

Chien Kuo Construction Co., Ltd.

Financial Statements and Independent Auditors' Report
For the Years Ended December 31, 2024 and 2023

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For the convenience of readers, the independent auditors' report and the accompanying 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 financial statements shall prevail.

Independent Auditors' Report

The Board of Directors and Shareholders

Chien Kuo Construction Co., Ltd.

Audit Opinions

We have audited the balance sheets of Chien Kuo Construction Co., Ltd. as of December 31, 2024 and 2023, the statements of comprehensive income, statements of changes in equity, statements of cash flows, and notes to financial statements, including summary of significant accounting policies, for the periods from January 1 to December 31, 2024 and 2023.

In our opinion, the aforementioned parent company only financial statements present fairly, in all material respects, the financial position of Chien Kuo Construction Co., Ltd. as of December 31, 2024 and 2023, and its financial performance and 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.

Basis for Audit Opinion

We conducted our audit of the financial statements in accordance with the Regulations 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 of the parent company only 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 financial statements of Chien Kuo Construction Co., Ltd.. These matters were addressed in the context of our audit of the parent company only 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 parent company only financial statements of Chien Kuo Construction Co., Ltd. for 2024 is 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 20.

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

It is management's responsibilities to fairly present the parent company only financial statements in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and to maintain internal controls which are necessary for the preparation of the parent company only financial statements to avoid material misstatements due to fraud or errors.

In preparing the financial statements, the responsibilities of management includes assessing the ability of Chien Kuo Construction Co., Ltd. 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. or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities in Auditing the Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only 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 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 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 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..
3. Evaluate the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of accounting estimates and relevant disclosures.

4. Chien Kuo Construction Co., Ltd. has ceased to continue.
5. Assess the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and determine whether the parent company only financial statements present fairly the related transactions and events.
6. Audit opinion on Chien Kuo Construction Co., Ltd.

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 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 financial statements are intended only to present the 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 financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying 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 financial statements shall prevail.

Chien Kuo Construction Co., Ltd.

Balance Sheets

December 31, 2024 and 2023

Unit: NT\$ Thousands

Code	Assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Current assets				
1100	Cash (Note 6)	\$ 554,802	6	\$ 749,840	9
1110	Financial assets at fair value through profit or loss (Note 7)	793,296	9	-	-
1120	Financial assets at fair value through other comprehensive income (Note 8)	19,325	-	21,655	-
1136	Financial assets at amortized cost (Note 9)	125,249	1	208,301	3
1140	Contract assets (Note 20)	979,744	11	938,706	11
1150	Notes receivable (Notes 10 and 20)	13,650	-	156	-
1170	Accounts receivable (Notes 10 and 20)	722,081	8	286,950	4
1200	Other receivables	5,326	-	21,551	-
1410	Prepayments	192,282	2	127,017	2
1470	Other current assets	57,443	1	4,844	-
11XX	Total current assets	<u>3,463,198</u>	<u>38</u>	<u>2,359,020</u>	<u>29</u>
	Non-current assets				
1510	Financial assets at fair value through profit or loss (Note 7)	126,542	1	75,215	1
1520	Financial assets at fair value through other comprehensive income (Notes 8 and 27)	191,251	2	370,478	5
1535	Financial assets at amortized cost (Notes 9 and 27)	70,050	1	70,050	1
1550	Investments accounted for using equity method (Note 11)	4,426,403	49	4,562,430	56
1600	Property, plant and equipment (Note 12)	141,333	2	95,821	1
1755	Right-of-use assets (Note 13)	69,759	1	40,672	-
1760	Investment properties (Notes 14 and 27)	540,706	6	541,661	7
1780	Intangible assets (Note 15)	19,080	-	10,606	-
1840	Deferred tax assets (Note 22)	28,066	-	35,499	-
1990	Other non-current assets (Note 18)	12,966	-	15,927	-
15XX	Total non-current assets	<u>5,626,156</u>	<u>62</u>	<u>5,818,359</u>	<u>71</u>
1XXX	Total assets	<u>\$ 9,089,354</u>	<u>100</u>	<u>\$ 8,177,379</u>	<u>100</u>
	Liabilities and Equity				
	Current liabilities				
2100	Short-term loans (Note 16)	\$ 273,000	3	\$ 77,000	-
2130	Contract liabilities (Note 20)	918,230	10	801,917	10
2170	Accounts payable (Notes 17 and 26)	1,657,626	18	1,271,198	15
2200	Other payables	217,453	3	192,684	2
2230	Current tax liabilities	86,593	1	45,862	1
2250	Provision for current liabilities (Note 20)	97,283	1	129,920	2
2399	Other current liabilities (Notes 13 and 14)	140,799	1	132,414	2
21XX	Total current liabilities	<u>3,390,984</u>	<u>37</u>	<u>2,650,995</u>	<u>32</u>
	Non-current liabilities				
2570	Deferred tax liabilities (Note 22)	594,737	7	537,026	7
2600	Other non-current liabilities (Note 13)	168,024	2	139,604	2
25XX	Total non-current liabilities	<u>762,761</u>	<u>9</u>	<u>676,630</u>	<u>9</u>
2XXX	Total liabilities	<u>4,153,745</u>	<u>46</u>	<u>3,327,625</u>	<u>41</u>
	Equity (Note 19)				
	Capital				
3110	Common stock	<u>2,016,001</u>	<u>22</u>	<u>2,520,001</u>	<u>31</u>
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	<u>1,671,553</u>	<u>18</u>	<u>1,178,059</u>	<u>14</u>
3300	Total retained earnings	<u>2,461,097</u>	<u>27</u>	<u>1,933,720</u>	<u>23</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>59</u>
	Total liabilities and equity	<u>\$ 9,089,354</u>	<u>100</u>	<u>\$ 8,177,379</u>	<u>100</u>

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

Chien Kuo Construction Co., Ltd.
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 20)	\$ 6,108,576	100	\$ 4,186,018	100
5000	Operating costs (Notes 21 and 26)	<u>5,366,761</u>	<u>88</u>	<u>3,803,904</u>	<u>91</u>
5900	Gross profit	<u>741,815</u>	<u>12</u>	<u>382,114</u>	<u>9</u>
	Operating expenses (Notes 21 and 26)				
6200	Administrative expenses	331,083	5	319,370	7
6450	Reversal of expected credit losses	<u>-</u>	<u>-</u>	<u>(10,600)</u>	<u>-</u>
6000	Total operating expenses	<u>331,083</u>	<u>5</u>	<u>308,770</u>	<u>7</u>
6900	Net operating income	<u>410,732</u>	<u>7</u>	<u>73,344</u>	<u>2</u>
	Non-operating income and expenses (Notes 21 and 26)				
7010	Other income	60,792	1	41,746	1
7020	Other gains and losses	30,674	-	(3,034)	-
7050	Finance costs	(4,580)	-	(8,767)	-
7070	Shares of profit or losses of subsidiaries and associates accounted for using equity method	<u>297,285</u>	<u>5</u>	<u>289,067</u>	<u>6</u>
7000	Total non-operating income and expenses	<u>384,171</u>	<u>6</u>	<u>319,012</u>	<u>7</u>
7900	Income before income tax	794,903	13	392,356	9
7950	Income tax expense (Note 22)	<u>113,146</u>	<u>2</u>	<u>53,843</u>	<u>1</u>
8200	Net income	<u>681,757</u>	<u>11</u>	<u>338,513</u>	<u>8</u>

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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 18)	\$ 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 22)	(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 of other comprehensive income that may be reclassified subsequently to profit or loss (Note 22)	(47,901)	(1)	568	-
8300	Other comprehensive income, net after tax	<u>160,098</u>	<u>3</u>	<u>22,393</u>	<u>1</u>
8500	Total comprehensive income	<u>\$ 841,855</u>	<u>14</u>	<u>\$ 360,906</u>	<u>9</u>
	Earnings per share (Note 23)				
9750	Basic	<u>\$ 2.91</u>		<u>\$ 1.34</u>	
9850	Diluted	<u>\$ 2.90</u>		<u>\$ 1.34</u>	

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

Chien Kuo Construction Co., Ltd.
Statements of Changes in Equity
January 1 to December 31, 2024 and 2023

Unit: NT\$ Thousands

							Other equity			
Retained earnings							Exchange differences on translation of financial statements of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive income	Total	Total equity
Code		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 of 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 financial statements.

