Stock Code: 2546

Kedge Construction Co., Ltd. and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Report

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.

This financial report has not been reviewed or audited by independent certified public accountants.

Company address: F6, No. 131, Sec. 3, Heping E. Rd., Taipei City
Tel: (02)23786789

Table of Contents

Item		Page
I.	Cover page	1
II.	Table of Contents	2
III.	Statement of Declaration	3
IV.	Independent Auditors' Report	4
V.	Consolidated Balance Sheet	8
VI.	Consolidated Statement of Comprehensive Income	9
VII.	Consolidated Statement of Changes in Equity	10
VIII.	Consolidated Statement of Cash Flows	11
IX.	Notes to the consolidated financial statements	
	(I) Company history	12
	(II) Date and procedure for approving the financial statements	12
	(III) Application of new and revised standards and interpretations	12 ~ 14
	(IV) Summary of significant accounting policies	14 ~ 29
	(V) Major accounting judgments, estimates, and major sources of uncertainty for assumptions	29 ~ 30
	(VI) Description of important accounting items	30 ~ 54
	(VII) Related party transactions	55 ~ 58
	(VIII) Pledged assets	58
	(IX) Significant contingent liabilities and unrecognized contractual commitments	58 ~ 59
	(X) Losses from major disasters	59
	(XI) Material events after the reporting period	59
	(XII) Others	59
	(XIII) Disclosures in Notes	
	1. Information on significant transactions	59 ~ 63
	2. Information on investees	63
	3. Investment information in Mainland China	63
	4. Information of major shareholders	63 ~ 64
	(XIV) Segment information	64

Statement of Declaration

The entities that are required to be included in the consolidated financial statements of the Company for 2024 (from January 1 to December 31, 2024) under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements" endorsed and issued into effect by the Financial Supervisory Commission. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, the Company and its subsidiaries will not prepare a separate set of combined financial statements.

We hereby declare

Company name: Kedge Construction Co., Ltd.

Chairman: Ai-Wei Yuan

Date: March 7, 2025

Independent Auditors' Report

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

Audit Opinions

We have reviewed the accompanying Consolidated Statement of Financial Position of Kedge Construction Co., Ltd. and subsidiaries as of December 31, 2024 and 2023, and the related Consolidated Statement of Comprehensive Income, of Consolidated Statement of Changes in Equity and of Consolidated Statement of Cash Flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, its consolidated financial performance and cash flows for the years then ended in accordance with the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRICs) and SIC Interpretations (SICs) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for the audit opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant and the Auditing Standards in the Republic of China. Our responsibilities under these standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We comply with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China and are independent of the Group. We have also fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide 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 the 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters that we have determined to be communicated on the audit report are as follows:

Construction contract

For the accounting policies of the construction contracts, please refer to the consolidated financial statements Note 4 (15) for the recognition of revenue; for the accounting estimates and assumptions of the estimated total contract cost assessment of the construction contracts, please refer to Note 5 to the consolidated financial statements; For an explanation on revenue recognition and the accumulated costs that have incurred, please refer to the revenue from contracts with customers in Note 6(16) of the consolidated financial statements.

Description of Key Audit Matters:

The estimated total cost of a construction contract requires a high level of judgment by the management. The Group uses the percentage of completion method to recognize the construction income and cost, and the degree of completion is based on the cost incurred as a percentage of the estimated total cost as of the financial reporting date. The measurement of the degree of completion may result in a significant difference between the timing of profit and loss recognition and the current financial statements.

The corresponding audit procedures:

Our audit procedures for the key audit matters above include:

1. Understand the internal operating procedures for the estimated total cost evaluation, and randomly check the estimated total cost of major projects to ensure the consistency between the evaluation process and the internal operating procedures.
2. For the projects with the estimated total cost of major additions and revisions in the current period, random check the estimated total cost approved by the project management department, including the supporting documents of the additional or subtracted projects in the current period and major projects with pricing.
3. Obtain the details of the costs and expenses of the current period, and implement the relevant verification procedures, including checking the amount of costs of the current period incurred to the relevant document slips, to confirm that the input costs of the current period have been properly booked.

