

Kedge Construction Co., Ltd. and Subsidiaries
Consolidated Financial Statements

With Independent Auditors' Review Report
for the Three Months Ended

March 31, 2024 and 2023

The auditors' review report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of Kedge Construction Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of the Kedge Construction Co., Ltd. and its subsidiaries (the "Group") as of March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards ("IASs") 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our review.

Scope of Review

We conducted our reviews in accordance with the Standards on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Kedge Construction Co., Ltd. and its subsidiaries as of March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IASs 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the review resulting in this independent auditors' report are Yi-Lan Han and Gao-Yang Zang.

KPMG Taiwan

Taipei, Taiwan (Republic of China)
May 10, 2024

Reviewed only, not audited in accordance with the generally accepted auditing standards.
Kedge Construction Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

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

(Expressed in Thousands of New Taiwan Dollars)

Assets		March 31, 2024		December 31,2023		March 31, 2023				Liabilities and equity		March 31, 2024		December 31,2023		March 31, 2023	
		Amount	%	Amount	%	Amount	%					Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:									
1100	Cash and cash equivalents (Note 6(1) and (19))	\$ 4,564,825	38	5,262,388	42	4,599,138	40	2100	Short-term borrowings (Note 6(9), (19), and 8)	\$ 100,000	1	100,000	1	275,000	2		
1110	Financial assets at fair value through profit or loss - current (Note 6(2) and (19))	82,821	1	76,900	1	63,838	1	2130	Contract liabilities - current (Note 6(16) and 7)	1,832,220	15	2,103,184	17	1,806,103	16		
								2150	Notes payable (Note 6(19))	250,071	2	260,564	2	240,107	2		
1140	Contract assets - current (Note 6(16) and 7)	3,320,644	28	3,403,415	27	1,523,877	13	2170	Accounts payable (Note 6(19))	4,077,075	34	4,480,323	36	4,004,504	35		
1170	Notes and accounts receivable, net (Note 6(4), (16), and (19))	1,330,670	11	940,572	7	2,269,778	20	2200	Other payables (Note 6(12), (19) and 7)	789,340	7	351,347	3	234,733	2		
								2230	Current income tax liabilities	287,446	2	259,824	2	310,791	3		
1180	Notes and accounts receivable - related parties, net (Note 6(16), (19) and 7)	631,818	5	705,505	6	585,592	5	2300	Other liabilities- current (Note 6(19))	15,770	-	30,772	-	16,635	-		
										<u>7,351,922</u>	<u>61</u>	<u>7,586,014</u>	<u>61</u>	<u>6,887,873</u>	<u>60</u>		
1410	Prepayments	190,983	2	208,974	2	205,191	2										
1470	Other current assets	50,440	-	35,543	-	64,117	1										
1476	Other financial assets - current (Note 6(19) and 8)	<u>1,060,025</u>	<u>9</u>	<u>1,186,304</u>	<u>9</u>	<u>1,486,648</u>	<u>12</u>	2552	Provision for long-term liabilities under warranty (Note 6(10))	180,975	2	181,670	1	181,785	2		
		<u>11,232,226</u>	<u>94</u>	<u>11,819,601</u>	<u>94</u>	<u>10,798,179</u>	<u>94</u>										
Non-current assets:								2600	Other non-current liabilities (Note 6(19))	<u>9,458</u>	<u>-</u>	<u>11,314</u>	<u>-</u>	<u>14,262</u>	<u>-</u>		
1550	Investment accounted for using equity method (Note 6(5))	15,352	-	16,131	-	14,521	-			<u>190,433</u>	<u>2</u>	<u>192,984</u>	<u>1</u>	<u>196,047</u>	<u>2</u>		
1517	Financial assets measured at fair value through other comprehensive income - non-current (Note 6(3) and (19))	496,363	5	461,751	5	357,763	3		Total liabilities	<u>7,542,355</u>	<u>63</u>	<u>7,778,998</u>	<u>62</u>	<u>7,083,920</u>	<u>62</u>		
1600	Property, plant and equipment (Note 6(6) and 8)	152,217	1	158,824	1	162,159	2		Equity attributable to owners of the parent company (Note 6(14)):								
1755	Right-of-use assets (Note 6(7))	21,244	-	25,398	-	16,527	-	3110	Common stock capital	1,207,216	10	1,207,216	10	1,166,392	10		
1760	Investment property, net (Note 6(8) and 8)	48,399	-	48,457	-	48,631	1	3200	Capital reserve	518,809	4	518,634	4	518,634	5		
1780	Intangible assets	1,351	-	1,513	-	-	-	3300	Retained earnings	2,476,652	21	2,838,079	22	2,539,315	22		
1840	Deferred income tax assets (Note 6(13))	40,062	-	40,676	-	39,837	-	3400	Other equity	<u>276,348</u>	<u>2</u>	<u>241,744</u>	<u>2</u>	<u>137,780</u>	<u>1</u>		
1995	Other non-current assets - others	2,508	-	-	-	-	-		Total equity attributable to owners of the parent company	<u>4,479,025</u>	<u>37</u>	<u>4,805,673</u>	<u>38</u>	<u>4,362,121</u>	<u>38</u>		
1975	Net defined benefit assets - non-current (Note 6(12))	6,914	-	6,947	-	5,777	-										
1980	Other financial assets - non-current (Note 6(19))	<u>4,944</u>	<u>-</u>	<u>5,597</u>	<u>-</u>	<u>2,835</u>	<u>-</u>	36XX	Non-controlling interests	<u>200</u>	<u>-</u>	<u>224</u>	<u>-</u>	<u>188</u>	<u>-</u>		
	Total non-current assets	<u>789,354</u>	<u>6</u>	<u>765,294</u>	<u>6</u>	<u>648,050</u>	<u>6</u>		Total equity	<u>4,479,225</u>	<u>37</u>	<u>4,805,897</u>	<u>38</u>	<u>4,362,309</u>	<u>38</u>		
Total assets		<u>\$ 12,021,580</u>	<u>100</u>	<u>12,584,895</u>	<u>100</u>	<u>11,446,229</u>	<u>100</u>		Total liabilities and equity	<u>\$ 12,021,580</u>	<u>100</u>	<u>12,584,895</u>	<u>100</u>	<u>11,446,229</u>	<u>100</u>		

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

**Reviewed only, not audited in accordance with the generally accepted auditing standards.
Kedge Construction Co., Ltd. and Subsidiaries**

Consolidated Statement of Comprehensive Income

For The Three Months Ended March 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

		For the Three Months ended March 31			
		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (Note 6(11), (16) and 7)	\$ 3,002,404	100	3,270,556	100
5000	Operating cost (Note 6(12) and 12)	2,783,871	93	2,989,846	91
	Gross profit from operating	218,533	7	280,710	9
	Operating expenses:				
6200	Administrative expenses (Notes 6(12), (17), 7, and 12)	85,681	3	80,575	3
	Net operating profit	132,852	4	200,135	6
	Non-operating income and expenses:				
7100	Interest revenue (Note 6(18))	12,752	1	10,682	-
7010	Other income (Note 6(18))	538	-	3	-
7020	Other gains and losses (Note 6(18))	6,138	-	121	-
7050	Financial costs (Note 6(18))	(528)	-	(1,884)	-
7060	Share of profit of associates accounted for using equity method	(779)	-	129	-
		18,121	1	9,051	-
	Profit before income tax	150,973	5	209,186	6
7950	Less: Income tax expense (Note 6(13))	29,512	1	41,890	1
	Profit for the period	121,461	4	167,296	5
8300	Other comprehensive income:				
8310	Items not reclassified into profit or loss				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	34,612	1	8,488	-
8300	Other comprehensive income for the period, net of tax	34,612	1	8,488	-
	Total comprehensive income for the period	\$ 156,073	5	175,784	5
	Net profit for the period attributable to:				
	Owner of the parent company	\$ 121,459	4	167,296	5
8620	Non-controlling interests	2	-	-	-
		\$ 121,461	4	167,296	5
	Total comprehensive income attributable to:				
	Owner of the parent company	\$ 156,063	5	175,782	5
	Non-controlling interests	10	-	2	-
		\$ 156,073	5	175,784	5
	Earnings per share (NTD) (Note 6(15))				
9750	Basic earnings per share (In new Taiwan dollars)	\$ 1.01		1.39	
9850	Diluted earnings per share (In new Taiwan dollars)	\$ 1.00		1.37	

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

Reviewed only, not audited in accordance with the generally accepted auditing standard

Kedge Construction Co., Ltd. and Subsidiaries

Consolidated Statement of Changes in Equity

March 31, 2024, and 2023

(Expressed in Thousands of New Taiwan Dollars)

