Nomura Taiwan High Dividend Fund S (NTD)			3,974	48,318	-	48,318	—
	PineBridge Preferred Securities Income Fund TWD A			76	31,815	-	31,815	—
	PineBridge Preferred Securities Income Fund USD A			118	31,830	-	31,830	—
	UPAMC Ben Teng Fund			132	30,567	-	30,567	—
	UPAMC Optima Fund			383	98,747	-	98,747	—
	Amundi Funds - US Short Term Bond A2-USD (C) (USD)			28	49,869	-	49,869	—
	Fidelity Funds - Global Technology Fund A-Acc-USD (hedged)			25	49,529	-	49,529	—
	JPMorgan Funds - America Equity Fund A (dist) - USD (Accumulated)			22	32,638	-	32,638	—
	UPAMC Global Innovative Tech Fund (USD)			20	21,500	-	21,500	—
	<u>Stock—common stocks</u>			4	16,160	-	16,160	—
	Taiwan Semiconductor Manufacturing Co., Ltd.			2,850	32,313	4.92%	32,313	—
	NVIDIA Corporation			3,000	27,000	6.65%	27,000	—
	BMC Venture Capital Investment Corporation			131	5,349	0.16%	5,349	—
	BMD Venture Capital Investment Corporation			748	27,808	1.25%	27,808	—
	Taiwan Bio Therapeutics Co., Ltd.			86	9,172	0.27%	9,172	—
	Revivegen Co., Ltd.			21,400	21,400	1.36%	21,400	—
	Gogolook Co., Ltd.			50	3,500	0.27%	3,500	—
	CDIB Innolux Fund L.P.			1,137	19,325	0.14%	19,325	—
	Yu-Chen System Technology Corp.			11,250	191,251	1.42%	191,251	(Note 1)
	Chia Hsin Cement Corporation							

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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	
Golden Canyon Venture Capital Investment Co., Ltd.	<u>Stock—common stocks</u>							
	Phoenix Pioneer Technology Co., Ltd.	—	Financial assets measured at FVTPL - current	1,165	\$ 12,442	0.39%	\$ 12,442	—
	MEGA UNION TECHNOLOGY INC.	—	”	588	219,074	0.87%	219,074	—
	TCM Biotech International Corporation	—	Financial assets measured at FVTPL - non-current	700	39,837	1.19%	39,837	—
	Revivegen Co., Ltd.	—	”	228	8,470	0.38%	8,470	—
	AuthenX Inc.	—	”	500	10,000	1.39%	10,000	—
	Taiwan Bio-Manufacturing Corporation	—	”	2,050	41,000	0.45%	41,000	—
	Digimax Innovative Products Ltd.	—	”	203	2,848	0.58%	2,848	—
	<u>Stock—preferred stocks</u>							
	Brain Navi Ltd	—	”	1,000	61,950	-	61,950	—
Golden Canyon II Venture Capital Investment Co., Ltd.	<u>Stock—common stocks</u>							
	Geckos Group	—	Financial assets measured at FVTPL - non-current	1,150	23,000	5.25%	23,000	—
Chien Kuo Building Co., Ltd.	Aventacell Biomedical Corp. Ltd.	—	”	500	29,000	4.29%	29,000	—
	<u>Fund</u>							
Chien Bang Real Estate Development Co., Ltd.	Taiwan Money Market Fund		Financial assets measured at FVTPL - current	60	958	-	958	—
	<u>Fund</u>							
Leader Construction Co., Ltd.	Taiwan Money Market Fund	—	”	1,380	22,034	-	22,034	—
	<u>Fund</u>							
CKTech Engineering Co., Ltd.	Taiwan Money Market Fund	—	”	500	7,983	-	7,983	—
	<u>Fund</u>							
Golden Canyon Limited	Jih Sun Money Market Fund	—	”	2,603	40,266	-	40,266	—
	SinoPac TWD Money Market Fund	—	”	904	13,113	-	13,113	—
<u>Bonds</u>	NOMURA HOLDINGS INC Corporate Bonds (NOMURA 1.653 07/14/26)	—	Financial assets measured at amortized cost - non-current	1,000	30,981	-	30,981	—
	BARCLAYS PLC Corporate Bonds (BARCLAYS 4.337 01/10/28)	—	”	1,000	31,758	-	31,758	—
	HSBC HOLDINGS PLC Corporate Bonds (HSBC 4.95 03/31/30)	—	”	1,000	32,333	-	32,333	—
	BNP PARIBAS SA Corporate Bonds (BNP 5.176 01/09/30)	—	”	1,000	32,747	-	32,747	—
	JPMORGAN CHASE&CO Corporate Bonds (JP MORGAN 3.782 02/01/28)	—	”	1,000	31,850	-	31,850	—