Other matters

The parent company only financial statements of 2024 and 2023 have been prepared by Kedge Construction Co., Ltd., for which we have issued an unqualified opinion.

Responsibilities of the management and the governing body for the consolidated financial statements

Management is responsible for the preparation and fair representation of the consolidated financial statements in accordance with IFRS, IAS, IFRICs and SICs endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the ability of the Group in continuing as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting unless the management intends to liquidate the Group or cease the operations without other viable alternatives.

The governing body of the Group (including the Audit Committee) is responsible for supervising the financial reporting process.

Auditors' Responsibilities for Auditing the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report. Reasonable assurance is a high level of assurance. However, the audit conducted in accordance with the R.O.C. Standards on Auditing cannot guarantee that material misstatements in the consolidated financial statements will be detected. Misstatements can arise from fraud or error. If the individual amounts or the total number of misstatements can be reasonably expected to affect the economic decisions made by the users of the consolidated financial statements, the misstatements are considered material.

We exercise professional judgment and professional skepticism during an audit in accordance with the R.O.C. Standard on Auditing. We also perform the following tasks:

1. Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error; design and execute appropriate countermeasures for the risks assessed; and obtain sufficient and appropriate audit evidences as the basis for the audit opinions. Because fraud may involve collusion, forgery, intentional omission, misrepresentation or violation of internal control, it is not detected that the risk of material misstatement resulting from fraud is higher than that resulting from error.
2. Obtain the necessary understanding of the internal control related to the audit in order to design appropriate audit procedures under the circumstances, but the purpose is not to express an opinion on the effectiveness of the internal control of the Group.
3. Evaluate the appropriateness of the accounting policies adopted by the management, and the reasonableness of the accounting estimates and related disclosures made.
4. Based on the audit evidence obtained, make a conclusion on the appropriateness of the management's adoption of the accounting basis for continuing operations, and whether there are significant uncertainties in the events or conditions that may cause significant doubts about the ability of Group to continue to operate. If we are of the opinion that there is a material uncertainty of such events or circumstances, we shall in the audit report remind the users of the consolidated financial statement to pay attention to the related disclosures in the consolidated financial statement, or modify our audit opinion when such disclosures are inappropriate. Our conclusion is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statement (including relevant notes), and whether the consolidated financial statement presents the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence for the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for

guiding, supervising, and performing the audit of the Group and forming an audit opinion for the Group.

We communicate 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 have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 2024 consolidated financial statements of the Group and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure 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.

KPMG Taiwan

Certified Public Accountant :

Approval reference number of the securities authority	:	Jin-Guan-Zheng-Shen-Zi No. 1090332798 Jin-Guan-Zheng-Liu No. 0940129108

March 7, 2025

Kedge Construction Co., Ltd. and Subsidiaries

Consolidated Balance Sheet

December 31, 2024 and 2023

Unit: NTD thousand

Code	Assets	2024.12.31 Amount	%	2023.12.31 Amount	%
	Current assets:				
1100	Cash and cash equivalents (Note 6(1) and (19))	$ 4,634,266	36	5,262,388	42
1110	Financial assets at fair value through profit or loss - current (Note 6(2) and (19))	111,294	1	76,900	1
1140	Contract assets - current (Note 6(16) and 7)	4,164,171	32	3,403,415	27
1170	Notes and accounts receivable, net (Note 6(4), (16), and (19))	1,449,251	11	940,572	7
1180	Notes and accounts receivable - related parties, net (Note 6(16), (19) and 7)	436,509	3	705,505	6
1410	Prepayments	441,145	3	208,974	2
1470	Other current assets	38,686	-	35,543	-
1476	Other financial assets - current (Note 6(19) and 8)	901,938	7	1,186,304	9
		12,177,260	93	11,819,601	94
	Non-current assets:				
1550	Investment under equity method (Note 6(5))	17,498	-	16,131	-
1517	Financial assets measured at fair value through other comprehensive income - non-current (Note 6(3) and (19))	601,956	5	461,751	5
1600	Property, plant and equipment (Note 6(6) and 8)	143,549	1	158,824	1
1755	Right-of-use assets (Note 6(7))	19,382	-	25,398	-
1760	Investment property, net (Note 6(8) and 8)	48,225	1	48,457	-
1780	Intangible assets	12,303	-	1,513	-
1840	Deferred income tax assets (Note 6(13))	37,650	-	40,676	-
1995	Other non-current assets - others	2,508	-	-	-
1975	Net defined benefit assets - non-current (Note 6(12))	10,187	-	6,947	-
1980	Other financial assets - non-current (Note 6(19))	8,480	-	5,597	-
	Total non-current assets	901,738	7	765,294	6
	Total assets	$ 13,078,998	100	12,584,895	100