Chien Kuo Construction Co., Ltd.
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	\$ 794,903	\$ 392,356
A20010	Adjustments to reconcile income (loss):		
A20100	Depreciation expense	70,518	56,770
A20200	Amortization expenses	6,142	4,085
A20300	Reversal of expected credit loss	-	(13,000)
A20400	Net (gains) losses on financial assets at fair value through profit or loss	(19,060)	901
A20900	Finance costs	4,580	8,767
A21200	Interest income	(24,089)	(17,627)
A21300	Dividend income	(20,728)	(9,684)
A22400	Shares of profit or loss of subsidiaries and associates accounted for using equity method	(297,285)	(289,067)
A22500	Gains on disposal of property, plant and equipment	(18)	(68)
A29900	Profit from lease modification	(1)	-
A30000	Changes in operating assets and liabilities, net		
A31125	Contract assets	(41,038)	647,537
A31130	Notes receivable	(13,494)	(156)
A31150	Accounts receivable	(435,131)	(172,089)
A31180	Other receivables	16,354	(13,761)
A31230	Prepayments	(65,265)	29,811
A31240	Other current assets	(52,599)	67,478
A32125	Contract liabilities	116,313	773,032
A32150	Accounts payable	386,428	(18,698)
A32180	Other payables	23,107	22,536
A32230	Other current liabilities	(31,831)	90,789
A33000	Cash generated from operations	417,806	1,559,912
A33100	Interest received	25,541	14,557
A33300	Interest paid	(4,415)	(8,478)
A33500	Income taxes paid	(55,805)	(56,204)
AAAA	Net cash generated from operating activities	<u>383,127</u>	<u>1,509,787</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	-
B00050	Disposal of financial assets at amortized cost	83,052	7,951
B00100	Acquisition of financial assets at fair value through profit or loss	(2,030,323)	(94,573)
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	1,204,760	54,966
B02200	Acquisition of subsidiaries	-	(10,000)
B02700	Acquisition of property, plant and equipment	(94,961)	(10,767)
B02800	Disposal of property, plant, and equipment	114	130
B03700	Increase in refundable deposits	(85)	(343)
B04500	Acquisition of intangible assets	(6,020)	(1,257)
B02900	Advanced received from disposal of investment properties	-	115,685
B07100	Increase in prepayment for equipment	(1,781)	(6,296)
B07600	Dividend received	<u>248,189</u>	<u>73,165</u>
BBBB	Net cash used in investing activities	(<u>449,535</u>)	<u>128,661</u>
	Cash flows from financing activities		
C00100	Increase (decrease) in short-term loans	196,000	(443,000)
C05400	Increase in investments in subsidiaries	(15,000)	-
C00500	Decrease in short-term notes and bills payable	-	(349,787)
C03000	Increase in guarantee deposits received	6,431	7,913
C04020	Repayment of lease principal	(18,840)	(16,869)
C04500	Cash dividends distributed	(252,000)	(252,000)
C04700	Capital reduction	(504,000)	-
C09900	Capital reduction of subsidiaries	<u>458,779</u>	<u>-</u>
CCCC	Net cash generated from financing activities	(<u>128,630</u>)	(<u>1,053,743</u>)
EEEE	Net (decrease) increase in cash	(195,038)	584,705
E00100	Cash at the beginning of year	<u>749,840</u>	<u>165,135</u>
E00200	Cash at the end of year	<u>\$ 554,802</u>	<u>\$ 749,840</u>

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

Chien Kuo Construction Co., Ltd.

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

2. Date and Procedures of Authorization of Financial Statements

The 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 Company.

- 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 amendments 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. 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 financial statements were authorized for issue, the Company 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 Company 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 Company is unable to find a more descriptive label, it will categorize such items as "other."

- Disclosure on Management-defined Performance Measures (MPMs): When the Company engages in public communication outside of financial statements and communicates the perspective of management levels on the overall financial performance of the Company, 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 financial statements were authorized for issue, the Company is continuously assessing 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 financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and endorsed and issued into effect by FSC.

b. Basis of preparation

The 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.

When preparing the financial statements, the Company accounts for subsidiaries and associates by using the equity method. In order to agree with the amount of net income, other comprehensive income and equity attributable to shareholders of the financial statements of this year, the differences of the accounting treatment between the basis and the basis are adjusted under the heading of investments accounted for using equity method, share of profits of subsidiaries and associates, share of other comprehensive income of subsidiaries in the financial statements, and other related equity items

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 Company 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. Foreign Currency

In preparing the 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 financial statements, assets and liabilities of a foreign operation (i.e. a subsidiary 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.

e. Investments in subsidiaries

The Company has adopted the equity method to account for investments in subsidiaries. Subsidiaries are entities controlled by the Company.

Under the equity method, an investment is initially recognized at cost. The carrying amount of investment is adjusted thereafter for the post-acquisition changes in the Company's share of profit or loss and other comprehensive income and profit distribution of the subsidiary. In addition, changes in other equity of the subsidiary

attributable to the Company shall be recognized in accordance with the Company's shareholding percentage.

When a change in the Company'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 differences between the carrying amounts of the investment and the fair value of the consideration paid or received is recognized directly in equity.

f. 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 Company 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.

g. 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 Company.

The 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.

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

On each balance sheet date, the Company 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 Company estimates the recoverable amount of such assets. If it is not possible to estimate the recoverable amount of an individual asset, the Company 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.

i. Financial Instruments

Financial assets and liabilities are recognized in the balance sheet when the Company 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 Company comprise financial assets at fair value through profit or loss (FVTPL), financial assets at amortized cost, investments in debt instruments measured at fair value through other comprehensive income (FVTOCI), and investments in equity instruments measured 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 other gains and losses. Please refer to Note 26 for the determination of fair value.

B. Financial assets at amortized cost

When the Company'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, 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.

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

The Company 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 acquisition 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 Company'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 Company evaluates credit losses based on expected credit loss (ECL) at each balance sheet date for financial assets at amortized cost (including accounts receivable) 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 Company 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 Company 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 Company 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.

j. 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 Company expects that the unavoidable costs of meeting a contractual obligation exceed the expected economic benefits to be received from the contract, the 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 Company's obligation as determined by management, and is recognized at the time the related goods are recognized as revenue.

k. Revenue Recognition

After identifying the performance obligations of contracts with the customers, the Company 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 Company 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 Company adequately completes all its contractual obligations. Such retention receivables are recognized as contract assets until the Company 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.

l. Leases

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

1) The Company 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 Company 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 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 Company 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 balance sheets.

m. 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 Company 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).

n. Income Tax

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

1) Current income tax

The Company 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 additional tax is levied on unappropriated earnings in accordance with 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 Company 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 Company 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 Company 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.

The Company 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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash on hand and revolving funds	\$ 2,426	\$ 2,402
Bank checks and demand deposits	552,376	747,438
	<u>\$ 554,802</u>	<u>\$ 749,840</u>

7. Financial assets at fair value through profit or loss

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Current</u>		
— Listed stocks and emerging stocks	\$ 37,660	\$ -
— Fund beneficiary certificates	755,636	-
	<u>\$ 793,296</u>	<u>\$ -</u>
<u>Non-current</u>		
— Listed stocks and emerging stocks	\$ 42,329	\$ 28,583
— Unlisted stocks	84,213	46,632
	<u>\$ 126,542</u>	<u>\$ 75,215</u>

8. Financial assets at fair value through other comprehensive income

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

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

For financial assets pledged at fair value through other comprehensive income, please refer to Note 27.

9. Financial assets at amortized cost

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Current</u>		
Restricted bank deposits (1)	\$ -	\$ 15
Restricted time deposits (1)	<u>125,249</u>	<u>208,286</u>
	<u>\$ 125,249</u>	<u>\$ 208,301</u>
<u>Non-current</u>		
Pledged certificate of deposit	<u>\$ 70,050</u>	<u>\$ 70,050</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>
Restricted time deposits	5.10%	4.50%
Pledged certificate of deposit	1.08%	0.65%

- a. The aforementioned restricted financial assets are funds repatriated by the Company in accordance with the "The Management, Utilization, and Taxation of Repatriated Offshore Funds Act" (hereinafter the "Act"). The Company 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.

10. Notes receivable and accounts receivable

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Notes receivable	<u>\$ 13,650</u>	<u>\$ 156</u>
Accounts receivable		
Measured at amortized cost		
Total carrying amount	\$ 722,081	\$ 286,950
Less: Allowance for losses	<u>-</u>	<u>-</u>
	<u>\$ 722,081</u>	<u>\$ 286,950</u>

Accounts receivable

The credit policy of the Company is mainly contract-based, and the notes receivable and accounts receivable are not interest-bearing. To minimize credit risk, the management of the Company 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 Company 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 Company's management concludes that the credit risk has been significantly reduced.

The impairment assessment of the Company'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.