Equity attributable to owners of the parent company

	Share capital		Retained earnings			Other equity Unrealized gains or losses on financial assets at fair value through other comprehensive income	Total equity attributable to owners of the parent company	Non- controlling interests	Total equity
	Common stock capital	Capital reserve	Legal reserve	Undistributed earnings	Total				
Balance as of January 1, 2023	\$ 1,166,392	518,540	418,972	1,953,047	2,372,019	129,294	4,186,245	186	4,186,431
Profit for the period	-	-	-	167,296	167,296	-	167,296	-	167,296
Other comprehensive income in the current period	-	-	-	-	-	8,486	8,486	2	8,488
Total comprehensive income for the period	-	-	-	167,296	167,296	8,486	175,782	2	175,784
Overdue cash dividends	-	94	-	-	-	-	94	-	94
Balance as of March 31, 2023	\$ 1,166,392	518,634	418,972	2,120,343	2,539,315	137,780	4,362,121	188	4,362,309
Balance as of January 1, 2024	\$ 1,207,216	518,634	524,049	2,314,030	2,838,079	241,744	4,805,673	224	4,805,897
Profit for the period	-	-	-	121,459	121,459	-	121,459	2	121,461
Other comprehensive income in the current period	-	-	-	-	-	34,604	34,604	8	34,612
Total comprehensive income for the period	-	-	-	121,459	121,459	34,604	156,063	10	156,073
Appropriation and distribution of earnings:									
Cash dividends	-	-	-	(482,886)	(482,886)	-	(482,886)	-	(482,886)
Difference between the equity price and book value of the subsidiary's equity actually acquired or disposed of	-	34	-	-	-	-	34	(34)	-
Overdue cash dividends	-	141	-	-	-	-	141	-	141
Balance as of March 31, 2024	\$ 1,207,216	518,809	524,049	1,952,603	2,476,652	276,348	4,479,025	200	4,479,225

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

Reviewed only, not audited in accordance with the generally accepted auditing standards.

Kedge Construction Co., Ltd. and Subsidiaries

Consolidated Statement of Cash Flows

For The Three Months Ended March 31, 2024 And 2023

(Expressed in Thousands of New Taiwan Dollars)

	For the Three months Ended March 31	
	2024	2023
Cash flow from operating activities:		
Profit before tax for the current period	\$ 150,973	209,186
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	11,230	7,145
Amortization expense	162	-
Net gains from financial assets and liabilities mandatorily measured at fair value through profit	(5,921)	(199)
Interest expense	528	1,884
Interest revenue	(12,752)	(10,682)
Share of profit of associates accounted for using the equity method	779	(129)
Total income and expense	(5,974)	(1,981)
Changes in operating assets/liabilities:		
Net changes in operating assets:		
Increase of financial assets mandatorily measured at fair value through profit or loss	-	(168)
Decrease in contract assets	82,771	357,299
Increase in notes and accounts receivable	(390,098)	(375,873)
Decrease (increase) of notes and accounts receivable - related parties	73,687	(11,041)
Decrease (increase) in prepayments	18,036	(67,736)
Increase of other current assets	(14,897)	(12,023)
Decrease in other financial assets	125,306	114,111
Increase in other non-current assets - others	(2,508)	-
Decrease of net defined benefit assets - non-current	33	43
Total net changes in operating assets	(107,670)	4,612
Net changes in operating liabilities:		
Increase (decrease) in contract liabilities	(270,964)	272,528
Decrease in notes payable	(10,493)	(103,251)
Decrease in accounts payable	(403,248)	(386,525)
Decrease in other payables	(44,743)	(146,382)
Decrease in provisions	(695)	(1,451)
Increase (decrease) of other current liabilities	(13,260)	6,955
Total net changes in operating liabilities	(743,403)	(358,126)
Total net changes in operating assets and liabilities	(851,073)	(353,514)
Total adjustment	(857,047)	(355,495)
Cash outflow from operations	(706,074)	(146,309)
Interest received	13,322	9,911
Interest paid	(537)	(2,025)
Income tax paid	(1,321)	(990)
Net cash outflow from operating activities	(694,610)	(139,413)
Cash flow from investing activities:		
Acquisition of property, plant and equipment	-	(806)
Decrease in other financial assets	1,056	3,522
Net cash inflow from investing activities	1,056	2,716
Cash flow from financing activities:		
Increase in short-term borrowings	50,000	10,000
Decrease in short-term borrowings	(50,000)	(220,000)
Increase in short-term bills payable	50,000	-
Decrease in short-term bills payable	(50,000)	-
Lease principal repayment	(4,009)	(1,862)
Net cash outflow from financing activities	(4,009)	(211,862)
Decrease in cash and cash equivalents in current period	(697,563)	(348,559)
Cash and cash equivalents at beginning of period	5,262,388	4,947,697
Cash and cash equivalents at end of period	\$ 4,564,825	4,599,138

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

Reviewed only, not audited in accordance with the generally accepted auditing standards.

Kedge Construction Co., Ltd. and Subsidiaries

Notes to the consolidated financial statements

March 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

I. Company history

KEDGE CONSTRUCTION CO., LTD.(the "Company") was established on April 13, 1982 with the approval of the Ministry of Economic Affairs. The company's registered address is located at 6F., No. 131, Section 3, Heping East Road, Daan District, Taipei City, Taiwan. The Company's main business scope is comprehensive construction and the development and rental of housing and buildings.

II. Date and procedure for approving the financial statements

The Board of Directors authorized the consolidated financial statement for issue on May 10, 2024.

III. Application of new and revised standards and interpretations

(I) The impact of the adoption of the new and revised standards and interpretations approved by the Financial Supervisory Commission

The consolidated company began to apply the following newly amended IFRSs on January 1, 2024, and there was no significant impact on the consolidated financial statements.

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

(II) New and revised standards and interpretations not yet approved by the FSC

The standards and interpretations that have been issued and amended by the IASB but have not yet been approved by the FSC may be relevant to the consolidated company as follows:

New or amended standards	Major amendments	Effective date of IASB's announcement
IFRS 18 "Presentation and Disclosure in Financial Statements"	The new standard introduces three types of income and expense, two income statement subtotals, and a single note on management's performance measurement. These three amendments and enhanced guidance on how information are divided into financial statements have laid the foundation for better and more consistent information provided to users, and will affect all companies.	January 1, 2027

Notes to the financial statements of Kedge Construction Co., Ltd. and subsidiaries
(Continued)

New or amended standards	Major amendments	Effective date of IASB's announcement
IFRS 18 "Presentation and Disclosure in Financial Statements"	<ul style="list-style-type: none"> • More structured income statement: Under existing standards, companies use different formats to present their operating results, making it difficult for investors to compare the financial performance of different companies. The new standard adopts a more structured income statement, introduces a newly defined subtotal of "operating income," and stipulates that all income, expenses and losses are classified into three new different categories based on the company's main operating activities. • Management Performance Measurement (MPM): The new standard introduces the definition of MPM, and requires companies to explain why each measurement could provide useful information, and how the indicators are calculated and adjusted with the amounts recognized in accordance with the IFRSs. • Detailed information: The new standard includes guidance on how to strengthen the grouping of information in the financial statements. This includes guidance on whether the information should be included in the main financial statements or further broken down in notes. 	January 1, 2027

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

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

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"
- Amendments to IFRS 17 "Insurance Contracts" and IFRS 17
- Amendments to IAS 21 "Lack of Exchangeability"

Notes to the financial statements of Kedge Construction Co., Ltd. and subsidiaries
(Continued)

IV. Summary of significant accounting policies

(I) Declaration of compliance

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

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

(II) Basis for consolidation

1. Subsidiaries included in the consolidated financial statements

Investing companies	Name of subsidiary	Nature of business	Percentage of equity held			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
The Company	Guanqing Electromechanical Co., Ltd. (Guanqing Electromechanical) (Note)	Electrical Appliance Installation and Fire Safety Equipment Installation Engineering	99.97%	99.96%	99.96%	Subsidiary which directly holds more than 50% of the total number of issued shares with voting rights
The Company	Jiequn Investment Co., Ltd. (Jiequn Investment)	General investment	99.98%	99.98%	99.98%	Subsidiary which directly holds more than 50% of the total number of issued shares with voting rights
Jointly held by Guanqing Electromechanical and Jiequn Investment	Dingtian Construction Co., Ltd. (Dingtian Construction)	Comprehensive Construction Activities, etc.	100.00%	100.00%	100.00%	Subsidiary in which the Company indirectly holds more than 50% of the voting rights

Note: The Company had acquired 1,000 shares of Kuan Ching Electromechanical as a gift in January 2024 from a non-related party.