Code	Liabilities and equity	2024.12.31 Amount	%	2023.12.31 Amount	%
	Current liabilities:				
2100	Short-term borrowings (Note 6(9), (19), and 8)	$ 100,000	1	100,000	1
2130	Contract liabilities - current (Note 6(16) and 7)	2,428,654	19	2,103,184	17
2150	Bills payable (Note 6(19))	307,839	2	260,564	2
2170	Accounts payable (Note 6(19))	4,231,645	32	4,480,323	36
2200	Other payables (Note 6(12), (19) and 7)	353,984	3	351,347	3
2230	Current income tax liabilities	98,121	1	259,824	2
2300	Other current liabilities (Note 6(19))	22,756	-	30,772	-
		7,542,999	58	7,586,014	61
	Non-current liabilities:				
2552	Provision for long-term liabilities under warranty (Note 6(10))	174,197	1	181,670	1
2600	Other non-current liabilities (Note 6(19))	21,274	-	11,314	-
		195,471	1	192,984	1
	Total liabilities	7,738,470	59	7,778,998	62
	Equity attributable to owners of the parent company (Note 6(14)):				
3110	Common stock capital	1,231,360	9	1,207,216	10
3200	Capital reserve	518,809	4	518,634	4
3300	Retained earnings	3,208,202	25	2,838,079	22
3400	Other equity	381,918	3	241,744	2
	Total equity attributable to owners of the parent company	5,340,289	41	4,805,673	38
36XX	**Non-controlling interests**	239	-	224	-
	Total equity	5,340,528	41	4,805,897	38
	Total liabilities and equity	$ 13,078,998	100	12,584,895	100

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

Chairman: Ai-Wei Yuan **Manager: Yi-Fang Huang, Chun-Ming Chen** **Accounting supervisor: Fang-Chia Chang**

Kedge Construction Co., Ltd. and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2024 and 2023

Unit: NTD thousand

		2024		2023	
		Amount	%	Amount	%
4000	**Operating revenue (Note 6(11), (16) and 7)**	$ 14,234,149	100	14,292,411	100
5000	**Operating cost (Note 6(12) and 12)**	12,916,977	91	12,785,961	89
	Gross operating profit	1,317,172	9	1,506,450	11
	Operating expenses:				
6200	Administrative expenses (Notes 6(12), (17), 7, and 12)	347,291	2	336,504	2
6450	Expected credit impairment reversal gain (Note 6(4))	(7,551)	-	-	-
		339,740	2	336,504	2
	Net operating profit	977,432	7	1,169,946	9
	Non-operating income and expenses:				
7100	Interest revenue (Note 6(18))	63,341	1	51,675	-
7010	Other income (Note 6(18) and 7)	30,186	-	22,630	-
7020	Other gains and losses (Note 6(18))	34,611	-	13,255	-
7050	Financial costs (Note 6(18))	(3,448)	-	(4,364)	-
7060	Share of profit or loss of affiliated companies and joint ventures under equity method (Note 6(5))	1,367	-	1,739	-
		126,057	1	84,935	-
	Net income before tax from continuing operations	1,103,489	8	1,254,881	9
7950	**Less: Income tax expense (Note 6(13))**	229,115	2	264,524	2
	Net income for the period	874,374	6	990,357	7
8300	**Other comprehensive income:**				
8310	**Items not reclassified into profit or loss**				
8311	Remeasurement of defined benefit plan	2,797	-	592	-
8316	Unrealized valuation gains or losses on investments in equity instruments measured at fair value through other comprehensive income	140,205	1	112,476	1
8300	**Other comprehensive income for the period (net amount after tax)**	143,002	1	113,068	1
	Total comprehensive income for the period	**$ 1,017,376**	**7**	**1,103,425**	**8**
	Net profit for the period attributable to:				
	Owner of the parent company	$ 874,356	6	990,345	7
8620	Non-controlling interests	18	-	12	-
		$ 874,374	**6**	**990,357**	**7**
	Total comprehensive income attributable to:				
	Owner of the parent company	$ 1,017,327	7	1,103,387	8
	Non-controlling interests	49	-	38	-
		$ 1,017,376	**7**	**1,103,425**	**8**
	Earnings per share (NTD) (Note 6(15))				
9750	**Basic earnings per share (NTD)**	**$**	**7.10**		**8.04**
9850	**Diluted earnings per share (NTD)**	**$**	**7.04**		**7.96**