In determining the recoverability of accounts receivable, the Company 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 Company 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 Company 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 Company 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 Company is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Not overdue	\$ 722,081	\$ 212,253
Less than 180 days	-	74,697
Total	<u>\$ 722,081</u>	<u>\$ 286,950</u>

Changes in allowance losses for accounts receivable are as follows:

	<u>2024</u>	<u>2023</u>
Balance - beginning of year	\$ -	\$ 9,086
Add: Impairment loss reversed	-	(9,086)
Balance - end of year	<u>\$ -</u>	<u>\$ -</u>

11. Investments accounted for using equity method

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Investments in subsidiaries	<u>\$ 4,426,403</u>	<u>\$ 4,562,430</u>
Golden Canyon Limited	\$ 1,765,005	\$ 1,644,221
Silver Shadow Holding Limited	1,809,962	2,018,052
Chien Kuo Building Co., Ltd.	82,180	87,055
Shun Long International Electrical Engineering Co., Ltd.	59,758	55,710
Golden Canyon Venture Capital Investment Co., Ltd.	471,041	520,521

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	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Golden Canyon II Venture Capital Investment Co., Ltd.	\$ 201,472	\$ 201,101
Chien Bang Real Estate Development Co., Ltd.	27,409	27,471
Leader Construction Co., Ltd.	<u>9,576</u>	<u>8,299</u>
	<u>\$ 4,426,403</u>	<u>\$ 4,562,430</u>

The percentage of ownership and voting rights of the above-mentioned investee companies on the balance sheet date are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Golden Canyon Limited	100%	100%
Silver Shadow Holding Limited	100%	100%
Chien Kuo Building Co., Ltd.	100%	100%
CKTech Engineering Co., Ltd.	100%	100%
Golden Canyon Venture Capital Investment Co., Ltd.	100%	100%
Golden Canyon II Venture Capital Investment Co., Ltd.	100%	100%
Chien Bang Real Estate Development Co., Ltd.	55%	55%
Leader Construction Co., Ltd.	100%	100%

The recognition of shares of profits and other comprehensive income from subsidiaries accounted for using the equity method in 2024 and 2023 was based on the financial statements audited by certified public accountants of subsidiaries for the same periods

12. Property, plant, and equipment

	<u>Freehold land</u>	<u>Housings and Buildings</u>	<u>Machinery equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Leasehold improvements</u>	<u>Other Equipment</u>	<u>Outstanding Projects and Equipment Awaiting Inspection</u>	<u>Total</u>
<u>Cost</u>									
Balance as of January 1, 2023	\$ 15,742	\$ 1,742	\$ 2,544	\$ 1,738	\$ 2,294	\$ 17,888	\$ 102,480	\$ 10,979	\$ 155,407
Addition	-	-	-	1,200	4,461	2,565	2,877	-	11,103
Disposal	-	-	(400)	-	(422)	(17,346)	(3,082)	-	(21,250)
Reclassification	-	-	-	-	921	-	10,539	(10,979)	481
Balance as of December 31, 2023	<u>\$ 15,742</u>	<u>\$ 1,742</u>	<u>\$ 2,144</u>	<u>\$ 2,938</u>	<u>\$ 7,254</u>	<u>\$ 3,107</u>	<u>\$ 112,814</u>	<u>\$ -</u>	<u>\$ 145,741</u>
<u>Accumulated depreciation</u>									
Balance as of January 1, 2023	\$ -	\$ 1,298	\$ 1,055	\$ 387	\$ 840	\$ 16,418	\$ 12,185	\$ -	\$ 32,183
Depreciation expense	-	48	512	410	1,343	1,914	34,698	-	38,925
Disposal	-	-	(400)	-	(422)	(17,346)	(3,020)	-	(21,188)
Balance as of December 31, 2023	<u>\$ -</u>	<u>\$ 1,346</u>	<u>\$ 1,167</u>	<u>\$ 797</u>	<u>\$ 1,761</u>	<u>\$ 986</u>	<u>\$ 43,863</u>	<u>\$ -</u>	<u>\$ 49,920</u>
Net worth as of December 31, 2023	<u>\$ 15,742</u>	<u>\$ 396</u>	<u>\$ 977</u>	<u>\$ 2,141</u>	<u>\$ 5,493</u>	<u>\$ 2,121</u>	<u>\$ 68,951</u>	<u>\$ -</u>	<u>\$ 95,821</u>

	Freehold land	Buildings	Machinery equipment	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Total
<u>Cost</u>								
Balance as of January 1, 2024	\$ 15,742	\$ 1,742	\$ 2,144	\$ 2,938	\$ 7,254	\$ 3,107	\$ 112,814	\$ 145,741
Addition	-	-	285	-	2,112	867	92,585	95,849
Disposal	-	-	-	(178)	(772)	(542)	(536)	(2,028)
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>\$ 239,562</u>
<u>Accumulated depreciation</u>								
Balance as of January 1, 2024	\$ -	\$ 1,346	\$ 1,167	\$ 797	\$ 1,761	\$ 986	\$ 43,863	\$ 49,920
Depreciation expense	-	49	515	515	1,758	824	46,580	50,241
Disposal	-	-	-	(82)	(772)	(542)	(536)	(1,932)
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>\$ 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>\$ 141,333</u>

Depreciation expenses of the Company'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

13. 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>1,504</u>
	<u>\$ 69,759</u>	<u>\$ 40,672</u>
	<u>2024</u>	<u>2023</u>
Additions to right-of-use assets	<u>\$ 48,528</u>	<u>\$ 43,715</u>
Depreciation expense of right-of-use assets		
Buildings	\$ 17,189	\$ 14,973
Transportation equipment	<u>2,133</u>	<u>1,918</u>
	<u>\$ 19,322</u>	<u>\$ 16,891</u>

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>\$ 18,398</u>	<u>\$ 10,819</u>
Non-current (listed as other non-current liabilities)	<u>\$ 52,106</u>	<u>\$ 30,117</u>

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

	2024	2023
Buildings	1.65%~2.19%	1.65%~2.06%
Transportation equipment	3.00%	3.00%

c. Other lease information

	2024	2023
Short-term lease expense	\$ 5,769	\$ 6,327
Total cash outflow on lease	\$ 24,609	\$ 23,196

14. Investment property

	2024	2023
<u>Cost</u>		
Balance - beginning of year	\$ 561,497	\$ 95,571
Reclassification (1)	-	465,926
Balance - end of year	\$ 561,497	\$ 561,497
<u>Accumulated depreciation and impairment</u>		
Balance - beginning of year	\$ 19,836	\$ 18,882
Depreciation expense	955	954
Balance - end of year	\$ 20,791	\$ 19,836
Net amount - end of year	\$ 540,706	\$ 541,661
Fair Value	\$ 719,001	\$ 716,789

- a. The Company 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 Company 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 Company has received a prepayment of NT\$117,065 thousand for the first installment of land payment as stipulated in the contract, which is recognized under 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 Company as collateral against its secured borrowings, please refer to Note 27.

15. Intangible assets

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

16. Loans

Short-term loans

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Unsecured loans</u>		
Credit line loans	\$ 200,000	\$ -
Loans from related party (Note 26)	<u>73,000</u>	<u>77,000</u>
	<u>\$ 273,000</u>	<u>\$ 77,000</u>
Annual interest rate (%)		
(Effective interest rate)	1.85%~2.00%	2.00%

17. 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 Company.

18. Post-retirement Benefit Plans

a. Defined contribution plan

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

b. Defined benefit plans

The Company'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 Company 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 Company does not have rights to influence its investment management strategy.

The funds for defined benefit plans included in the 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	(<u>37,365</u>)	(<u>38,114</u>)
Net defined benefit assets (listed as other non-current assets)	(<u>\$ 8,193</u>)	(<u>\$ 4,424</u>)

Changes in net defined benefit assets are as follows:

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit (assets) liabilities</u>
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)	<u>408</u>	(<u>456</u>)	(<u>48</u>)
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	(<u>66</u>)	(<u>324</u>)	(<u>390</u>)
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	<u>(672)</u>	<u>-</u>	<u>(672)</u>
Recognized in other comprehensive income	<u>213</u>	<u>(3,373)</u>	<u>(3,160)</u>
Contribution from employer	-	(666)	(666)
Benefits paid	<u>(5,195)</u>	<u>5,195</u>	<u>-</u>
December 31, 2024	<u>\$ 29,172</u>	<u>(\$ 37,365)</u>	<u>(\$ 8,193)</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>\$ 57</u>	<u>\$ 197</u>

The Company 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 Company'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%	(\$ <u>405</u>)	(\$ <u>460</u>)
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%	(\$ <u>405</u>)	(\$ <u>457</u>)

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

19. Equity

a. Capital

Common stock

	<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,</u> <u>appropriated as cash dividends</u> <u>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</u> <u>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>\$ 187,308</u>	<u>\$ 187,308</u>

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

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 21(f).

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.