2. Subsidiaries not included in the consolidated financial statements: None.

(III) Classification criteria for current and non-current assets and liabilities

The consolidated company's assets that meet one of the following conditions are classified as current assets; assets other than current assets are classified as non-current assets:

1. The asset is expected to be realized, or intended to be sold or consumed in its normal business cycle;
2. The asset is held mainly for the purpose of trading;
3. The asset is realized within 12 months after the reporting period; or

Notes to the financial statements of Kedge Construction Co., Ltd. and subsidiaries
(Continued)

4. The asset is cash or cash equivalents (as defined by IAS 7), unless the exchange of the asset or its use to settle a liability at least twelve months after the reporting period are restricted.

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

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

(IV) Employee benefits

The interim pension of defined benefit plan is calculated in accordance with the actuarial pension cost rate on the reporting date of the previous year, from the beginning of the year to the end of the current period. The plan is adjusted accordingly to major market fluctuation and major shrinkage, repayment or other major one-time events after the reporting date.

(V) Income tax

The consolidated company measured and disclosed the interim income tax expense in accordance with International Accounting Standard No. 34 "Interim Financial Report" Paragraph B12.

Income tax expense is measured by multiplying the net profit before tax during the interim reporting period by the management's best estimate of the average effective tax rate for the year, and fully recognized as current income tax expense.

V. Major accounting judgments, estimates, and major sources of uncertainty for assumptions

When the management prepares these consolidated financial statements in accordance with the preparation standards and IAS No. 34 "Interim Financial Reporting" approved by the FSC, the management must make judgments, estimates and assumptions about the application of accounting policies and the effects of the reported amounts of the Company's assets, liabilities, revenues and expenses. Actual results may differ from estimates.

In preparing the consolidated financial statements, the significant judgments made by the management in adopting the accounting policies of the consolidated company and the main sources of estimation uncertainty are consistent with Note 5 to the 2023 consolidated financial statements.

Main sources of uncertainty in estimates and assumptions:

(I) Construction contracts

The recognition of income and cost of construction contract construction profit and loss is based on the degree of completion of the contract activities. The consolidated company measures the degree of completion based on the completion of the performance obligation stated in the contract.

Since the estimated total cost and contract items are based on the evaluation and judgment

Notes to the financial statements of Kedge Construction Co., Ltd. and subsidiaries
(Continued)

of the management based on the nature, expected contract amount, construction duration, engineering implementation and construction methods of different projects, they may affect the calculation of the percentage of completion and project profit and loss.

VI. Description of important accounting items

Except for the following, there is no material difference between the descriptions of the major accounting items in the consolidated financial statements and the consolidated financial statements of 2023. For relevant information, please refer to Note 6 of the consolidated financial statements of 2023.

(I) Cash and cash equivalent

	March 31, 2024	December 31, 2023	March 31, 2023
Cash and petty cash	\$ 320	320	320
Demand deposits	127,099	234,808	25,381
Check deposits	595,343	662,477	1,314,236
Time deposit	2,900,000	3,008,789	2,868,497
Cash equivalents	942,063	1,355,994	390,704
Cash and cash equivalents	\$ 4,564,825	5,262,388	4,599,138

The cash equivalents referred to above are short-term bills with maturity intervals of April and May 2024, January and March 2024, and April 2023, and the interest rate intervals of which are 1.33% - 1.38%, 1.30% - 1.36% and 1.10% - 1.20%.

For the interest rate risk and sensitivity analysis disclosure of the consolidated company's financial assets and liabilities, please refer to Note 6(19).

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

	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets			
Listed (OTC) company stocks	\$ 82,821	76,900	63,838

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

Notes to the financial statements of Kedge Construction Co., Ltd. and subsidiaries
(Continued)

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

	March 31, 2024	December31, 2023	March 31, 2023
Equity instruments measured at fair value through other comprehensive income:			
Domestic listed (OTC) company stock - Kindom Development Co., Ltd.	\$ 488,675	454,187	350,724
Stock of domestic (OTC) listed companies - Fubon Financial Preferred Shares C (FBFHCPSC)	1,131	1,136	1,220
Stock of domestic (OTC) listed companies - Global Views Commonwealth Publishing Group	6,557	6,428	5,819
Stock of domestic (OTC) listed companies - Taiwan Calcom International Computer Graphic Co., Ltd.	-	-	-
Total	<u>\$ 496,363</u>	<u>461,751</u>	<u>357,763</u>

1. Equity instrument investment measured at fair value through other comprehensive income
The investments in these equity instruments held by the consolidated company are long-term strategic investments and are not held for trading purposes, and therefore have been designated to be measured at fair value through other comprehensive income.
2. The consolidated company did not dispose of the strategic investment from January 1 to March 31, 2024 and 2023, and the accumulated gain or loss during that period was not transferred within the equity.
3. None of the financial assets of the consolidated company has been provided as a collateral guarantee.
4. For information on credit risk (including impairment of debt instrument investment) and market risk, please refer to Note 6(19).

(IV) Notes and accounts receivable

	March 31, 2024	December31, 2023	March 31, 2023
Accounts receivable	\$ 1,338,221	948,123	2,277,329
Less: Loss allowance	(7,551)	(7,551)	(7,551)
	<u>\$ 1,330,670</u>	<u>940,572</u>	<u>2,269,778</u>

The consolidated company estimates the expected credit losses using the simplified

Notes to the financial statements of Kedge Construction Co., Ltd. and subsidiaries
(Continued)

method for all notes and accounts receivable, that is, using the expected credit losses of the duration for measurement. For the objective of such measurement, the consolidated company considers the past default records of the customers and the present financial position, industrial economic conditions and future outlook. The expected credit loss of the consolidated company's notes and accounts receivable is analyzed as follows:

	March 31, 2024		
	Carrying amount of notes and accounts receivable	Weighted average rate of expected credit losses	Allowance for expected credit losses during the duration
Not past due	\$ 1,330,670	-	-
Overdue for more than 90 days	7,551	100%	7,551
	<u>\$ 1,338,221</u>		<u>7,551</u>
	December 31, 2023		
	Carrying amount of notes and accounts receivable	Weighted average rate of expected credit losses	Allowance for expected credit losses during the duration
Not past due	\$ 940,572	-	-
Overdue for more than 90 days	7,551	100%	7,551
	<u>\$ 948,123</u>		<u>7,551</u>
	March 31, 2023		
	Carrying amount of notes and accounts receivable	Weighted average rate of expected credit losses	Allowance for expected credit losses during the duration
Not past due	\$ 2,269,778	-	-
Overdue for more than 90 days	7,551	100%	7,551
	<u>\$ 2,277,329</u>		<u>7,551</u>

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

	January to March 2024	January to March 2023
Opening balance (i.e. ending balance)	<u>\$ 7,551</u>	<u>7,551</u>

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

(V) Investment under equity method

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

Notes to the financial statements of Kedge Construction Co., Ltd. and subsidiaries
(Continued)

	March 31, 2024	December 31, 2023	March 31, 2023
Readycom Information Services Co., Ltd.	<u>\$ 15,352</u>	<u>16,131</u>	<u>14,521</u>

As of March 31, 2024, December 31, 2023 and March 31, 2023, the consolidated company's investments under the equity method were not provided as collateral.

(VI) Property, plant and equipment

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

	Land	Buildings	Other equipment	Total
Cost or recognized cost:				
Balance as of January 1, 2024	\$ 115,630	27,635	101,152	244,417
Balance as of March 31, 2024	<u>\$ 115,630</u>	<u>27,635</u>	<u>101,152</u>	<u>244,417</u>
Balance as of January 1, 2023	\$ 115,630	27,635	79,287	222,552
Increase in the current year	-	-	806	806
Reclassified from prepayments	-	-	5,977	5,977
Balance as of March 31, 2023	<u>\$ 115,630</u>	<u>27,635</u>	<u>86,070</u>	<u>229,335</u>
Depreciation and impairment loss:				
Balance as of January 1, 2024	\$ 7,000	21,282	57,311	85,593
Depreciation in the current year	-	78	6,529	6,607
Balance as of March 31, 2024	<u>\$ 7,000</u>	<u>21,360</u>	<u>63,840</u>	<u>92,200</u>
Balance as of January 1, 2023	\$ 7,000	20,972	33,987	61,959
Depreciation in the current year	-	78	5,139	5,217
Balance as of March 31, 2023	<u>\$ 7,000</u>	<u>21,050</u>	<u>39,126</u>	<u>67,176</u>
Carrying amount:				
January 1, 2024	<u>\$ 108,630</u>	<u>6,353</u>	<u>43,841</u>	<u>158,824</u>
March 31, 2024	<u>\$ 108,630</u>	<u>6,275</u>	<u>37,312</u>	<u>152,217</u>
January 1, 2023	<u>\$ 108,630</u>	<u>6,663</u>	<u>45,300</u>	<u>160,593</u>
March 31, 2023	<u>\$ 108,630</u>	<u>6,585</u>	<u>46,944</u>	<u>162,159</u>

Please refer to the consolidated company's property, plant and equipment as guarantee for the financing amount on March 31, 2024, December 31, 2023 and March 31, 2023 respectively. Please refer to Note 8.