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

Chairman:	Manager:	Accounting supervisor:
Ai-Wei Yuan	Yi-Fang Huang, Chun-Ming Chen	Fang-Chia Chang

Kedge Construction Co., Ltd. and Subsidiaries

Consolidated Statement of Changes in Equity

January 1 to December 31, 2024 and 2023

Unit: NTD thousand

	Equity attributable to owners of the parent company								
	Share capital		Retained earnings			Other equity			
	Common stock capital	Capital reserve	Legal reserve	Undistributed earnings	Total	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
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
Net income for the period	-	-	-	990,345	990,345	-	990,345	12	990,357
Other comprehensive income in the current period	-	-	-	592	592	112,450	113,042	26	113,068
Total comprehensive income for the period	-	-	-	990,937	990,937	112,450	1,103,387	38	1,103,425
Appropriation and distribution of earnings:									
Provision for legal reserve	-	-	105,077	(105,077)	-	-	-	-	-
Common stock cash dividends	-	-	-	(484,053)	(484,053)	-	(484,053)	-	(484,053)
Common stock dividends	40,824	-	-	(40,824)	(40,824)	-	-	-	-
Overdue cash dividends	-	94	-	-	-	-	94	-	94
Balance as of December 31, 2023	1,207,216	518,634	524,049	2,314,030	2,838,079	241,744	4,805,673	224	4,805,897
Net income for the period	-	-	-	874,356	874,356	-	874,356	18	874,374
Other comprehensive income in the current period	-	-	-	2,797	2,797	140,174	142,971	31	143,002
Total comprehensive income for the period	-	-	-	877,153	877,153	140,174	1,017,327	49	1,017,376
Appropriation and distribution of earnings:									
Provision for legal reserve	-	-	99,094	(99,094)	-	-	-	-	-
Common stock cash dividends	-	-	-	(482,886)	(482,886)	-	(482,886)	-	(482,886)
Common stock dividends	24,144	-	-	(24,144)	(24,144)	-	-	-	-
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 December 31, 2024	$ 1,231,360	518,809	623,143	2,585,059	3,208,202	381,918	5,340,289	239	5,340,528

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

Chairman: Ai-Wei Yuan **Manager: Yi-Fang Huang, Chun-Ming Chen** **Accounting supervisor: Fang-Chia Chang**