20. Revenue

a. Revenue from contracts with customers

	2024	2023
Revenue from construction contracts	<u>\$ 6,108,576</u>	<u>\$ 4,186,018</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 Company estimates the most possible amount for transaction price by reference to the past contracts of similar conditions and scale.

b. Contract balances

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Notes receivable (Note 10)	<u>\$ 13,650</u>	<u>\$ 156</u>
Accounts receivable (Note 10)	<u>\$ 722,081</u>	<u>\$ 286,950</u>
Contract assets		
Real estate construction	\$ 736,871	\$ 693,243
Construction retainage receivable	<u>242,873</u>	<u>245,463</u>
	<u>\$ 979,744</u>	<u>\$ 938,706</u>
Contract liability		
Real estate construction	<u>\$ 918,230</u>	<u>\$ 801,917</u>
Current provisions	<u>\$ 97,283</u>	<u>\$ 129,920</u>

c. Contracts with customers that have not been fully completed

The aggregate amount of the amortized transaction price of which the performance obligations have not been satisfied and the anticipated years to recognize the revenue for the construction contracts signed by the Company as of December 31, 2024 are as follows:

<u>Anticipated years to recognize revenue</u>	<u>December 31, 2024</u>
2025-2030	<u>\$ 35,814,659</u>

21. Net income

Net income for the current year comprises the following items:

a. Other income

	<u>2024</u>	<u>2023</u>
Interest income	\$ 24,089	\$ 17,627
Dividend income	20,728	9,684
Overdue accounts payable that are no longer required to be paid are reclassified as income	9,345	-
Revenue from manpower support	1,980	3,840
Litigation compensation	-	3,193
Gain on reversal of expected credit loss on other receivables	-	2,400
Others	<u>4,650</u>	<u>5,002</u>
	<u>\$ 60,792</u>	<u>\$ 41,746</u>

b. Other gains and losses

	2024	2023
Foreign exchange gains (losses), net	\$ 13,905	(\$ 88)
Gains (losses) on valuation of financial assets at fair value through profit or loss	19,060	(901)
Gains on disposal of property, plant and equipment	18	68
Others	(2,309)	(2,113)
	<u>\$ 30,674</u>	<u>(\$ 3,034)</u>

c. Finance costs

	2024	2023
Interest expenses		
Interest on bank loans	\$ 1,760	\$ 5,887
Lease liabilities	1,312	602
Other (Note 26)	1,508	2,278
	<u>\$ 4,580</u>	<u>\$ 8,767</u>

d. Depreciation and amortization expenses

	2024	2023
Property, plant, and equipment	\$ 50,241	\$ 38,925
Right-of-use assets	19,322	16,891
Investment property	955	954
Intangible assets	6,142	4,085
	<u>\$ 76,660</u>	<u>\$ 60,855</u>
Depreciation expenses by function		
Operating costs	\$ 49,531	\$ 37,336
Operating expenses	20,032	18,480
Other gains and losses	955	954
	<u>\$ 70,518</u>	<u>\$ 56,770</u>
Amortization expenses by function		
Operating costs	\$ 2,604	\$ 1,410
Operating expenses	3,538	2,675
	<u>\$ 6,142</u>	<u>\$ 4,085</u>

e. Employee benefits expenses

	2024	2023
Short-term employee benefits	\$ 520,372	\$ 501,431
Post-employment benefits		
Defined contribution plans	15,338	17,030
Defined benefit plans	57	197
Termination benefits	7,429	873
Total employee benefits expenses	<u>\$ 543,196</u>	<u>\$ 519,531</u>
By function		
Operating costs	\$ 285,204	\$ 265,610
Operating expenses	<u>257,992</u>	<u>253,921</u>
	<u>\$ 543,196</u>	<u>\$ 519,531</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	
	Cash	Percentage (%)	Cash	Percentage (%)
Employee remuneration	\$ 25,369	3%	\$ 12,522	3%
Director remuneration	<u>25,369</u>	3%	<u>12,522</u>	3%
	<u>\$ 50,738</u>		<u>\$ 25,044</u>	

If there is a change in the amounts after the annual financial statements are approved for issue, 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 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.

22. Income Tax

a. Income tax recognized in profit or loss

Major components of income tax expenses were as follows:

	<u>2024</u>	<u>2023</u>
Current income tax		
Income tax expenses recognized in the current period	\$ 115,300	\$ 71,470
Additional tax on unappropriated earnings	2,647	-
Adjustments for previous years	<u>(21,412)</u>	<u>(500)</u>
	<u>96,535</u>	<u>70,970</u>
Deferred income tax		
Income tax expenses recognized in the current period	3,658	(17,127)
Adjustments for previous years	<u>12,953</u>	<u>-</u>
	<u>16,611</u>	<u>(17,127)</u>
Income tax expenses recognized in profit or loss	<u><u>\$ 113,146</u></u>	<u><u>\$ 53,843</u></u>

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

	<u>2024</u>	<u>2023</u>
Income before income tax	<u>\$ 794,903</u>	<u>\$ 392,356</u>
Income tax expenses calculated based on income before income tax and the statutory tax rate	\$ 158,981	\$ 78,471
Exemptions	(41,022)	(23,135)
Additional tax on unappropriated earnings	2,647	-
Adjustments on income tax expenses of prior years	(8,459)	(500)
Others	<u>999</u>	<u>(993)</u>
Income tax expenses recognized in profit or loss	<u><u>\$ 113,146</u></u>	<u><u>\$ 53,843</u></u>

b. Income tax recognized in other comprehensive income

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

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	\$ 7,410	(\$ 863)	\$ -	\$ 6,547
Construction proceeds temporarily estimated	9,439	(830)	-	8,609
Unrealized construction loss	18,573	(5,663)	-	12,910
Others	77	(77)	-	-
	<u>\$ 35,499</u>	<u>(\$ 7,433)</u>	<u>(\$ -)</u>	<u>\$ 28,066</u>
<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	\$ 6,602	\$ 808	\$ -	\$ 7,410
Construction proceeds temporarily estimated	9,543	(104)	-	9,439
Unrealized construction loss	1,306	17,267	-	18,573
Others	672	(517)	(78)	77
	<u>\$ 18,123</u>	<u>\$ 17,454</u>	<u>(\$ 78)</u>	<u>\$ 35,499</u>

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	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	\$ 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. Income tax approval status

The tax authorities have approved the profit-seeking enterprise income tax returns of the Company through 2022.

23. Earnings per Share

	Unit: NT\$	
	2024	2023
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 were as follows:		
	2024	2023
Net income	<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 Company may choose between stocks or cash for distribution for employee remuneration, it assumes stocks would be distributed in the calculation of diluted EPS. The potential shares of common stock with dilutive effect shall be incorporated in the weighted average number of shares outstanding when calculating the diluted EPS. Such dilutive effect of potential shares of common stock is still included in the calculation of diluted earnings per share before the shareholders' meeting in the following year resolves the number of shares to be distributed to employees.

24. Capital Risk Management

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

25. Financial Instruments

a. Fair value of financial instruments that are not measured at fair value

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

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

1) Fair value level

December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at fair value through profit or loss</u>				
Listed stocks and emerging stocks	\$ 37,660	\$ 42,329	\$ -	\$ 79,989
Unlisted common stocks	-	-	84,213	84,213
Fund beneficiary certificates	<u>755,636</u>	<u>-</u>	<u>-</u>	<u>755,636</u>
Total	<u>\$ 793,296</u>	<u>\$ 42,329</u>	<u>\$ 84,213</u>	<u>\$ 919,838</u>
<u>Financial assets at fair value through other comprehensive income</u>				
Listed stocks	<u>\$ 210,576</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,576</u>

December 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at fair value through profit or loss</u>				
Listed innovative and emerging stocks	\$ -	\$ 28,583	\$ -	\$ 28,583
Unlisted stocks	<u>-</u>	<u>-</u>	<u>46,632</u>	<u>46,632</u>
Total	<u>\$ -</u>	<u>\$ 28,583</u>	<u>\$ 46,632</u>	<u>\$ 75,215</u>
<u>Financial assets at fair value through other comprehensive income</u>				
Listed stocks	<u>\$ 392,133</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 392,133</u>

There was no transfer between Level 1 and Level 2 fair value measurement for 2024 and 2023.

2) Reconciliation of Level 3 fair value measurements of financial instruments

	<u>2024</u>	<u>2023</u>
Balance - beginning of year	\$ 46,632	\$ 29,100
Recognized in profit and loss		
— Unrealized valuation gains or losses on financial assets at fair value through profit or loss	(2,319)	4,032
Purchase	39,900	15,000
Disposal	<u>-</u>	(1,500)
Balance - end of year	<u>\$ 84,213</u>	<u>\$ 46,632</u>

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

<u>Type of Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Listed innovative and emerging stocks	The liquidity is adjusted by the price of inactive market transactions.

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

The fair value of unlisted stocks without active market is estimated with reference to recent financing price.