Notes to the financial statements of Kedge Construction Co., Ltd. and subsidiaries
(Continued)

(VII) Right-of-use assets

The details of changes in the cost and depreciation of the land, buildings and transportation equipment leased by the consolidated company are as follows:

	Land	Buildings	Transportation equipment	Total
Cost of right-of-use assets:				
Balance as of January 1, 2024	\$ 17,965	10,147	11,549	39,661
Addition	-	-	411	411
Transferred out - lease expiry	(4,786)	-	(713)	(5,499)
Balance as of March 31, 2024	<u>\$ 13,179</u>	<u>10,147</u>	<u>11,247</u>	<u>34,573</u>
Balance as of January 1, 2023	\$ 2,302	8,150	10,577	21,029
Addition	-	112	1,675	1,787
Balance as of March 31, 2023	<u>\$ 2,302</u>	<u>8,262</u>	<u>12,252</u>	<u>22,816</u>
Depreciation and impairment loss of right-of-use assets:				
Balance as of January 1, 2024	\$ 6,979	2,592	4,692	14,263
Current depreciation	2,636	737	1,192	4,565
Transferred out - lease expiry	(4,786)	-	(713)	(5,499)
Balance as of March 31, 2024	<u>\$ 4,829</u>	<u>3,329</u>	<u>5,171</u>	<u>13,329</u>
Balance as of January 1, 2023	\$ -	616	3,802	4,418
Current depreciation	162	591	1,118	1,871
Balance as of March 31, 2023	<u>\$ 162</u>	<u>1,207</u>	<u>4,920</u>	<u>6,289</u>
Book value:				
January 1, 2024	<u>\$ 10,986</u>	<u>7,555</u>	<u>6,857</u>	<u>25,398</u>
March 31, 2024	<u>\$ 8,350</u>	<u>6,818</u>	<u>6,076</u>	<u>21,244</u>
January 1, 2023	<u>\$ 2,302</u>	<u>7,534</u>	<u>6,775</u>	<u>16,611</u>
March 31, 2023	<u>\$ 2,140</u>	<u>7,055</u>	<u>7,332</u>	<u>16,527</u>

Notes to the financial statements of Kedge Construction Co., Ltd. and subsidiaries
(Continued)

(VIII) Investment property

	Land and buildings
Cost or recognized cost:	
Balance as of January 1, 2024	\$ 61,682
Balance as of March 31, 2024	<u><u>\$ 61,682</u></u>
Balance as of January 1, 2023	\$ 61,682
Balance as of March 31, 2023	<u><u>\$ 61,682</u></u>
Depreciation and impairment loss:	
Balance as of January 1, 2024	\$ 13,225
Depreciation in the current year	58
Balance as of March 31, 2024	<u><u>\$ 13,283</u></u>
Balance as of January 1, 2023	\$ 12,993
Depreciation in the current year	58
Balance as of March 31, 2023	<u><u>\$ 13,051</u></u>
Carrying amount:	
January 1, 2024	<u><u>\$ 48,457</u></u>
March 31, 2024	<u><u>\$ 48,399</u></u>
January 1, 2023	<u><u>\$ 48,689</u></u>
March 31, 2023	<u><u>\$ 48,631</u></u>

There is no significant difference between the fair value of the investment property of the consolidated company and the information disclosed in Note 6(8) to the 2023 consolidated financial statements.

Please refer to Note 8 for the consolidated company's investment property provided as guarantee for the financing amount on March 31, 2024, December 31, 2023 and March 31, 2023.

(IX) Short-term loans

The short-term borrowings of the consolidated company are detailed as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Unsecured bank borrowings	<u><u>\$ 100,000</u></u>	<u><u>100,000</u></u>	<u><u>275,000</u></u>
Unused credit limit	<u><u>\$ 4,533,142</u></u>	<u><u>4,695,523</u></u>	<u><u>4,949,010</u></u>
Interest rate range	<u><u>1.83%</u></u>	<u><u>1.70%</u></u>	<u><u>1.70%~1.75%</u></u>

Please refer to Note 6(19) for the information on the consolidated company's interest rate and liquidity risk exposure.

For the consolidated company's assets pledged as collateral for bank loans, please refer to Note 8.

Notes to the financial statements of Kedge Construction Co., Ltd. and subsidiaries
(Continued)

(X) Provisions

	January to March 2024	January to March 2023
Balance of warranty reserve on January 1	\$ 181,670	183,236
Liability reserve used in the current period	(695)	(1,451)
Balance of warranty reserve on March 31	<u>\$ 180,975</u>	<u>181,785</u>

The consolidated company's warranty provision for the three months ended March 31, 2024 and 2023 is mainly related to the contracting of projects. The warranty provision is estimated based on the historical warranty data of various projects. The consolidated company expects the liabilities to be incurred in more than one year after the inspection and acceptance of the project.

(XI) Operating lease

The consolidated company did not have any significant new operating lease contracts during the period from January 1 to March 31, 2024 and 2023. For relevant information, please refer to Note 6(11) to the 2023 consolidated financial statements.

(XII) Employee benefits

1. Defined benefit plan

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

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

	January to March 2024	January to March 2023
Operating cost	\$ 73	77
Administrative expenses	68	101
Total	<u>\$ 141</u>	<u>178</u>

2. Defined contribution plan

The pension expenses under the consolidated company's defined contribution plan are as follows, which have been appropriated to the Bureau of Labor Insurance:

	January to March 2024	January to March 2023
Operating cost	\$ 4,853	5,053
Administrative expenses	1,679	1,536
Total	<u>\$ 6,532</u>	<u>6,589</u>

3. Liabilities for short-term paid leave

The consolidated company's employee benefit liabilities are detailed as follows:

Notes to the financial statements of Kedge Construction Co., Ltd. and subsidiaries
(Continued)

	March 31, 2024	December 31, 2023	March 31, 2023
Short-term paid leave of absence	\$ 10,426	12,607	8,905

(XIII) Income tax

Income tax expense is measured by multiplying the net profit before tax during the interim reporting period by the management's best estimate of the annual effective tax rate.

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

	January to March 2024	January to March 2023
Current income tax expense		
Occurred in the current period	\$ 28,561	41,044
Imposition on undistributed earnings	337	-
	<u>28,898</u>	<u>41,044</u>
Deferred income tax expense		
Occurrence and reversal of temporary difference	614	846
Income tax expense	<u>\$ 29,512</u>	<u>41,890</u>

2. Except for Dingtian Construction, the consolidated company's income tax returns has been approved up to 2021, the rest of the profit-seeking enterprise income tax returns have been approved by the tax authorities to 2022.

(XIV) Capital and other equity

Except for the following, there were no significant changes in the capital and other equity of the consolidated company during the three months ended March 31, 2024 and 2023. For relevant information, please refer to the 2023 consolidated financial statements Note 6(14).

1. Issuance of common shares

On June 2, 2023, the general shareholders' meeting resolved to increase capital by NTD 40,824 thousand from earnings at NTD 10 per share, or 4,082 thousand shares. Approved by the Financial Supervisory Commission, Executive Yuan on July 3, 2023, with August 2, 2023 as the ex-rights basis date, and the relevant statutory registration procedures have been completed.

2. Capital reserve

The balance of the Company's capital reserves is as follows:

	March 31, 2024	December 31,2023	March 31, 2023
Issued stock premium	\$ 383,109	383,109	383,109
Premium of corporate bond conversion	130,766	130,766	130,766
Changes in net equity of affiliates and joint ventures recognized under the equity method	2,602	2,568	2,568

Notes to the financial statements of Kedge Construction Co., Ltd. and subsidiaries
(Continued)

	<u>March 31,</u> <u>2024</u>	<u>December</u> <u>31,2023</u>	<u>March 31,</u> <u>2023</u>
Overdue dividends received	895	754	754
Others	1,437	1,437	1,437
	<u>\$ 518,809</u>	<u>518,634</u>	<u>518,634</u>

Pursuant to the Company Act, capital reserves shall be first used to make up for losses before issuing new shares or cash based on realized capital reserve according to the original shareholding ratio. The realized capital reserve mentioned in the preceding paragraph includes the premium of shares issued in excess of the par value and the income from gifts received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the total amount of capital reserve for capitalization each year shall not exceed 10% of the paid-in capital.