Kedge Construction Co., Ltd. and Subsidiaries

Consolidated Statement of Cash Flows

January 1 to December 31, 2024 and 2023

Unit: NTD thousand

		2024	2023
Cash flow from operating activities:			
Net income before tax for the current period	$	1,103,489	1,254,881
Adjustments:			
Income and expenses			
Depreciation expense		43,619	37,133
Amortization expense		3,534	382
Reversal gain of expected credit impairment		(7,551)	-
Net gains from financial assets and liabilities mandatorily measured at fair value through profit or loss		(34,394)	(13,261)
Interest expense		3,448	4,364
Interest revenue		(63,341)	(51,675)
Dividend income		(24,542)	(22,583)
Share of income from affiliated companies and joint ventures accounted for using the equity method		(1,367)	(1,739)
Total income and expense		(80,594)	(47,379)
Changes in operating assets/liabilities:			
Net changes in assets related to operating activities:			
Increase of financial assets measured at fair value through profit or loss		-	(168)
Increase of contract assets		(760,756)	(1,522,239)
Decrease (increase) of notes and accounts receivable		(501,128)	953,333
Decrease (increase) of notes and accounts receivable - related parties		268,996	(130,954)
Increase in prepayments		(241,639)	(73,787)
Decrease (increase) of other current assets		(3,143)	16,529
Decrease in other financial assets		285,104	413,036
Increase in other non-current assets - others		(2,508)	-
Increase of net defined benefit assets non-current		(3,240)	(1,127)
Total net changes in assets related to operating activities		(958,314)	(345,377)
Net changes in liabilities related to operating activities:			
Increase in contract liabilities		325,470	569,609
Increase (decrease) of notes payable		47,275	(82,794)
Increase (decrease) in accounts payable		(248,678)	89,294
Increase (decrease) of other payables		2,545	(29,732)
Decrease in provisions		(7,473)	(1,566)
Increase (decrease) of other current liabilities		(4,712)	13,630
Increase in net defined benefit liabilities		2,797	592
Increase (decrease) of other non-current liabilities		10,383	(1,461)
Total net changes in liabilities related to operating activities		127,607	557,572
Total net changes in assets and liabilities related to operating activities		(830,707)	212,195
Total adjustment items		(911,301)	164,816
Cash inflow from operations		192,188	1,419,697
Interest received		62,748	53,209
Dividends received		24,542	22,583
Interest paid		(3,451)	(4,541)
Income tax paid		(387,837)	(275,471)
Net cash (outflow) inflow from operating activities		(111,810)	1,215,477
Cash flow from investing activities:			
Acquisition of property, plant and equipment		(10,895)	(15,164)
Acquisition of intangible assets		(5,980)	(458)
Increase in other financial assets		(2,983)	(43)
Net cash outflow from investing activities		(19,858)	(15,665)
Cash flow from financing activities:			
Increase in short-term borrowings		559,000	430,000
Decrease in short-term borrowings		(559,000)	(815,000)
Increase in short-term bills payable		175,000	100,000
Decrease in short-term notes payable		(175,000)	(100,000)
Lease principal repayment		(13,568)	(16,068)
Distribution of cash dividends		(482,886)	(484,053)
Net cash outflow from financing activities		(496,454)	(885,121)
Increase (decrease) in cash and cash equivalents for the current period		(628,122)	314,691
Opening balance of cash and cash equivalents		5,262,388	4,947,697
Closing balance of cash and cash equivalents	$	4,634,266	5,262,388

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

Chairman:	**Manager:**	**Accounting supervisor:**
Ai-Wei Yuan	**Yi-Fang Huang, Chun-Ming Chen**	**Fang-Chia Chang**

Kedge Construction Co., Ltd. and Subsidiaries
Notes to the consolidated financial statements
2024 and 2023
(Unless otherwise stated, all amounts are in NTD thousand)

I. Company history

Kedge Construction Co., Ltd. (hereinafter referred to as the "Company") was established on April 13, 1982 with the approval of the Ministry of Economic Affairs. Its registered address is 6F., No. 131, Section 3, Heping East Road, Daan District, Taipei City, Taiwan. The Company and its subsidiaries (hereinafter referred to as the "consolidated company") mainly focus on integrated construction and development and rental of housing and buildings.

II. Date and procedure for approving the financial statements

This consolidated financial statement was approved by the Board of Directors on March 7, 2025.