The unobservable inputs applied by the Company 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\$3,013 thousand and NT\$1,853 thousand, respectively.

c. Types of financial instruments

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Mandatorily measured at fair value through profit or loss	\$ 919,838	\$ 75,215
Financial assets at amortized cost (Note 1)	1,548,912	1,343,341
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)	2,263,996	1,650,370

Note1: The balance includes financial assets measured at amortized cost, which comprise cash, restricted bank deposits, time deposit, note receivables, accounts receivable, other receivables, and refundable deposits and pledged certificate of deposit.

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

d. Financial risk management objectives and policies

The daily operations of the Company 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 Company focuses on the uncertainties in the financial market to reduce the potentially adverse effects on the financial position and performance of the Company.

Financial risk management of the Company is carried out by its finance department based on the policies approved by the Board of Directors. Through cooperation with the Company'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 29 for details on carrying amounts of significant monetary assets denominated in foreign currencies on the balance sheet dates.

Sensitivity analysis

The Company is exposed mainly to USD fluctuations.

The following table details the Company'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 figure in the table below shows the increase in income before tax when the currency appreciates by 1% against NTD.

	Effect on Profit or Loss	
	2024	2023
USD	\$ 2,293	\$ 2,125

b) Interest rate risk

The interest rate risk of the Company is mainly from loans. Loans held at floating interest rates expose the Company to the cash flow interest rate risk. Part of such risk is offset by financial assets held at floating rates. Loans made at fixed interest rates expose the Company to the fair value interest rate risk. The policy of the Company 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 Company 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	\$ 195,299	\$ 278,336
— Financial liabilities	343,504	117,936
With cash flow interest rate risk		
— Financial assets	552,376	747,453

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.

If interest rate increases/decreases by 100 basis points, other variables held constant, the Company's income before tax will increase/decrease by \$5,524 thousand and \$7,475 thousand for 2024 and 2023, respectively.

c) Other price risks

Investments in beneficiary certificates and domestic listed equity instruments expose the Company to the equity price risk. The Company diversifies its investment portfolio to manage the price risk of investments in equity 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\$91,984 thousand and NT\$7,522 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 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 Company arising from default by clients or counter parties of financial instruments on the contractual obligations. The policy of the Company in response to credit risk is as follows:

Customers

The Company's established internal credit policy requires that all entities within the Company 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 Company 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 83% and 84%, respectively. To mitigate credit risk, the Company regularly assesses the financial position of our customers and the likelihood of recovering accounts receivable, and recognized appropriate loss allowance.

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 Includes cash flow of interests and principals.

December 31, 2024

	<u>Less than 1 Year</u>	<u>1-2 Year(s)</u>	<u>2-5 Years</u>
Non-interest-bearing liabilities	\$ 1,471,684	\$ 206,447	\$ 196,937
Lease liabilities	19,404	16,968	36,727
Fixed interest rate instruments	<u>275,898</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,766,986</u>	<u>\$ 223,415</u>	<u>\$ 233,664</u>

December 31, 2023

	<u>Less than 1 Year</u>	<u>1-2 Year(s)</u>	<u>2~5 Years</u>
Non-interest-bearing liabilities	\$ 1,387,642	\$ 8,719	\$ 67,521
Lease liabilities	11,427	8,320	22,823
Fixed interest rate instruments	<u>78,075</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,477,144</u>	<u>\$ 17,039</u>	<u>\$ 90,344</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>1,761,772</u>	<u>2,277,283</u>
	<u>\$ 1,961,772</u>	<u>\$ 2,277,283</u>
Credit line of secured bank loan		
— Amount used	\$ -	\$ -
— Amount unused	<u>450,000</u>	<u>450,000</u>
	<u>\$ 450,000</u>	<u>\$ 450,000</u>

26. Related Party Transactions

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

<u>Name of Related Party</u>	<u>Relationship with the Company</u>
CK Tech Engineering Co., Ltd. (CK Tech)	Subsidiary
Chien Kuo Building Co., Ltd. (Chien Kuo Building)	Subsidiary
Chien Bang Real Estate Development Co., Ltd. (Chien Bang Building)	Subsidiaries
Leader Construction Co., Ltd (Leader Construction)	Subsidiaries
Golden Canyon Limited (Golden Canyon)	Subsidiaries
Silver Shadow Holding Limited (Silver Shadow)	Subsidiaries
Golden Canyon Venture Capital Investment Co., Ltd. (Golden Canyon Venture Capital)	Subsidiaries
Golden Canyon II Venture Capital Investment Co., Ltd. (Golden Canyon Venture Capital II)	Subsidiaries
CK Asia Co., Ltd. (CK Asia)	Subsidiaries
CK Asia (Shanghai) Information Technology Co., Ltd. (Shanghai Information)	Subsidiaries
Chien Hwei Investment Co., Ltd. (Chien Hwei Investment)	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. Construction projects undertaken

Category/Name of Related Party	No. of Contract	Total amount of contract	Construction costs recognized in the current year	Accumulated construction costs recognized	Accounts payable
<u>2024</u>					
CK Tech	101C1803	\$ 194,787	\$ 1,768	\$ 194,787	\$ -
	101C2105	1,497,671	244,719	258,167	104,098
Subsidiaries	101C2105	67,881	10,286	10,286	6,296
		<u>\$ 1,760,339</u>	<u>\$ 256,773</u>	<u>\$ 463,240</u>	<u>\$ 110,394</u>
<u>2023</u>					
CK Tech	101C1703	\$ 549,496	\$ 1,725	\$ 549,496	\$ -
	101C1802	441,525	11,852	441,525	-
	101C1803	193,729	6,461	193,019	20,845
	101C2105	1,520,152	13,448	13,448	-
		<u>\$ 2,704,902</u>	<u>\$ 33,486</u>	<u>\$ 1,197,488</u>	<u>\$ 20,845</u>

The contract price and payment terms of the construction contract between the Company and the related parties are equivalent to those of the non-related person

d. Construction supervision and management

Account	Category of Related Parties	2024	2023
Construction costs	Subsidiary	<u>\$ 25,437</u>	<u>\$ 9,106</u>

Account	Category of Related Parties	December 31, 2024	December 31, 2023
Accounts payable	Subsidiary	<u>\$ 2,890</u>	<u>\$ 5,935</u>

The costs associated with construction supervision and management are delegated to the subsidiaries, and are handled in accordance with general terms and conditions.

e. Business transaction

Account	Category of Related Parties	2024	2023
Other income	Subsidiary	<u>\$ 1,980</u>	<u>\$ 3,840</u>

They are the revenues from manpower supply to the subsidiaries, and are handled in accordance with general terms and conditions

f. Other related party transactions

1) Lease agreements

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

Account	Category of Related Parties	December 31, 2024	December 31, 2023
Acquisition of right-of-use assets	Chien Hwei Investment	<u>\$ 37,634</u>	<u>\$ -</u>

<u>Account</u>	<u>Category of Related Parties</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Lease liabilities - current and non-current	Chien Hwei Investment	<u>\$ 31,641</u>	<u>\$ -</u>

<u>Account</u>	<u>Category of Related Parties</u>	<u>2024</u>	<u>2023</u>
Interest expenses	Chien Hwei Investment	<u>\$ 618</u>	<u>\$ 42</u>

2) Lease agreements (operating lease)

The Company 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.

<u>Account</u>	<u>Category of Related Parties</u>	<u>2024</u>	<u>2023</u>
Rent income	Chien Hwei Investment	<u>\$ 1,143</u>	<u>\$ 1,143</u>
Rent income	Chien Kuo Building	<u>\$ 1,143</u>	<u>\$ 667</u>

3) Donation

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

The Company donated funds for broadcast production to related parties.

4) Loans from related parties

<u>Category/Name of Related Party</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Chien Kuo Building	\$ 34,000	\$ 36,000
Chien Bang Building	19,000	19,000
CK Tech	20,000	22,000
	<u>\$ 73,000</u>	<u>\$ 77,000</u>

Interest expenses

<u>Category/Name of Related Party</u>	<u>2024</u>	<u>2023</u>
Chien Kuo Building	\$ 688	\$ 429
Subsidiaries	666	203
	<u>\$ 1,354</u>	<u>\$ 632</u>

Other payables

<u>Category/Name of Related Party</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Subsidiaries	<u>\$ 438</u>	<u>\$ 472</u>

The interest rates on loans from related parties are comparable to market rates and are unsecured.

g. Endorsements/guarantees

Endorsements/guarantees provided for others

<u>Category/Name of Related Party</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
CK Tech	<u>\$ 400,000</u>	<u>\$ 50,000</u>
Chien Bang Building	<u>\$ 24,600</u>	<u>\$ 24,600</u>

h. Remuneration to key management

	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 65,180	\$ 72,384
Post-employment benefits	<u>1,391</u>	<u>1,793</u>
	<u>\$ 66,571</u>	<u>\$ 74,177</u>

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

27. Pledged Assets

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
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	<u>492,257</u>	<u>492,831</u>
	<u>\$ 596,307</u>	<u>\$ 600,981</u>