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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	
	CITIGROUP INC Corporate Bonds (CITI 2.976 11/05/30)	—	Financial assets measured at amortized cost - non-current	1,000	\$ 29,610	-	\$ 29,610	—
	GOLDMAN SACHS GROUP INC Corporate Bonds (GS 3.615 03/15/28)	—	”	1,000	31,659	-	31,659	—
	Mercedes-Benz Finance North America LLC Corporate Bonds (MBGGR 5 3/8 11/26/25)	—	”	1,000	32,855	-	32,855	—
	AT&T Inc. Corporate Bonds (AT&T 02/15/30)	—	”	2,000	62,091	-	62,091	—
	IBM INTERNAT CAPITAL Corporate Bonds (IBM4.75 02/05/31)	—	”	1,000	31,807	-	31,807	—
	NextEra Energy Corporate Bonds (NextEra 1.9 06/15/28)	—	”	2,000	58,362	-	58,362	—
	ORACLE CORP Corporate Bonds (Oracle 3.25 05/15/30)	—	”	1,000	29,476	-	29,476	—
	VOLKSWAGEN GROUP AMERICA Corporate Bonds (VW 5.25 03/22/29)	—	”	1,000	32,473	-	32,473	—
	VERIZON.COMMUNICATIONS Corporate Bonds (VZ 2.355 03/15/32)	—	”	1,000	26,674	-	26,674	—
	COMCAST CORP Corporate Bonds (CMCSA 1.95 01/15/31)	—	”	1,000	27,292	-	27,292	—
	ROCHE HOLDINGS INC Corporate Bonds (ROSW 2.076 12/13/31)	—	”	1,000	26,991	-	26,991	—
	STARBUCKS CORP Corporate Bonds (SBUX 4.9 2/15/31)	—	”	1,000	31,909	-	31,909	—
	SUMITOMO CORP Corporate Bonds (SUMI 5.35 7/3/34)	—	”	1,000	32,328	-	32,328	—
	<u>Fund</u>							
	Citi Taiwan - A1USD Trade Finance Fund	—	Financial assets measured at FVTPL - current	32	119,955	-	119,955	—
	BlackRock ICS US Dollar Liquidity Fund	—	”	3	11,298	-	11,298	—
	BlackRock ICS US Dollar Liquidity Premium Fund	—	”	29	116,889	-	116,889	—
	PIMCO GIS Global Investment Grade Credit Fund	—	”	177	106,712	-	106,712	—
	AB FCP I-American Income Portfolio Class A2	—	”	69	70,635	-	70,635	—
	JPMorgan Funds - Global Corporate Bond Fund	—	”	169	107,510	-	107,510	—
	JPMorgan Funds - Income Fund A	—	”	15	68,640	-	68,640	—
	Morgan Funds - Global Strategic Bond Fund - A-Share (Accumulated)	—	”	24	98,967	-	98,967	—
	PIMCO GIS Income Fund	—	”	325	137,419	-	137,419	—