III. Application of new and revised standards and interpretations

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

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

·Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”

·Amendments to IAS 1 “Non-current Liabilities with Covenants”

·Amendments to IAS 7and IFRS 7 “Supplier Finance Arrangements”

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

(II) Impacts of not adopting the IFRS Accounting Standards recognized by the FSC

The consolidated company has assessed that the application of the following newly amended IFRS Accounting Standards effective from January 1, 2025 will not cause significant impact on the consolidated financial statements.

·Amendments to IAS 21 "Lack of Exchangeability"

(III) 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
IFRS 18 "Presentation and Disclosure in Financial Statements"	·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
- IFRS 19 “Disclosure Initiative—Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards
- Amendment to IFRS 9 and IFRS 7 "Nature-dependent Electricity”

IV. Summary of significant accounting policies

Significant accounting policies adopted in the consolidated financial statements are summarized as follows. In addition to the descriptions of the relevant accounting changes, the following accounting policies have been consistently applied during the presentation period of the consolidated financial statements.

(I) Declaration of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards and Interpretations and Interpretations Announcements (hereinafter collectively referred to as “IFRSs”) endorsed and issued into effect by the FSC.

(II) Basis for preparation

1. Measurement basis

Except for the following items on the balance sheet, the consolidated financial statements have been prepared on the basis of historical cost:

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

(2) Financial assets measured at fair value through other comprehensive income; and

(3) The net defined benefit liability (or asset) is measured in accordance with the fair value of the pension fund assets less the present value of the defined benefit obligation and the effect of the upper limit stated in Note 4(16).

2. Functional currency and presentation currency

Each entity of the consolidated company uses the currency of the primary economic environment as its functional currency. The consolidated financial statements are presented in the Company's functional currency, NTD. All financial information expressed in NTD is in the unit of NTD thousand.

(III) Basis for consolidation

1. Principles of preparation of consolidated financial statements

The main body of the consolidated financial statements includes the Company and the entities controlled by the Company (i.e. subsidiaries). When the Company is exposed to the variable remuneration from participating in an invested entity or is entitled to such variable remuneration, and has the ability to affect the returns through its power over the invested entity, the Company controls the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date of acquisition of control over the subsidiaries until the date of loss of control. Consolidated company transactions, balances and any unrealized gains or losses on transactions have been eliminated when preparing the consolidated financial statements. The total comprehensive income of the subsidiaries is attributed to the owners of the Company and the non-controlling interests, even if the non-controlling interests become a deficit balance.

The financial statements of the subsidiaries have been appropriately adjusted to make their accounting policies consistent with the accounting policies used by the consolidated company.

Changes in the consolidated company's ownership interests in subsidiaries that do not result in a loss of control over the subsidiaries are treated as equity transactions with owners. The difference between the adjustment to the non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

2. Subsidiaries included in the consolidated financial statements

Name of Investor	Name of subsidiary	Nature of business	Percentage of equity held 2024.12.31	Percentage of equity held 2023.12.31	Description
The Company	Guanqing Electromechanical Co., Ltd. (Guanqing Electromechanical) (Note)	Electrical Appliance Installation and Fire Safety Equipment Installation Engineering	99.97%	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%	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%	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.

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

(IV) Foreign currency

1. Foreign currency transactions

Transactions denominated in foreign currencies are translated into the functional currency in accordance with the exchange rates prevailing on the transaction date. On the reporting date (hereinafter referred to as the reporting date), monetary items denominated in foreign currencies are translated into functional currency in accordance with the exchange rate of the reporting date. The non-monetary item denominated in foreign currency measured at fair value is translated into the functional currency in accordance with the exchange rate on the date the fair value is measured. The non-monetary item denominated in foreign currency measured at historical cost is translated in accordance with the exchange rate on the transaction date.

(V) 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 expected to be realized within 12 months after the reporting period; or
4. The asset is cash or cash equivalents (as defined by IAS 7), unless the exchange of the asset or its use to settle a liability at least 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.

(VI) Cash and cash equivalent

Cash includes cash on hand and demand deposits. Cash equivalent is short-term investment with high liquidity that is readily convertible to known amounts of cash with insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of fulfilling short-term cash commitments rather than investment or other purposes are reported as cash equivalents.