3. Retained earnings

According to the Articles of Incorporation amended by the resolution of the Company's shareholders' meeting on June 2, 2023, if there is earnings at the end of each year, in addition to withholding tax paid in accordance with the law, it shall first be used to offset the losses of previous years, followed by 10% is the legal reserve and is set aside or reversed as special reserve according to laws and regulations. If there is any surplus, the board of directors shall prepare an earnings appropriation proposal. If this earnings distribution is in the form of cash, the Board of Directors shall be authorized to submit a proposal pursuant to Paragraph 5 of Article 240 of the Company Act with the attendance of at least two-thirds of the total number of directors, and approval by a majority of the total number of directors present at the meeting, and the matter to be reported to the shareholders meeting.

The Company will contract large-scale projects and strive for growth and innovation. To continue expanding the appropriate amount of capital to meet the business's needs and take into account the shareholders' demand for cash, the Company's future cash dividend rate will be based on 20% of the total cash and stock dividends proposed to be distributed for the current fiscal year as the lower limit.

(1) Legal reserve

When the Company has no losses, the shareholders' meeting may resolve to issue new shares or cash from the legal reserve, provided that such reserve exceeds 25% of the paid-in capital.

(2) Earnings distribution

On March 12, 2024, the Board of Directors resolved the amount of cash dividends for the 2023 earnings appropriation proposal, and proposed the amount of stock dividends for the 2023 earnings appropriation proposal. The 2022 earnings appropriation proposal was resolved in the shareholders' meeting on June 2, 2023. The amount of dividends distributed to shareholders is as follows:

Notes to the financial statements of Kedge Construction Co., Ltd. and subsidiaries
(Continued)

	2023		2022	
	Stock dividend rate (NTD)	Amount	Stock dividend rate (NTD)	Amount
Dividends distributed to common stock shareholders:				
Cash	\$ 4.00	482,886	4.15	484,053
Stocks	0.20	24,144	0.35	40,824
Total		<u>\$ 507,030</u>		<u>524,877</u>

4. Other equity (net amount after tax)

	Unrealized gains or losses on financial assets at fair value through other comprehensive income
Balance as of January 1, 2024	\$ 241,744
Unrealized valuation profit or loss on financial assets measured at fair value through other comprehensive income	34,604
Balance as of March 31, 2024	<u>\$ 276,348</u>
Balance as of January 1, 2023	\$ 129,294
Unrealized valuation profit or loss on financial assets measured at fair value through other comprehensive income	8,486
Balance as of March 31, 2023	<u>\$ 137,780</u>

(XV) Earnings per share

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

	January to March 2024	January to March 2023
Basic earnings per share		
Net profit attributable to the Company's common stock shareholders	<u>\$ 121,459</u>	<u>167,296</u>
Weighted average outstanding common stock	<u>120,722</u>	<u>120,722</u>
	<u>\$ 1.01</u>	<u>1.39</u>
Diluted earnings per share		
Net profit attributable to the Company's common stock shareholders	<u>\$ 121,459</u>	<u>167,296</u>

Notes to the financial statements of Kedge Construction Co., Ltd. and subsidiaries
(Continued)

	January to March 2024	January to March 2023
Weighted average outstanding common stock	120,722	120,722
Effect of potentially dilutive ordinary shares		
Effect of employee stock compensation	836	1,220
Weighted average outstanding common stock shares (after adjusting the potential dilutive effect of the common stock shares)	<u>121,558</u>	<u>121,942</u>
	<u>\$ 1.00</u>	<u>1.37</u>

(XVI) Revenue from customer contracts

1. Breakdown of revenue

	January to March 2024	January to March 2023
Timing of revenue recognition:		
Construction transferred over time	\$ 3,001,007	3,269,716
Services gradually transferred over time	1,397	840
	<u>\$ 3,002,404</u>	<u>3,270,556</u>

2. Contract balance

	March 31, 2024	December 31, 2023	March 31, 2023
Notes and accounts receivable (including related party)	\$ 1,970,039	1,653,628	2,862,921
Less: Loss allowance	<u>(7,551)</u>	<u>(7,551)</u>	<u>(7,551)</u>
Total	<u>\$ 1,962,488</u>	<u>1,646,077</u>	<u>2,855,370</u>
Contract assets- construction project	\$ 3,320,644	3,403,415	1,523,877
Less: Loss allowance	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 3,320,644</u>	<u>3,403,415</u>	<u>1,523,877</u>
Contract liabilities- construction project	<u>\$ 1,832,220</u>	<u>2,103,184</u>	<u>1,806,103</u>

Please refer to Note 6(4) for the disclosure of accounts receivable and its impairment.

Changes in contract assets and contract liabilities are mainly due to the difference between the time when the consolidated company transfers goods or services to customers to meet the performance obligation and the time when the customer makes payment. There was no other significant change for the three months ended March 31, 2024 and 2023.

(XVII) Remuneration to employees and directors

According to the Articles of Incorporation of the Company, if there is profit in the year, no less than 0.5% of the profit shall be appropriated as employee's remuneration and no more

Notes to the financial statements of Kedge Construction Co., Ltd. and subsidiaries
(Continued)

than 2% as director's remuneration. However, if the Company still has accumulated losses, an amount shall be reserved in advance to offset the losses.

The Company's estimated employee's remuneration for the three months ended March 31, 2024 and 2023 were NTD 6,387 thousand and NTD 8,893, respectively, and the estimated directors remuneration were NTD 3,194 thousand and NTD 4,446, respectively. The estimate is based on the net income before tax of each period deducting the remuneration of employees and directors, and multiplied by the distribution percentage of the remuneration of employees and directors as stipulated in the Articles of Incorporation of the Company, and is reported as operating costs and operating expenses for the period. If there is a discrepancy between the actual distributed amount and the estimated figure in the following year, it shall be treated as a change in accounting estimates and recognized as profit or loss of the following year.

For 2023 and 2022, the Company provided NTD 86,063 thousand and NTD 78,402 thousand, respectively, as remuneration to employees and NTD 27,319 thousand and NTD 28,583 thousand, respectively, as remuneration to directors. There is no discrepancy between the 2023 amounts resolved by the Board of Directors and the amounts estimated in the Company's 2023 parent company only financial statement; the difference between the 2022 actual distribution of employee remuneration and the estimated amount in the 2022 financial statement was (NTD 2,060) thousand. The Company treated it as a change in accounting estimates and recognized the difference as the profit or loss in 2023. Please visit the Market Observation Post System (MOPS) for relevant information.

(XVIII) Non-operating income and expenses

1. Interest revenue

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

	January to March 2024	January to March 2023
Bank deposits	\$ 9,561	8,740
Short-term bill interest income	3,189	1,941
Other interest income	2	1
	<u>\$ 12,752</u>	<u>10,682</u>

2. Other income

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

	January to March 2024	January to March 2023
Rental income	\$ -	3
Other income	538	-
	<u>\$ 538</u>	<u>3</u>

Notes to the financial statements of Kedge Construction Co., Ltd. and subsidiaries
(Continued)

3. Other gains and losses

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

	January to March 2024	January to March 2023
Financial assets income measured at fair value through profit or loss	\$ 5,921	199
Gain (loss) on foreign currency exchange	217	(78)
	<u>\$ 6,138</u>	<u>121</u>

4. Financial costs

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

	January to March 2024	January to March 2023
Interest expense		
Bank borrowings	\$ 495	1,858
Other	33	26
	<u>\$ 528</u>	<u>1,884</u>

(XIX) Financial instruments

Except for the following, there was no significant change in the fair value of the consolidated company's financial instruments and the exposure to credit risk, liquidity risk and market risk due to the financial instruments. For relevant information, please refer to the 2023 consolidated financial statements Note 6(19).

1. Liquidity risk

The contractual maturities of financial liabilities are shown in the following table, including estimated interest but excluding the effect of the agreement on the net amount.

	Carrying amount	Contractual cash flow	Within one year	1-3 years	3-5 years	Over 5 years
March 31, 2024						
Non-derivative financial liabilities						
Unsecured bank borrowings	\$ 100,000	101,763	101,763	-	-	-
Payable notes	250,071	250,071	250,071	-	-	-
Accounts payable	4,077,075	4,077,075	2,128,692	1,948,383	-	-
Other payables	789,340	789,340	789,340	-	-	-
Other current liabilities (lease liabilities)	10,918	11,045	11,045	-	-	-
Other non-current liabilities (lease liabilities)	8,128	9,016	-	4,957	450	3,609
	<u>\$ 5,235,532</u>	<u>5,238,310</u>	<u>3,280,911</u>	<u>1,953,340</u>	<u>450</u>	<u>3,609</u>
December 31, 2023						
Non-derivative financial liabilities						
Unsecured bank borrowings	\$ 100,000	101,132	101,132	-	-	-
Payable notes	260,564	260,564	260,564	-	-	-
Accounts payable	4,480,323	4,480,323	2,524,318	1,956,005	-	-
Other payables	351,347	351,347	351,347	-	-	-
Other current liabilities (lease liabilities)	12,660	12,980	12,980	-	-	-

Notes to the financial statements of Kedge Construction Co., Ltd. and subsidiaries
(Continued)

	Carrying amount	Contractual cash flow	Within one year	1-3 years	3-5 years	Over 5 years
liabilities)						
Other non-current liabilities (lease liabilities)	9,984	10,997	-	6,749	393	3,855
	<u>\$ 5,214,878</u>	<u>5,217,343</u>	<u>3,250,341</u>	<u>1,962,754</u>	<u>393</u>	<u>3,855</u>
March 31, 2023						
Non-derivative financial liabilities						
Unsecured bank borrowings	\$ 275,000	276,964	276,964	-	-	-
Payable notes	240,107	240,107	240,107	-	-	-
Accounts payable	4,004,504	4,004,504	2,049,566	1,954,938	-	-
Other payables	234,733	234,733	234,733	-	-	-
Other current liabilities (lease liabilities)	5,198	5,912	5,912	-	-	-
Other non-current liabilities (lease liabilities)	11,471	12,012	-	7,387	623	4,002
	<u>\$ 4,771,013</u>	<u>4,774,232</u>	<u>2,807,282</u>	<u>1,962,325</u>	<u>623</u>	<u>4,002</u>

The consolidated company does not expect the cash flow analysis on the maturity date will occur significantly earlier, or the actual amount will be significantly different.