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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	Schroder International Selection Fund Global Credit Income	—	Financial assets measured at FVTPL - current	16	\$ 67,782	-	\$ 67,782	—
	JPM USD Liquidity LNAV E Acc	—	"	-	72,155	-	72,155	—
	PVG GCN VENTURES, L.P.	—	Financial assets measured at FVTPL - non-current	-	492	5.00%	492	—
	CSVI VENTURES,L.P.	—	"	-	35,684	4.06%	35,684	—
	<u>Fund</u>							
	Nomura Global Financial Bond Fund	—	Financial assets measured at FVTPL - current	297	106,137	-	106,137	—
	BlackRock ICS US Dollar Liquidity Fund	—	"	31	121,524	-	121,524	—
	BlackRock ICS US Dollar Liquidity Premium Fund	—	"	29	116,270	-	116,270	—
	iShares 20+ Year Treasury Bond ETF (TLT)	—	"	11	32,203	-	32,203	—
	Lord Abbet Short Duration Income	—	"	258	103,922	-	103,922	—
	PIMCO Funds: Global Investors Series plc Dynamic Bond Fund	—	"	133	53,847	-	53,847	—
	PineBridge Global Funds - Global Focus Equity Fund	—	"	20	35,202	-	35,202	—
	AB American Income W2	—	"	55	32,065	-	32,065	—
	Goldman Sachs Funds III-I	—	"	-	96,162	-	96,162	—
	Neuberger Berman Investment Funds	—	"	284	130,979	-	130,979	—
	M&G (Lux) Short Dated Corporate Bond Fund USD A-H Acc	—	"	209	98,302	-	98,302	—
	<u>Stock—common stocks</u>							
	NVIDIA Bonds	—	"	4	18,054	-	18,054	—
	UBS GROUP AG Corporate Bonds (UBS 4.253 03/23/28)	—	Financial assets measured at amortized cost - non-current	1,000	31,941	-	31,941	—
	GENERAL MOTORS FINL CO Corporate Bonds (GM 5.8 01/07/29)	—	"	1,000	33,025	-	33,025	—
	BANK OF AMERICA CORP Corporate Bonds (BOA 2.087 06/14/29)	—	"	1,000	29,525	-	29,525	—
	MORGAN STANLEY Corporate Bonds (MORGAN STANLEY 4.431 01/23/30)	—	"	2,000	63,352	-	63,352	—
	BNP PARIBAS SA Corporate Bonds (BNP 5.176 01/09/30)	—	"	1,000	32,491	-	32,491	—
	UBS GROUP AG Corporate Bonds (UBS 4.282% 01/09/28)	—	"	1,000	31,716	-	31,716	—

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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	
	BANK OF AMERICA CORP Corporate Bonds (BOA 5.202 04/25/29)	—	Financial assets measured at amortized cost - non-current	1,000	\$ 32,550	-	\$ 32,550	—
	IBM INTERNAT CAPITAL Corporate Bonds (IBM4.75 02/05/31)	—	“	1,000	31,882	-	31,882	—
	VOLKSWAGEN GROUP AMERICA Corporate Bonds (VW 5.25 03/22/29)	—	“	1,000	32,709	-	32,709	—
	SAUDI ARABIAN OIL CO Corporate Bonds (ARAMCO 5.25 7/17/34)	—	“	2,000	65,391	-	65,391	—
	PANASONIC HOLDINGS CORP Corporate Bonds (MATSEL 5.302 7/16/34)	—	“	2,000	64,734	-	64,734	—
	MITSUBISHI CORP Corporate Bonds (MITCO 5.125 7/17/34)	—	“	1,000	32,591	-	32,591	—
	ARIZONA PUBLIC SERVICE Corporate Bond (PNW 5.7 8/15/34)	—	“	1,000	33,243	-	33,243	—
	AUTOZONE INC Corporate Bond (AZ 5.4 7/15/34)	—	“	1,000	32,737	-	32,737	—
	BORGWARNER INC Corporate Bond (BW 5.4 8/15/34)	—	“	1,000	32,168	-	32,168	—
	CIGNA GROUP/THE Corporate Bond (CIGNA 5.25 2/15/34)	—	“	1,000	32,466	-	32,466	—
	DOW CHEMICAL CO/THE Corporate Bond (DOW 6.3% 3/15/33)	—	“	1,000	34,595	-	34,595	—
	MARRIOTT INTERNATIONAL Corporate Bonds (MAR 5.35% 3/15/35)	—	“	1,000	32,369	-	32,369	—
	MOTOROLA SOLUTIONS INC Corporate Bond (MOTOROLA 5.4% 4/15/34)	—	“	1,000	32,721	-	32,721	—
	SUMITOMO CORP Corporate Bonds (SUMI 5.35 7/3/34)	—	“	1,000	32,625	-	32,625	—

Note1: 2,000 thousand shares are pledged to the bank as collateral for the performance of construction contracts.