(VII) Financial instruments

Accounts receivable and debt securities issued are recognized at time of generation. All other financial assets and financial liabilities are recognized when the consolidated company becomes a financial instrument contractual party. Financial assets that are not measured at fair value through profit or loss (except accounts receivable that do not contain significant financial components) or financial liabilities are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issuance. Accounts receivable that do not contain significant financial components are initially measured at transaction prices.

1. Financial assets

If the purchase or sale of financial assets is in line with customary transactions, the consolidated company's accounting treatment of all financial assets classified in the same way adopts the trade date or settlement date for all purchases and sales.

At the time of initial recognition, financial assets are classified as: financial assets measured at amortized cost, equity instrument investment measured at fair value through other comprehensive income, or financial assets measured at fair value through gain or loss. The consolidated company only reclassifies all affected financial assets from the first day of the next reporting period when the business model for managing financial assets is changed.

(1) Financial assets measured at amortized cost

Financial assets that meet the following conditions and are not designated to be measured at fair value through profit or loss are measured at amortized cost:

·The financial asset is held under the business model for the purpose of collecting contractual cash flow.

·The cash flow on a specific date in accordance with the contractual terms of the financial asset is solely for the payment of the principal and the interest on the outstanding principal amount.

Such assets are subsequently measured at the initial recognized amount plus or minus the accumulated amortization calculated by the effective interest method, and any amortized cost of the loss allowance is adjusted. Interest revenue, foreign currency exchange gains and losses, and impairment losses are recognized in profit or loss. Upon derecognition, the profit or loss is recognized in profit or loss.

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

The consolidated company may make an irrevocable choice at the time of initial recognition to present the subsequent fair value changes of the equity instrument investment not held for trading in other comprehensive income. The aforementioned selections are made on an instrument-by-instrument basis.

Investors in equity instruments are subsequently measured at fair value. Dividend income (unless obviously representing the recovery of part of the investment cost) is recognized in profit or loss. The remaining net profit or loss is recognized as other comprehensive income and is not reclassified to profit or loss.

Dividend income from equity investments is recognized on the date on which the consolidated company is entitled to receive dividends (usually the ex-dividend date).

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

Financial assets that are not measured at amortized cost or at fair value through other comprehensive income (for example, financial assets held for trading or managed at fair value with performance assessed) are measured at fair value through profit or loss, including derivative financial assets. At initial recognition, in order to eliminate or significantly reduce inappropriate accounting ratios, the consolidated company may irrevocably designate financial assets that meet the conditions of measurement at amortized cost or fair value through other comprehensive income to be measured at fair value through profit and loss.

Such assets are subsequently measured at fair value, and the net gain or loss (including any dividend and interest income) is recognized in profit or loss.

(4) Impairment of financial assets

For the consolidated company's financial assets measured at amortized cost (including cash and cash equivalents, financial assets measured at amortized cost, notes and accounts receivable, other receivables, refundable deposits, other financial assets and so on) and expected credit losses of contract assets are recognized in loss allowance.

The following financial assets have loss allowance measured at the 12-month expected credit losses, and the rest are measured at the lifetime expected credit losses:

·Debt securities determined to have a low credit risk on the reporting date; and

·The credit risk of other debt securities and bank deposits (e.g., the occurrence of the default risk exceeding the expected duration of the financial instrument) has not increased significantly since the initial recognition.

The loss allowance for accounts receivable and contractual assets is measured at the expected credit losses throughout the duration.

In determining whether the credit risk has increased significantly since the initial recognition, the consolidated company considers reasonable and provable information (which can be obtained without excessive cost or investment), including qualitative and quantitative information, and based on the consolidated company's historical experience, credit assessment and analysis of forward-looking information.

If the credit risk rating of a financial instrument is equivalent to the "investment grade" defined by the world (S&P's investment grade BBB- , Moody's investment grade

Baa3 or China Ratings investment grade twA, or higher), the consolidated company deems that the credit risk of the debt securities is low.