2. Other pricing risks

If the price of equity securities changes on the reporting date (the two analysis are based on the same basis, and assuming other variables unchanged), the impact on the comprehensive income is as follows:

	January to March 2024		January to March 2023	
	Other	Profit or loss	Other	Profit or loss
Securities price on the reporting date	comprehensive income after tax	after tax	comprehensive income after tax	after tax
Up 10%	<u>\$ 48,981</u>	<u>8,282</u>	<u>35,194</u>	<u>6,384</u>
Down 10%	<u>\$ (48,981)</u>	<u>(8,282)</u>	<u>(35,194)</u>	<u>(6,384)</u>

3. Fair value information

(1) Types and fair values of financial instruments

Financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income of the consolidated company are measured at fair value on a repetitive basis. The carrying amount and fair value of various financial assets and financial liabilities (including fair value hierarchy information, but the carrying amount of the financial instrument not measured at fair value is a reasonable approximation of the fair value, and there is no quoted price in the active market and the fair value of the equity instrument investment cannot be reliably measured, there is no need to disclose the fair value information according to the regulations) is shown as follows:

	March 31, 2024				
	Fair value				
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss					
Financial assets mandatorily	\$ 82,821	82,821	-	-	82,821

Notes to the financial statements of Kedge Construction Co., Ltd. and subsidiaries
(Continued)

		March 31,2024				
		Carrying amount	Fair value			
			Level 1	Level 2	Level 3	Total
measured at fair value through profit or loss						
Financial assets measured at fair value through other comprehensive income		\$ 496,363	489,806	-	6,557	496,363
Financial assets measured at amortized cost						
Cash and cash equivalents		\$ 4,564,825	-	-	-	-
Notes receivable and accounts receivable (including related parties)		1,962,488	-	-	-	-
Other financial assets- Liquidity		1,060,025	-	-	-	-
Other financial assets- Non-current		4,944	-	-	-	-
Subtotal		7,592,282	-	-	-	-
Total		<u>\$ 8,171,466</u>	<u>572,627</u>	<u>-</u>	<u>6,557</u>	<u>579,184</u>
Financial liabilities measured at amortized cost						
Short-term borrowings		\$ 100,000	-	-	-	-
Bills payable and accounts payable		4,327,146	-	-	-	-
Other current liabilities (lease liabilities)		10,918	-	-	-	-
Other non-current liabilities (lease liabilities)		8,128	-	-	-	-
Other payables		789,340	-	-	-	-
Total		<u>\$ 5,235,532</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		December 31,2023				
		Carrying amount	Fair value			
			Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss						
Financial assets mandatorily measured at fair value through profit or loss		\$ 76,900	76,900	-	-	76,900
Financial assets measured at fair value through other comprehensive income		\$ 461,751	455,323	-	6,428	461,751
Financial assets measured at amortized cost						
Cash and cash equivalents		\$ 5,262,388	-	-	-	-
Notes receivable and accounts receivable (including related parties)		1,646,077	-	-	-	-
Other financial assets- Liquidity		1,186,304	-	-	-	-
Other financial assets- Non-current		5,597	-	-	-	-
Subtotal		8,100,366	-	-	-	-
Total		<u>\$ 8,639,017</u>	<u>532,223</u>	<u>-</u>	<u>6,428</u>	<u>538,651</u>
Financial liabilities measured at amortized cost						
Short-term borrowings		\$ 100,000	-	-	-	-
Bills payable and accounts payable		4,740,887	-	-	-	-

Notes to the financial statements of Kedge Construction Co., Ltd. and subsidiaries
(Continued)

		December 31,2023			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Other current liabilities (lease liabilities)	12,660	-	-	-	-
Other non-current liabilities (lease liabilities)	9,984	-	-	-	-
Other payables	351,347	-	-	-	-
Total	\$ 5,214,878	-	-	-	-
		March 31,2023			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss					
Financial assets mandatorily measured at fair value through profit or loss	\$ 63,838	63,838	-	-	63,838
Financial assets measured at fair value through other comprehensive income	\$ 357,763	351,944	-	5,819	357,763
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 4,599,138	-	-	-	-
Notes receivable and accounts receivable (including related parties)	2,855,370	-	-	-	-
Other financial assets- Liquidity	1,486,648	-	-	-	-
Other financial assets- Non-current	2,835	-	-	-	-
Subtotal	8,943,991	-	-	-	-
Total	\$ 9,365,592	415,782	-	5,819	421,601
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 275,000	-	-	-	-
Bills payable and accounts payable	4,244,611	-	-	-	-
Other current liabilities (lease liabilities)	5,198	-	-	-	-
Other non-current liabilities (lease liabilities)	11,471	-	-	-	-
Other payables	234,733	-	-	-	-
Total	\$ 4,771,013	-	-	-	-

Notes to the financial statements of Kedge Construction Co., Ltd. and subsidiaries
(Continued)

(2) Details of changes in level 3

	Measured at fair value through other comprehensive income Equity instruments without public quotations
January 1, 2024	<u>\$ 6,428</u>
March 31, 2024	<u>\$ 6,557</u>
January 1, 2023	<u>\$ 6,766</u>
March 31, 2023	<u>\$ 5,819</u>

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

	January to March 2024	January to March 2023
Total profit or loss		
Recognized in other comprehensive income (reported in "Unrealized valuation gain or loss on financial assets measured at fair value through other comprehensive income")	<u>\$ 129</u>	<u>(947)</u>

(3) There was no transfer between the levels for the consolidated company from January 1 to March 31, 2024 and 2023.

(XX) Financial risk management

There is no significant change in the objectives and policies of the consolidated company's financial risk management as disclosed in Note 6(20) to the 2023 consolidated financial statements.

(XXI) Capital management

The objectives, policies and procedures of the consolidated company's capital management are consistent with those disclosed in Note 6(21) to the 2023 consolidated financial statements; in addition, the summarized quantitative information of the capital management items for the current period is as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Total liabilities	\$ 7,542,355	7,778,998	7,083,920
Less: Cash and cash equivalent	(4,564,825)	(5,262,388)	(4,599,138)
Net liabilities	2,977,530	2,516,610	2,484,782
Total equity	4,479,225	4,805,897	4,362,309
Adjusted capital	<u>\$ 7,456,755</u>	<u>7,322,507</u>	<u>6,847,091</u>
Debt capital ratio	<u>40%</u>	<u>34%</u>	<u>36%</u>

Notes to the financial statements of Kedge Construction Co., Ltd. and subsidiaries
(Continued)

VII. Transactions with related parties

(I) Parent company and ultimate controller

KINDOM DEVELOPMENT CO., LTD. is the parent company and the ultimate controller of the group to which the consolidated company belongs. It holds 34.18% of the outstanding common shares of the consolidated company. KINDOM DEVELOPMENT CO., LTD. has prepared the consolidated financial statements for public use.

(II) Names of related parties and their relationships

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

Name of related party	Relationship with the consolidated company
Kindom Development Co., Ltd.	Parent company of the Company
Global Mall Co., Ltd.	Same ultimate parent company
Readycom Information Services Co., Ltd.	Affiliated enterprise
Kindom Yu San Education Foundation	The chairman of the board is a relative of 2nd degree of kinship to a director of the Company

(III) Major transactions with related parties

1. Sales of labor services to related parties

The significant sales amount of the consolidated company to the related parties is as follows:

		January to March 2024			
		Total contracting price	Estimated amount	Amount denominated in the current period	Revenue recognized in current period
Nature					
Parent company - Kindom Development Corp.	Construction contracting	<u>\$ 12,060,021</u>	<u>5,278,443</u>	<u>901,914</u>	<u>647,772</u>

		January to March 2023			
		Total contracting price	Estimated amount	Amount denominated in the current period	Revenue recognized in current period
Nature					
Parent company - Kindom Development Corp.	Construction contracting	<u>\$ 13,383,038</u>	<u>3,624,740</u>	<u>490,069</u>	<u>468,738</u>

(1) The price contracted by the consolidated company from the related party is in accordance with the regulations on the contracting of construction projects of the affiliated enterprise, the project budget is added with reasonable management fees and profits, and the price for the contract is submitted to the supervisor for approval after price comparison and negotiation.