Chien Kuo Construction Co., Ltd. and Subsidiaries

Marketable Securities Acquired and Disposed of at costs or prices of at least NT\$300 Million or 20% of the Paid-in Capital

January 1 to December 31, 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		
					Number of Shares (in Thousands)	Amount	Number of Shares (in Thousands)	Amount	Number of Shares (in Thousands)	Sales Prices	Book Cost		Number of Shares (in Thousands)	Amount	
Golden Canyon Limited	Citi Taiwan - A1USD Trade Finance Fund	Financial assets at FVTPL - current	-	-	119	\$ 399,167	30	\$ 108,214	117	\$ 427,799	\$ 394,844	\$ 32,955	(\$ 19,210)	32	\$ 119,955
	BlackRock ICS US Dollar Liquidity Fund		"	-	9	31,597	60	230,842	66	255,670	252,483	3,187	(783)	3	11,298
Silver Shadow Holding Limited	Citi Taiwan - A1USD Trade Finance Fund	Financial assets at FVTPL - current	-	-	94	316,279	38	137,725	132	482,271	449,246	33,025	(25,637)	-	-
	BlackRock ICS US Dollar Liquidity Fund		"	-	27	93,992	74	286,847	70	269,304	264,480	4,824	(1,176)	31	121,524
	BlackRock ICS US Dollar Liquidity Premium Fund	"	-	-	-	-	127	494,145	98	385,905	380,345	5,560	2,419	29	116,270
	JPM USD Liquidity LVNAV C Acc	"	-	-	-	85,014	1	465,618	1	559,342	555,134	4,208	(1,230)	-	-

Chien Kuo Construction Co., Ltd. and Subsidiaries

Purchases from or Sales to Related Parties of at least NT\$100 million or 20% of the Paid-in Capital

January 1 to December 31, 2024

Appendix 5.

Unit: NT\$ Thousands

Purchaser/Seller	Counterparty	Relationship	Transaction Situation				Situations and Reasons of Transaction Terms Different from General Transaction Terms		Notes and Accounts Receivable (Payable)		Note
			Purchases (Sales)	Amount	Ratio to Total Purchase (Sales)	Credit Period	Unit Price	Credit Period	Ending Balance	Ratio to Total Notes or Accounts Receivable (Payable)	
Chien Kuo Construction Co., Ltd. CKTech Engineering Co., Ltd.	CKTech Engineering Co., Ltd. Chien Kuo Construction Co., Ltd.	Subsidiary Parent company	Purchases Sales	\$ 271,436 (271,436)	5.06% (95.78%)	Subject to the agreement Subject to the agreement	- -	- -	(\$ 106,476) 86,878	(6.42%) 87.43%	Note 1

Note1: Partially invoiced amounts are recognized as contract assets.

Chien Kuo Construction Co., Ltd. and Subsidiaries
 Inter-company Relationships and Significant Inter-company Transactions
 January 1 to December 31, 2024

Appendix 6.

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)	Construction costs	\$ 271,436	Note 2	4.43%
				Contract assets - property construction	258,167	Note 2	2.85%
			(1)	Short-term loans	20,000	Note 2	0.22%
				Accounts payable	86,878	Note 2	0.96%
			(1)	Accounts payable - Provisional	19,598	Note 2	0.22%
				Other prepayments	14,059	Note 2	0.16%
			(1)	Miscellaneous Income	2,452	Note 2	0.04%
				Short-term loans	34,000	Note 2	0.37%
		Chien Kuo Building Co., Ltd. Chien Bang Real Estate Development Co., Ltd.	(1)	Short-term loans	19,000	Note 2	0.21%

Note1: The nature of relationship is divided into the following three categories:

- (1) Parent to subsidiary.
- (2) Subsidiary to parent.
- (3) Subsidiary to subsidiary.