28. Significant Contingent Liabilities and Unrecognized Contract Commitments

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

- a. The construction of the National Kaohsiung Center for the Arts (Weiwuying) (hereinafter referred to as the Project) contracted by the Company 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 non-building 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 Company 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 reimburse the warranty joint guarantee certificate provided by the Company for NT\$96,003 thousand. To fulfill the warranty obligation of the contract, the Company still cooperated with the inspection and repair without any interruption. The Company

considered that this 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 Company 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 Company 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 Company submitted the arbitration pursuant to laws. On August 12, 2024, the Company received the arbitration decision. The Company 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 Company 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 Company. The costs and related fees for the natural gas company's work were to be paid by the Company 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 Company paid Shintao Natural Gas Co., Ltd. a total of NT\$12,747 thousand and NT\$4,253 thousand for the construction and fees, respectively, the Company 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 Company considered that this action of the Office of Housing Development was not in accordance with the contract. Therefore, on August 29, 2023, the Company 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 Company has confirmed that the amount of NT\$8,819,000, 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 Company amounted to NT\$2,867,610 thousand and NT\$2,232,258 thousand, respectively.
- e. As of December 31, 2024 and 2023, the guaranteed bills issued by the Company for business needs amounted to NT\$1,105,205 thousand and NT\$537,271 thousand, respectively.

29. 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>			
USD	\$ 6,992	32.79 (USD:NTD)	<u>\$ 229,279</u>
<u>Non-monetary items</u>			
USD	109,026	32.79 (USD:NTD)	<u>\$ 3,574,967</u>

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 6,921	30.71 (USD:NTD)	<u>\$ 212,542</u>
<u>Non-monetary items</u>			
USD	119,253	30.71 (USD:NTD)	<u>\$ 3,662,273</u>

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

	2024		2023	
	Exchange Rate	Net Exchange Profit	Exchange Rate	Net Exchange Loss
<u>Financial assets</u>				
USD	32.11 (USD:NTD)	<u>\$ 7,782</u>	31.16 (USD:NTD)	(<u>\$ 4,783</u>)

30. 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 at 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.
- b. Information on Invested Companies (Appendix 6)
 - c. Information on investments in Mainland China:
 - 1) Information on invested companies in mainland China, including the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, gain or loss on investments, carrying amount of investment at the end of the period, gain or loss on repatriated investment and limits on investments in mainland China: (Appendix 7)
 - 2) Any of the following significant transactions with invested companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms and unrealized gain or loss: (None)
 - 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 on major shareholders: names of shareholders with a holding ratio of 5% or more, the amount and proportion of shares held: (Appendix 8)

Chien Kuo Construction Co., Ltd.
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	Balance - end of year	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 \$ 34,822	40% of the Company's net worth \$ 34,822	
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 22,283	40% of the Company's net worth 22,283	
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 19,979	40% of the Company's net worth 19,979	

Note1: The nature of financing is described as follows:
(1) For the purpose of short-term financing.

Chien Kuo Construction Co., Ltd.
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.	CK Tech Engineering Co., Ltd.	Subsidiary	\$ 2,330,039	\$ 400,000	\$ 400,000	\$ 178,682	\$ -	8.58%	\$ 4,660,077	Y	N	N	Financing endorsements /guarantees Performance guarantee
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	

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

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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 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 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 at FVTPL - non-current	1,150	23,000	5.25%	23,000	—
	Aventacell Biomedical Corp. Ltd.	—	"	500	29,000	4.29%	29,000	—
Chien Kuo Building Co., Ltd.	<u>Fund</u>		Financial assets at FVTPL - current	60	958	-	958	
Chien Bang Real Estate Development Co., Ltd.	<u>Fund</u>							
	Taiwan Money Market Fund	—	"	1,380	22,034	-	22,034	—
Leader Construction Co., Ltd.	<u>Fund</u>							
	Taiwan Money Market Fund	—	"	500	7,983	-	7,983	—
CK Tech Engineering Co., Ltd.	<u>Fund</u>							
	Jih Sun Money Market Fund	—	"	2,603	40,266	-	40,266	—
	SinoPac TWD Money Market Fund	—	"	904	13,113	-	13,113	—
Golden Canyon Limited	<u>Bonds</u>							
	NOMURA HOLDINGS INC Corporate Bonds (NOMURA 1.653 07/14/26)	—	Financial assets 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 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 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 at FVTPL - current	16	\$ 67,782	-	\$ 67,782	—
	JPM USD Liquidity LVNAV E Acc	—	"	-	72,155	-	72,155	—
	PVG GCN VENTURES, L.P.	—	Financial assets 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 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	—	"	4	18,054	-	18,054	—
	<u>Bonds</u> UBS GROUP AG Corporate Bonds (UBS 4.253 03/23/28)	—	Financial assets 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	—
	BANK OF AMERICA CORP Corporate Bonds (BOA 5.202 04/25/29)	—	"	1,000	32,550	-	32,550	—

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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	
	IBM INTERNAT CAPITAL Corporate Bonds (IBM4.75 02/05/31)	—	Financial assets at amortized cost — non-current	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.

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	Gain or Loss on Disposals		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.

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.	CK Tech Engineering Co., Ltd.	Subsidiary	Purchases	\$ 271,436	5.06%	Subject to the agreement	-	-	(\$ 106,476)	(6.42%)	Note 1
CK Tech Engineering Co., Ltd.	Chien Kuo Construction Co., Ltd.	Parent company	Sales	(271,436)	(95.78%)	Subject to the agreement	-	-	86,878	87.43%	

Note1: Partially invoiced amounts are recognized as contract assets.

Chien Kuo Construction Co., Ltd.
Information on Investees
January 1 to December 31, 2024

Appendix 6. Unit: NT\$ Thousands

Name of Investor	Name of Investee	Location	Principal Business Activities	Original Investment Amount		Ending Balance			Investee Profit/Loss for the Current Period	Investment Profit/Loss Recognized in the Current Period	Note
				End of the Period	End of Last Year	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
	CK Tech 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.	Taiwan	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-subsubsidiary
Golden Canyon Limited	CK Asia Co., Ltd.	British Virgin Islands	Reinvestment	840	840	2	45.71%	20,679	(5,027)	Note 3	Sub-subsubsidiary

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 7 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.
Information on Investments in Mainland China
January 1 to December 31, 2024

Appendix 7.

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 8.

(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 Company's financial statements and the number of shares that have completed delivery of non-physical registration may differ due to the different calculation bases.

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Chien Kuo Construction Co., Ltd.

Statement of Cash

December 31, 2024

Statement 1

Unit: NT\$ thousands, unless otherwise specified

<u>Item</u>	<u>Summary</u>	<u>Amount</u>
Cash on hand and revolving funds	Including RMB 17 thousand RMB, calculated at an exchange rate of 4.56	\$ 2,426
Checking accounts and demand deposits	Including USD 3,173 thousand, calculated at an exchange rate of 32.79	<u>552,376</u>
		<u>\$ 554,802</u>

Chien Kuo Construction Co., Ltd.
Statement of Financial Assets at Fair Value through Profit or Loss
December 31, 2024

Statement 2

Unit: Shares in 1,000 Shares, Amount in NT\$ thousand

Name of Financial Instruments	Summary	Shares or Units	Acquisition Cost	Fair Value	
				Unit Price (NT\$)	Total Amount
Financial assets at FVTPL - current					
Fund	Fubon FTSE TWSE Taiwan 50 ETF	712	\$ 80,583	114.10	\$ 81,239
	KGI Taiwan Premium Selection High Dividend 30 ETF	2,000	53,540	24.58	49,160
	Allianz Global Investors All Seasons Double Income Fund of Funds USD A	2,888	48,044	16.74	48,348
	Allianz Global Investors Taiwan Technology Fund	179	40,000	229.24	41,045
	Nomura Global Technology Multi-Asset Fund S (NTD)	6,012	60,000	10.61	63,777
	Nomura Global Technology Multi-Asset Fund S (USD)	202	66,138	330.61	66,683
	Nomura Taiwan High Dividend Fund S (NTD)	3,138	30,000	10.22	32,071
	PineBridge Preferred Securities Income Fund TWD A	3,974	48,144	12.16	48,318
	PineBridge Preferred Securities Income Fund USD A	76	32,856	417.09	31,815
	UPAMC Ben Teng Fund	118	30,045	269.96	31,830
	UPAMC Optima Fund	132	30,045	231.42	30,567
	Amundi Funds - US Short Term Bond A2-USD (C) (USD)	383	98,370	257.73	98,747
	Fidelity Funds - Global Technology Fund A-Acc-USD (hedged)	28	49,283	1,764.10	49,869
	JPMorgan Funds - America Equity Fund A (dist) - USD (Accumulated)	25	49,185	2,003.14	49,529
	UPAMC Global Innovative Tech Fund (USD)	22	32,856	1,508.01	32,638
			<u>\$ 749,089</u>		<u>\$ 755,636</u>
Stock	Taiwan Semiconductor Manufacturing Co., Ltd.	20	\$ 18,413	1,075.00	\$ 21,500
	NVIDIA Corporation	4	16,156	4,403.37	16,160
			<u>\$ 34,569</u>		<u>\$ 37,660</u>
Financial assets at FVTPL - non-current					
Stock	BMC Venture Capital Investment Corporation	2,850	\$ 28,500	11.34	\$ 32,313
	BMD Venture Capital Investment Corporation	3,000	30,000	9.00	27,000
	Taiwan Bio Therapeutics Co., Ltd.	131	4,126	40.79	5,349
	Revivegen Co., Ltd.	748	23,027	37.15	27,808
	Gogolook Co., Ltd.	86	19,092	118.50	9,172
	Yu-Chen System Technology Corp.	50	3,500	70.00	3,500
	CDIB Innolux Fund L.P.	21,400	21,400	1.00	21,400
			<u>\$ 129,645</u>		<u>\$ 126,542</u>