(2) The transaction prices of the consolidated company and related parties are determined

Notes to the financial statements of Kedge Construction Co., Ltd. and subsidiaries
(Continued)

by both parties through negotiation, and the payment term is one to three months, which is not materially different from that of general customers. The receivables between related parties have not been accepted as collateral, and after assessment, it is not necessary to recognize the impairment loss.

2. Claims, contract assets and liabilities

The claims, liabilities and contractual assets between the consolidated company and the related parties are as follows:

<u>Presentation item</u>	<u>Category of related party</u>	<u>March 31, 2024</u>	<u>December31, 2023</u>	<u>March 31, 2023</u>
Notes and accounts receivable	Parent company - Kindom Development Corp.	\$ 631,526	705,505	585,592
Notes and accounts receivable	Other related party	292	-	-
Other payables	Parent company - Kindom Development Corp.	-	111	-
Contract assets	Parent company - Kindom Development Corp.	288,177	494,908	217,514
Contract assets (retained receivables)	Parent company - Kindom Development Corp.	183,606	139,652	60,882
Contract liabilities	Parent company - Kindom Development Corp.	72,776	66,810	44,131
		<u>\$ 1,176,377</u>	<u>1,406,986</u>	<u>908,119</u>

3. Endorsements/guarantees

The consolidated company was the co-partner and joint debtor of the parent company, Kindom Development Corp., for an amount of NTD 28,384 thousand as of March 31, 2024, December 31, 2023 and March 31, 2023.

4. Leases

For January 1 to March 31, 2024 and 2023, the consolidated company leased an office building to its parent company, Kindom Development Corp., and a lease contract was signed with reference to the office rent in the neighborhood. The total contract value was NTD 294 thousand per month in both. The rent incomes for January 1 to March 31, 2024 and 2023 were both NTD 840 thousand.

In addition, the consolidated company and the parent company, Kindom Development

Notes to the financial statements of Kedge Construction Co., Ltd. and subsidiaries
(Continued)

Corp. rented office buildings for January 1 to March 31, 2024 and 2023 for a total contract value of NTD 575 thousand per month in both years. Rent expenses for January 1 to March 31, 2024 and 2023 were both NTD 1,643 thousand.

5. Others

- (1) The consolidated company donated NTD 1,500 thousand and NTD 2,000 thousand to the "Kindom Yu San Education Foundation" for January 1 to March 31, 2024 and 2023, respectively, for the promotion of services of the foundation.
- (2) The consolidated company signed an information project consulting service contract with Readycom Information Services Co., Ltd. in December 2021 for a total contract value of NTD 50 thousand per month. As of March 31, 2023, NTD 150 thousand has been paid and the contract was terminated in 2023.
- (3) The provision of consulting services between the consolidated company and the related parties is as follows:

<u>January to March 2024</u>	
<u>Total contract price</u>	<u>Revenue recognized in current period</u>
The consolidated company provides to the parent company	\$ 292 279
The consolidated company provides to other related party	292 279
	<u><u>\$ 584 558</u></u>
<u>Expenses recognized in the current period</u>	
<u>Total contract price</u>	<u>Expenses recognized in the current period</u>
The parent company provides to the consolidated company	\$ 4,815 4,586

<u>January to March 2023</u>	
<u>Total contract price</u>	<u>Expenses recognized in the current period</u>
The parent company provides to the consolidated company	\$ 3,000 2,857

(IV) Transactions by key management personnel

Remuneration to key management personnel includes:

	<u>January to March 2024</u>	<u>January to March 2023</u>
Short-term employee benefits	\$ 16,237	25,325
Post-employment benefits	56	60
	<u><u>\$ 16,293</u></u>	<u><u>25,385</u></u>

Notes to the financial statements of Kedge Construction Co., Ltd. and subsidiaries
(Continued)

VIII. Pledged assets

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

Asset name	Subject matter of pledge guarantee	March 31, 2024	December 31,2023	March 31, 2023
	Construction deposits			
Other financial assets - current	secured by loan facilities and restricted assets	\$ 1,029,963	1,159,843	1,456,464
Property, plant and equipment, net	Guarantee of loan limit	99,400	99,400	99,400
Investment property, net	Guarantee of loan limit	48,399	48,457	48,631
		<u>\$ 1,177,762</u>	<u>1,307,700</u>	<u>1,604,495</u>

IX. Significant contingent liabilities and unrecognized contractual commitments

(I) Significant unrecognized contractual commitments:

1. On March 31, 2024, December 31, 2023 and March 31, 2023, the consolidated company undertook medium and major projects for an aggregate amount of NTD 51,999,217 thousand, NTD 51,877,810 thousand, and NTD 55,339,996 thousand, respectively, and received payments of NTD 25,976,582 thousand, NTD 22,943,300 thousand, and NTD 21,266,253 thousand in accordance with the agreements.
2. The letters of guarantee and guarantee notes issued by the consolidated company for contracting projects are as follows:

March 31, 2024	December 31, 2023	March 31, 2023
<u>\$ 3,496,012</u>	<u>3,397,844</u>	<u>3,940,747</u>

3. On March 31, 2024, the consolidated company had issued an unused letter of credit amounting to USD 23 thousand.
4. As approved by the Board of Directors on December 29, 2023 and 2022 and December 23, 2022, the consolidated company commits to donate to Kindom Yu Shan Educational Foundation for \$6,000 thousand and \$8,000 thousand for the promotion of the Foundation's affairs.

X. Losses from major disasters: None.

XI. Material events after the period: None.

Notes to the financial statements of Kedge Construction Co., Ltd. and subsidiaries
(Continued)

XII. Others

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

By function By nature	January to March 2024			January to March 2023		
	Attributable to operating costs	Classified as operating expenses	Total	Attributable to operating costs	Classified as operating expenses	Total
Employee benefit expense						
Salary expenses	\$ 148,217	50,931	199,148	168,108	49,960	218,068
Labor and national health insurance expenses	12,905	3,300	16,205	12,508	5,677	18,185
Pension expense	4,926	1,747	6,673	5,130	1,637	6,767
Other employee benefit expenses	4,602	2,159	6,761	4,277	2,055	6,332
Depreciation expense	6,828	4,402	11,230	2,624	4,521	7,145
Depletion expense	-	-	-	-	-	-
Amortization expense	162	-	162	-	-	-

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

XIII. Disclosures in Notes

(I) Information on significant transactions

According to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the consolidated company shall further disclose the information of significant transactions from January 1 to March 31, 2024 as follows:

1. Loaning of funds to others: None.
2. Endorsements/guarantees made for others:

Unit: NTD thousand

Serial number	Endorsing / guaranteeing company name	Counterparty of endorsements / guarantees		Endorsement and guarantee limit for a single enterprise (Note 2)	Current maximum endorsement / guarantee balance	Ending balance of endorsements / guarantees	The actual amount drawn down	Endorsement / guarantee amount secured by property	Ratio of accumulated endorsement / guarantee amount to net worth as stated in the latest financial statement	Maximum endorsements / guarantees (Note 2)	Endorsements / guarantees made by the parent company to subsidiaries	Endorsement / guarantee provided by the subsidiary to the parent company	Endorsements and guarantees in Mainland China
		Company name	Relationship (Note 1)										
0	Kedge Construction	Kindom Development Corp.	Parent and Subsidiary	\$8,958,051	14,192	14,192	14,192	-	0.32%	8,958,051	-	Y	-
1	Dingtian Construction	Kindom Development Corp.	Parent and Subsidiary	54,304	14,192	14,192	14,192	-	26.13%	54,304	-	Y	-
1	"	Kedge Construction	"	8,145,603	1,376,500	1,376,500	1,376,500	-	2,534.80%	16,291,206	-	Y	-

Note 1: There are 7 types of relationship between the endorser/guarantor and the endorsed/guaranteed party as follows, indicating the type is sufficient:

- (1) Companies with business transactions.
- (2) A company in which the Company directly or indirectly holds more than 50% of the voting shares.
- (3) A company in which the Company holds, directly or indirectly, more than 50% of the voting shares of the

Notes to the financial statements of Kedge Construction Co., Ltd. and subsidiaries

(Continued)

Company.