Note2: Conducted in line with ordinary terms.

Chien Kuo Construction Co., Ltd. and Subsidiaries

Information on Investees

January 1 to December 31, 2024

Appendix 7.

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	Number of Shares (in Thousands)	Ratio (%)	Carrying Amount			
Chien Kuo Construction Co., Ltd.	Golden Canyon Limited	British Virgin Islands	Reinvestment	\$ 126,135	\$ 183,751	4,037	100.00%	\$ 1,765,005	\$ 68,503	\$ 68,503	Subsidiary
	Silver Shadow Holding Limited	British Virgin Islands	Reinvestment	297,126	704,069	9,118	100.00%	1,809,962	63,462	63,462	Subsidiary
	Chien Kuo Building Co., Ltd.	Taiwan	Building construction commission; public housing lease and sale	144,065	144,065	10,000	100.00%	82,180	(4,875)	(4,875)	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%	59,758	4,048	4,048	Subsidiary
	Golden Canyon Venture Capital Investment Co., Ltd.	Taiwan	Venture capital business	401,000	401,000	40,100	100.00%	471,041	178,475	178,475	Subsidiary
	Golden Canyon II Venture Capital Investment Co., Ltd.	Taiwan	Venture capital business	200,000	200,000	20,000	100.00%	201,472	1,457	1,457	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%	27,409	(113)	(62)	Subsidiary
	Leader Construction Co., Ltd.	Taiwan	Maintenance and construction, buying and selling construction materials	25,000	10,000	2,500	100.00%	9,576	(13,723)	(13,723)	Subsidiary
	Chien Kuo Building Co., Ltd.	Chien Bang Real Estate Development Co., Ltd.	Building construction commission; public housing lease and sale	22,500	22,500	2,250	45.00%	22,426	(113)	(51)	Subsidiary
Golden Canyon Venture Capital Investment Co., Ltd.	Chang Jia Energy Co., Ltd.	Taiwan	Renewable energy self-used power generation equipment industry	56,000	31,500	5,600	37.33%	55,997	609	227	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	11.67%	17,443	609	71	Associates
Silver Shadow Holding Limited	CK Asia Co., Ltd.	British Virgin Islands	Reinvestment	974	974	2	54.29%	25,051	(5,027)	Note 3	Sub-subsidiary
Golden Canyon Limited	CK Asia Co., Ltd.	British Virgin Islands	Reinvestment	840	840	2	45.71%	20,679	(5,027)	Note 3	Sub-subsidiary

Note1: Where there involves a foreign currency, it is translated into New Taiwan Dollars by using the exchange rate as of December 31, 2024 (US\$1=NT\$32.79), except for profit or loss items, which are translated into New Taiwan Dollars by using the average exchange rate as of December 31, 2024 (US\$1=NT\$32.11).

Note2: Please refer to Appendix 8 for information on investments in Mainland China.

Note3: 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 December 31, 2024

Appendix 8.

Unit: NT\$ thousands,
unless otherwise specified

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 of Investments at the End of the Period (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	\$ 3,279	Investment through a company founded in a third region	\$ 68,326	\$ -	\$ -	\$ 68,326	(\$ 5,846)	100%	(\$ 5,846)	\$ 8,197	\$ 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)	\$413,445 (Note 2)	\$ 2,961,365

Note1: The amount was recognized based on the audited financial statements.

Note2: The amount authorized by the Investment Commission, MOEA was NT\$1,014,007 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.

Note3: 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. and Subsidiaries

Information of Major Shareholders

December 31, 2024

Appendix 9.

(in Thousand)

List of Major Shareholders	Shareholding	
	Number of Shares Held	Percentage (%)
Chien Hwei Investment Co., Ltd.	37,769	18.73%
Chi-te CHEN	15,075	7.47%
Chen-ching CHEN	11,428	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.