Chien Kuo Construction Co., Ltd.
Statement of Financial Assets at Fair Value through Other Comprehensive Income
January 1 to December 31, 2024

Statement 3

Unit: Shares in 1,000 Shares;
Amount in NT\$ thousand, unless otherwise specified

Name of Investee	Balance - beginning of year		Increase for this year		Decrease for this year		Change in unrealized gain or loss on financial asset	Balance - end of year	
	Shares	Amount	Shares	Amount	Shares	Amount		Shares	Amount
Current									
Domestic listed companies									
Chia Hsin Cement Corporation	1,137	<u>\$ 21,655</u>	-	<u>\$ -</u>	-	<u>\$ -</u>	(\$ 2,330)	1,137	<u>\$ 19,325</u>
Non-current									
Domestic listed companies									
Taiwan Cement Corporation	6,810	\$ 237,318	-	\$ -	6,810	\$ 128,861	(\$ 108,457)	-	\$ -
Chia Hsin Cement Corporation									
(Note 2)	6,990	<u>133,160</u>	4,260	<u>76,433</u>	-	<u>-</u>	(18,342)	11,250	<u>191,251</u>
		<u>\$ 370,478</u>		<u>\$ 76,433</u>		<u>\$ 128,861</u>	(\$ 126,799)		<u>\$ 191,251</u>

Note1: Par value of \$10 per share.

Note2: 2,000 thousand shares of Chia Hsin Cement Corporation are pledged to the bank as collateral for the performance of construction contracts.

Chien Kuo Construction Co., Ltd.
Statement of Changes in Contract Assets and Contract Liabilities for Property Construction
January 1 to December 31, 2024

Statement 4

Unit: NT\$ Thousands

Project	Amount paid for this year				Amount received for this year				Contract assets	Contract liabilities
	Balance - beginning of year	Construction costs	Project completed and transferred	Balance - end of year	Balance - beginning of year	Increase for this year	Amount carried down upon completion	Balance - end of year		
101C1803	\$ 1,016,483	\$ 12,219	\$ 1,028,702	\$ -	\$ 994,850	\$ 33,852	\$ 1,028,702	\$ -	\$ -	\$ -
101C1901	1,277,918	48,793	-	1,326,711	1,217,090	80,294	-	1,297,384	29,327	-
101C1902	1,381,354	68,962	-	1,450,316	1,129,004	223,181	-	1,352,185	98,131	-
101C1903	474,687	26,213	-	500,900	450,302	20,234	-	470,536	30,364	-
101C1904	1,324,141	83,717	1,407,858	-	1,255,714	152,143	1,407,857	-	-	-
101C2001	1,818,742	91,854	-	1,910,596	1,769,152	27,264	-	1,796,416	114,180	-
101C2003	820,394	36,749	857,143	-	846,617	10,526	857,143	-	-	-
101C2101	1,613,060	8,466	-	1,621,526	1,599,696	-	-	1,599,696	21,830	-
101C2102	1,193,802	1,295,516	-	2,489,318	1,083,306	1,306,648	-	2,389,954	99,364	-
101C2104	329,255	430,564	-	759,819	316,072	305,357	-	621,429	138,390	-
101C2105	407,124	1,251,172	-	1,658,296	884,413	967,088	-	1,851,501	-	193,205
101C2151	672,346	52,177	724,523	-	642,757	81,766	724,523	-	-	-
101C2201	27	430	457	-	314	144	458	-	-	-
101C2202	27	517	544	-	314	230	544	-	-	-
101C2204	13,889	7,090	20,979	-	-	20,979	20,979	-	-	-
101C2205	131,301	223,505	-	354,806	180,388	202,937	-	383,325	-	28,519
101C2301	95,421	180,142	-	275,563	113,916	166,578	-	280,494	-	4,931
101C2302	7,616	27,992	-	35,608	7,722	26,805	-	34,527	1,081	-
101C2303	21,552	12,259	-	33,811	-	4,604	-	4,604	29,207	-
101C2304	29,281	55,651	-	84,932	40,825	32,387	-	73,212	11,720	-
101C2305	185,646	823,722	-	1,009,368	190,832	764,672	-	955,504	53,864	-
101C2306	55,565	707,638	-	763,203	126,642	587,524	-	714,166	49,037	-
101C2307	13,957	213,516	-	227,473	-	737,668	-	737,668	-	510,195
101C2310	521	3,688	-	4,209	142,857	-	-	142,857	-	138,648
101C2311	-	81	-	81	-	356	-	356	-	275
101C2312	-	7,983	-	7,983	-	32,142	-	32,142	-	24,159
101C2401	-	2,418	-	2,418	-	3,596	-	3,596	-	1,178
101C2402	-	43,116	-	43,116	-	-	-	-	43,116	-
101C2403	-	290,249	-	290,249	-	307,369	-	307,369	-	17,120
101C2404	-	8,855	-	8,855	-	-	-	-	8,855	-
101C2405	-	70,318	-	70,318	-	69,333	-	69,333	985	-
101C2406	-	7,420	-	7,420	-	-	-	-	7,420	-
101C2407	-	-	-	-	-	-	-	-	-	-
	<u>\$ 12,884,109</u>	<u>\$ 6,092,992</u>	<u>\$ 4,040,206</u>	<u>\$ 14,936,895</u>	<u>\$ 12,992,783</u>	<u>\$ 6,165,677</u>	<u>\$ 4,040,206</u>	<u>\$ 15,118,254</u>	<u>\$ 736,871</u>	<u>\$ 918,230</u>

Chien Kuo Construction Co., Ltd.
Statement of Accounts Receivables
December 31, 2024

Statement 5

Unit: NT\$ Thousands

<u>Customers' Name</u>	<u>Amount</u>
Customer A	\$ 611,424
Customer B	65,573
Other (Note)	<u>45,084</u>
	<u>\$ 722,081</u>

Note. The balance for each customer did not exceed 5% of the balance of this account

Chien Kuo Construction Co., Ltd.

Statement of Prepayments

December 31, 2024

Statement 6

Unit: NT\$ Thousands

<u>Item</u>	<u>Amount</u>
Prepayments for construction materials	\$ 154,341
Prepaid insurance	33,858
Others	<u>4,083</u>
	<u>\$ 192,282</u>

Chien Kuo Construction Co., Ltd.
Statement of Changes in Investments Accounted for Using the Equity Method
January 1 to December 31, 2024

Statement 7

Unit: NT\$ thousands, unless otherwise specified

Name of Investee	Balance - beginning of year		Increase for this year		Decrease for this year		Gain (loss) on investment	Exchange differences on translation of financial statements of foreign operations	Balance - end of year			Endorsements and guarantees Name of investee provided	Note
	Number of Shares (in Thousands)	Amount	Number of Shares (in Thousands)	Amount	Number of Shares (in Thousands)	Amount			Number of Shares (in Thousands)	Percentage (%)	Amount		
Subsidiary													
Unlisted Companies													
Golden Canyon Limited	5,881	\$ 1,644,221	-	\$ -	1,844	\$ 59,021	\$ 68,503	\$ 111,302	4,037	100	\$ 1,765,005	None	Note 2
Silver Shadow Holding Limited	21,606	2,018,052	-	-	12,488	399,758	63,462	128,206	9,118	100	1,809,962	None	Note 2
Chien Kuo Building Co., Ltd.	10,000	87,055	-	-	-	-	(4,875)	-	10,000	100	82,180	None	
CK Tech Engineering Co., Ltd.	7,000	55,710	-	-	-	-	4,048	-	7,000	100	59,758	None	
Golden Canyon Venture Capital Investment Co., Ltd.	40,100	520,521	-	-	-	227,955	178,475	-	40,100	100	471,041	None	Note 2
Golden Canyon II Venture Capital Investment Co., Ltd.	20,000	201,101	-	-	-	1,086	1,457	-	20,000	100	201,472	None	Note 2
Chien Bang Real Estate Development Co., Ltd.	2,750	27,471	-	-	-	-	(62)	-	2,750	55	27,409	None	
Leader Construction Co., Ltd.	1,000	<u>8,299</u>	1,500	<u>15,000</u>	-	<u>-</u>	<u>(13,723)</u>	<u>-</u>	2,500	100	<u>9,576</u>	None	Note 3
		<u>\$ 4,562,430</u>		<u>\$ 15,000</u>		<u>\$ 687,820</u>	<u>\$ 297,285</u>	<u>\$ 239,508</u>			<u>\$ 4,426,403</u>		

Note1: Except that the par values of Golden Canyon Limited and Silver Shadow Holding Limited is US\$1 per share, and that CK Tech International Electrical Engineering Co., Ltd. has no par value, the par values of the remaining companies are NT\$10 per share.
Note2: The reduction this year is attributed to the capital reduction or dividend distribution by the invested companies.
Note3: The increase this year is due to the capital injection.