- (4) Among companies in which the Company directly or indirectly holds more than 90% of the voting shares.
- (5) Companies in the same industry or co-builders that require mutual guarantees in accordance with contractual provisions based on the needs of contracting projects.
- (6) Companies that are endorsed and guaranteed by all contributing shareholders in accordance with their shareholding ratios for joint investment.
- (7) The peers in the same trade are engaged in joint guarantees for the performance of the pre-sale house sales contract in accordance with the regulations of the Consumer Protection Act.

Note 2: 1. The Company's endorsement and guarantee measures stipulate that the total amount of external endorsements/guarantees shall not exceed 200% of the Company's net worth as stated in its latest financial statement, and the amount of endorsement and guarantee made to a single enterprise shall not exceed 200% of the Company's net worth as stated in its latest financial statement. However, the total amount of guarantees for construction projects shall not exceed 10 times the net worth of the Company in the latest financial statements. The total amount of construction engineering guarantees for a single enterprise shall not exceed 5 times the net worth of the Company in the latest financial statements.

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

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

3. Marketable securities held at the end of the period (excluding investment in subsidiaries, affiliates and joint ventures):

Unit: NTD thousand

Companies in possession	Type and name of marketable securities	Relationship with the securities issuer	Presentation account	End of period				Remarks
				Number of shares (thousand shares)	Carrying amount	Shareholding ratio	Fair value	
Kedge Construction	Stock - Kindom Development Corp.	Kedge Construction is a subsidiary of the company	Financial assets measured at fair value through other comprehensive income - non-current	550	\$22,990	0.10%	22,990	
Jiequn Investment Co., Ltd.	Stock - Fubon Financial	-	Financial assets at fair value through profit or loss - current	592	41,237	-%	41,237	
"	Stock - Sinopac Holdings	-	"	229	4,957	-%	4,957	
"	Stock - Kindom Development Corp.	Jiequn Investment Co., Ltd. is the sub-subsidiary of the company	Financial assets measured at fair value through other comprehensive income - non-current	9,373	391,795	1.69%	391,795	
"	Stock - Fubon Financial Preferred Shares C (FBFHCPCS)	-	"	11	599	-%	599	
"	Stock - Taiwan Calcom International Computer Graphic Co., Ltd.	-	"	405	-	0.78%	-	
Kuan Ching Electromechanical	Stock - Kindom Development Corp.	Guanqing Electromechanical Co., Ltd. is a sub-	"	1,768	73,890	0.32%	73,890	

Notes to the financial statements of Kedge Construction Co., Ltd. and subsidiaries
(Continued)

Companies in possession	Type and name of marketable securities	Relationship with the securities issuer	Presentation account	End of period				Remarks
				Number of shares (thousand shares)	Carrying amount	Shareholding ratio	Fair value	
		subsidiary of the company						
"	Stock - Fubon Financial Preferred Shares C (FBFHCPCS)	-	"	10	532	-%	532	
"	Stock - Global Views Commonwealth Publishing Group	-	"	177	6,557	0.59%	6,557	
"	Stock - Fubon Financial	-	Financial assets at fair value through profit or loss - current	525	36,627	-%	36,627	

4. Cumulative amount of the same securities purchased or sold reaching NTD 300 million or more than 20% of the paid-in capital: None.
5. The amount of acquisition of real estate reaches NTD 300 million or more than 20% of the paid-in capital: None.
6. Disposal of real estate for an amount over NTD 300 million or 20% of the paid-in capital: None.
7. The purchase or sale with related parties for an amount over NTD 100 million or 20% of the paid-in capital:

Unit: NTD thousand

Purchasing (selling) company	Name of counterparty	Relationship	Transaction status				Circumstances and reasons for the difference between the transaction conditions and general transactions		Notes/Accounts Receivable (Payable)		Remarks
			Purchase (sale) goods	Amount (Note)	Percentage in total purchase (sales)	Credit period	Unit price	Credit period	Balance	Percentage of total notes and accounts receivable (payable)	
Kedge Construction	Kindom Development Corp.	An investment in Kedge Construction under the equity method	Contract engineering projects	\$(891,625)	(28.74)%	The monthly payment collection according to the contract is generally slightly longer.	Equivalent	Slightly longer than general	806,917	19.63%	

Note: Refers to the denominated amount in the current period.

8. Accounts receivable from related parties amounting to at least NTD 100 million or 20% of the paid-in capital:

Unit: NTD thousand

Company with receivables listed	Name of counterparty	Relationship	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Subsequent recovery amount of receivables from related parties	Amount of loss allowance
					Amount	Treatment method		
Kedge Construction	Kindom Development Corp.	An investment in Kedge Construction under the equity method	\$ 806,917	3.09	-	-	131,256	-

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

Notes to the financial statements of Kedge Construction Co., Ltd. and subsidiaries
(Continued)

subsidiaries:

Serial number	Trader's Name	Trading counterpart	Relationship with the counterparty	Transactions with each other			
				Account title	Amount	Trading terms and conditions	As a percentage of consolidated total operating revenue or total assets
0	Kedge Construction Co., Ltd.	Kuan Ching Electromechanical	1	Contract liabilities	\$ 88,732	Equivalent to general transaction	0.74%
0	"	"	1	Accounts payable	7,608	"	0.06%
0	"	"	1	Operating cost	90,736	"	3.02%
0	"	Dingtian Construction Co., Ltd.	1	Contract liabilities	18,955	"	0.16%
0	"	"	1	Accounts payable	17,209	"	0.14%
0	"	"	1	Operating cost	9,464	"	0.32%
1	Kuan Ching Electromechanical	Kedge Construction Co., Ltd.	2	Contract assets	88,732	"	0.74%
1	"	"	2	Accounts receivable	7,608	"	0.06%
1	"	"	2	Operating revenue	90,736	"	3.02%
2	Dingtian Construction Co., Ltd.	"	2	Contract assets	18,955	"	0.16%
2	"	"	2	Accounts receivable	17,209	"	0.14%
2	"	"	2	Operating revenue	9,464	"	0.32%

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

1. 0 for the parent company.
2. Subsidiaries are numbered sequentially starting from 1 according to the company type.

Note 2: Relationships with counterparties are indicated as follows:

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

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

(II) Information on reinvestment businesses

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

Unit: NTD Thousand/Thousand shares

Name of Investment Company	Name of investee	Location of the Company	Main business items	Initial investment amount		Held at end of period			Investee profit or loss for the period	Investment gains and losses recognized in the current period	Remarks
				End of current period	End of last year	Number of shares	Ratio	Carrying amount			
Kedge Construction	Jiequn Investment Co., Ltd.	Taiwan	General investment	\$163,935	163,935	16,396	99.98%	583,077	3,251	3,250	Subsidiary
Kedge Construction	Kuan Ching Electromechanical	Taiwan	Electrical Appliance Installation and Fire Safety Equipment Installation Engineering	81,326	81,326	7,748	99.97%	269,504	3,914	3,913	"
Jiequn Investment Co., Ltd.	Dingtian Construction	Taiwan	Comprehensive Construction Activities, etc.	16,500	16,500	-	30.00%	16,291	(970)	(291)	Sub-subsidiary

Notes to the financial statements of Kedge Construction Co., Ltd. and subsidiaries
(Continued)

Name of Investment Company	Name of investee	Location of the Company	Main business items	Initial investment amount		Held at end of period			Investee profit or loss for the period	Investment gains and losses recognized in the current period	Remarks
				End of current period	End of last year	Number of shares	Ratio	Carrying amount			
Kuan Ching Electromechanical	Dingtian Construction	Taiwan	Comprehensive Construction Activities, etc.	11,105	11,105	-	70.00%	38,013	(970)	(679)	"
Dingtian Construction	Readycom Information Services Co., Ltd.	Taiwan	IT software service and management consulting	15,000	15,000	1,400	46.67%	15,352	(1,670)	(779)	Investment under the equity method

Note: Transactions of the subsidiaries and sub-subsidiaries listed above have been eliminated when the consolidated financial statements were prepared.

(III) Information on investments in Mainland China:

1. Name and principal business activities of investees in Mainland China: None.
2. Limit on investment in Mainland China: None.
3. Significant transactions with investee companies in Mainland China: None.

(IV) Information of major shareholders:

Unit: shares

Name of major shareholder	Shares of Stock	Number of shares held	Shareholding ratio
Kindom Development Co., Ltd.		41,268,083	34.18%
Yu-De Investment Co., Ltd.		10,002,332	8.28%

XIV. Segment information

The consolidated company's reportable operating segment only has the construction segment. The construction department mainly manages the overall work of the construction and management of the projects and the department's income, department's assets and liabilities are consistent with the financial statements. Please refer to the consolidated balance sheet and consolidated statement of comprehensive income.