Chien Kuo Construction Co., Ltd.
Statement of Short-term Loans
December 31, 2024

Statement 8

Unit: NT\$ Thousands

Creditor	Repayment method	Ending balance	Term of the agreement	Effective Interest Rate	Collaterals or guarantees
Bank credit line loans					
TCB Bank	The principal and interest will be repaid in a single payment upon maturity.	\$ 100,000	2024.11.19~2025.11.19	1.93%	None
Bank of Taiwan	The principal and interest will be repaid in a single payment upon maturity.	<u>100,000</u>	2024.11.06~2025.02.04	1.85%	None
		<u>\$ 200,000</u>			
Related Party Loans					
CK Tech	The principal and interest should be repaid in full upon maturity	\$ 20,000	2024.10.04~2025.10.03	2.00%	None
Chien Kuo Building	The principal and interest should be repaid in full upon maturity	16,000	2024.07.03~2025.07.02	2.00%	None
Chien Kuo Building	The principal and interest should be repaid in full upon maturity	18,000	2024.10.04~2025.10.03	2.00%	None
Chien Bang Building	The principal and interest will be repaid in a single payment upon maturity.	<u>19,000</u>	2024.10.04~2025.10.03	2.00%	None
		<u>73,000</u>			
		<u>\$ 273,000</u>			

Chien Kuo Construction Co., Ltd.
Statement of Accounts Payable
December 31, 2024

Statement 9

Unit: NT\$ Thousands

<u>Name of Subcontractor</u>	<u>Amount</u>
Subcontractor A	\$ 106,476
Other (Note)	<u>1,551,150</u>
	<u><u>\$ 1,657,626</u></u>

Note. The balance for each customer did not exceed 5% of the balance of this account

Chien Kuo Construction Co., Ltd.
Statement of Other Payables

December 31, 2024

Statement 10

Unit: NT\$ Thousands

<u>Item</u>	<u>Amount</u>
Salaries and bonuses payables	\$ 178,679
Others	<u>38,774</u>
	<u>\$ 217,453</u>

Note: The balance for each item did not exceed 5% of the balance of this account.

Chien Kuo Construction Co., Ltd.
Statement of Other Non-current Liabilities
December 31, 2024

Statement 11

Unit: NT\$ Thousands

<u>Item</u>	<u>Amount</u>
Guarantee deposits received	\$ 115,918
Lease liabilities	<u>52,106</u>
	<u><u>\$ 168,024</u></u>

Chien Kuo Construction Co., Ltd.
Statement of Operating Revenue and Cost
2024

Statement 12

Unit: NT\$ Thousands

<u>Construction item</u>	<u>Operating revenue</u>	<u>Operating costs</u>	<u>Gross profit</u>
Residential construction	\$ 1,290,711	\$ 1,170,585	\$ 120,126
Public construction	3,046,548	2,743,817	302,731
Commercial office, factory office and others	<u>1,771,317</u>	<u>1,452,359</u>	<u>318,958</u>
	<u>\$ 6,108,576</u>	<u>\$ 5,366,761</u>	<u>\$ 741,815</u>

Chien Kuo Construction Co., Ltd.
Statement of General and Administrative Expenses
2024

Statement 13

Unit: NT\$ Thousands

<u>Item</u>	<u>Amount</u>
Salary and bonus	\$ 223,306
Depreciation expense	20,032
Professional service fees	18,730
Other expenses (Note)	<u>69,015</u>
	<u><u>\$ 331,083</u></u>

Note: The balance for each item did not exceed 5% of the balance of this account.

Chien Kuo Construction Co., Ltd.

Summary Table of Employee Benefits, Depreciation and Amortization Expenses Incurred During the Current Period

For the Years Ended December 31, 2024 and 2023

Statement 14

Unit: NT\$ Thousands

	2024				2023			
	Belongs to Operating Costs	Belongs to Operating Expenses	Belongs to Other Gains and Losses	Total	Belongs to Operating Costs	Belongs to Operating Expenses	Belongs to Other Gains and Losses	Total
Employee benefits expenses								
Salary expense	\$ 242,456	\$ 192,823	\$ -	\$ 435,279	\$ 223,823	\$ 205,925	\$ -	\$ 429,748
Labor insurance and national health insurance expense	23,733	12,033	-	35,766	22,623	14,200	-	36,823
Pension expense	9,669	5,726	-	15,395	9,924	7,303	-	17,227
Remuneration to directors	-	30,604	-	30,604	-	18,196	-	18,196
Others employee benefits expenses	<u>9,346</u>	<u>16,806</u>	<u>-</u>	<u>26,152</u>	<u>9,240</u>	<u>8,297</u>	<u>-</u>	<u>17,537</u>
	<u>\$ 285,204</u>	<u>\$ 257,992</u>	<u>\$ -</u>	<u>\$ 543,196</u>	<u>\$ 265,610</u>	<u>\$ 253,921</u>	<u>\$ -</u>	<u>\$ 519,531</u>
Depreciation expense	<u>\$ 49,531</u>	<u>\$ 20,032</u>	<u>\$ 955</u>	<u>\$ 70,518</u>	<u>\$ 37,336</u>	<u>\$ 18,480</u>	<u>\$ 954</u>	<u>\$ 56,770</u>
Amortization expenses	<u>\$ 2,604</u>	<u>\$ 3,538</u>	<u>\$ -</u>	<u>\$ 6,142</u>	<u>\$ 1,410</u>	<u>\$ 2,675</u>	<u>\$ -</u>	<u>\$ 4,085</u>

Note1: As of December 31, 2024 and 2023, the number of employees of the Company was 448 and 445, respectively, and the number of directors who are not the employees is 8 and 11 for both years.

Note2: The average employee benefit expenses were \$1,165 thousand and \$1,155 thousand for the year ended December 31, 2024 and 2023, respectively.

Note3: The average salary expenses were \$989 thousand and \$990 thousand for the year ended December 31, 2024 and 2023, respectively.

Note4: The change in average employee salary adjustment was -0.1%.

Note5: The Company's overall employee remuneration policy is based on the principle of both internal fairness and external competitiveness. The remuneration of employees consists of fixed and variable compensation. Bonuses are paid immediately to share the operational achievements with colleagues in order to attract, motivate and retain talents. Individual remuneration is based on job duties and professional skills. Bonus and employee remuneration are awarded based on individual performance and contribution, without difference by gender, religion, or race.

Note6: The remuneration of the Company's directors is determined in accordance with Article 18-1 of the Company's Articles of Incorporation. The Board of Directors is authorized to determine the remuneration of directors in accordance with their participation in the Company's operations and the usual standards in the industry. Based on the current year's pre-tax earnings before directors' remuneration, 0.1% to 3% of that amount as employees' remuneration and no more than 3% as directors' remuneration are paid to directors, managers and employees. The manager's remuneration consists of salary and bonus. The salary is based on the industry standard and the title, rank, educational and experience background, professional capabilities and responsibilities. Bonuses are based on the performance evaluation of managers including financial and non-financial indicators.

Note7: The remuneration of the Company's directors is handled in accordance with Article 23 of the Company's Articles of Incorporation. The procedures for determining remuneration are based on the results of the performance evaluation by the Board of Directors of the Company and the "Regulations Governing Allocation and Payment of Remuneration to Directors". In addition to the Company's overall operating performance, future business risks and development trends, the Company also makes reference to the individual's performance achievement rate and contribution to the Company's performance to provide reasonable remuneration. The performance evaluation and the reasonableness of the remuneration are reviewed by the Remuneration Committee and the Board of Directors. The remuneration system is reviewed as appropriate in accordance with the actual operating conditions and laws and regulations in order to make a balance between sustainable operation and risk control of the Company.