The expected credit loss is the probability-weighted estimate of the credit loss during the expected duration of a financial instrument. Credit loss is measured at the present value of all cash shortfalls, which is the difference between the cash flow that the consolidated company can collect in accordance with the contract and the cash flow that the consolidated company expects to collect. Expected credit losses are discounted at the effective interest rate of financial assets.

The consolidated company assesses whether credit impairment has occurred on each reporting date based on financial assets measured at amortized cost and debt securities measured at fair value through other comprehensive income. When one or more events that adversely affect the estimated future cash flow of a financial asset have occurred, the financial asset has credit impairment. Evidence of credit impairment of financial assets includes the observable data of the following matters:

·The major financial difficulties of the borrower or issuer;

·Breach of contract, such as delay or overdue for more than 90 days;

·Due to economic or contractual reasons related to the borrower's financial difficulty, the consolidated company makes concessions to the borrower that would not have been considered;

·The borrower is likely to file for bankruptcy or undergo other financial restructuring; or

·The active market for the financial asset disappears due to financial difficulties.

The loss allowance of financial assets measured at amortized cost is deducted from the book value of the assets. The loss allowance for debt instruments measured at fair value through other comprehensive income is adjusted and recognized in other comprehensive income (without reducing the carrying amount of the asset).

When the consolidated company cannot reasonably expect all or part of the recovered financial assets, it will directly reduce the total book value of its financial assets. The consolidated company analyzes the timing and amount of write-off on the basis of whether the recovery is reasonably expected. The consolidated company expects that the written-off amount will not materially reverse. However, the written-off financial assets can still be enforced compulsorily to meet the consolidated company's procedures for recovering overdue amounts.

(5) Derecognition of financial assets

The consolidated company only has contractual rights to the cash flows from the asset terminated, or transferred the financial asset and almost all risks and rewards of the ownership of the asset have been transferred to other enterprises, or has neither transferred nor retained almost all the risks and rewards, and the consolidated company does not retain the control over the financial asset, the financial asset is derecognized.

When the consolidated company enters into a transaction to transfer a financial asset, if all or almost all of the risks and rewards of the transferred asset ownership are retained, it will continue to be recognized in the balance sheet.

2. Financial liabilities and equity instruments

(1) Classification of liabilities or equities

The consolidated company's debt and equity instruments are classified as financial liabilities or equity based on the substance of the contractual agreements and the definitions of financial liabilities and equity instruments.

(2) Equity transactions

Equity instrument refers to any contract in which the consolidated company has residual equity after deducting all liabilities from assets. The equity instruments issued by the consolidated company are recognized at the acquisition price net of the direct issue cost.

(3) Financial liabilities

Financial liabilities are classified as amortized cost or measured at fair value through profit or loss. If a financial liability is held for trading, derivative or designated at the time of initial recognition, it is classified as measured at fair value through profit or loss. Financial liabilities at fair value through profit or loss are measured at fair value, and related net profits and losses, including any interest expenses, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and exchange gains and losses are recognized in profit or loss. Any profit or loss is recognized in profit or loss at the time of derecognition.

(4) Removal of financial liabilities

The consolidated company derecognizes financial liabilities when contractual obligations are fulfilled, canceled, or expired. When the terms of a financial liability are amended and there is a significant difference in the cash flow of the liability after the amendment, the original financial liability is derecognized, and a new financial liability at the fair value based on the amended terms is recognized.

When derecognizing financial liabilities, the difference between the book value and the total consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities can be offset against each other and reported in the balance sheet in net amount only when the consolidated company has a legally enforceable right to offset against each other and there is an intention to settle in net amount, or the assets are realized and the liabilities are repaid at the same time.

(VIII) Investment in affiliated companies

Affiliates are those over which the consolidated company has significant influence, but not control, or joint control.

The consolidated company's interests in the affiliated companies are accounted for using the equity method. Under the equity method, investment is initially recognized at cost. Investment cost includes transaction cost. The book value of an investment in an affiliate includes the goodwill identified at the time of the initial investment, less any accumulated impairment loss.

The consolidated financial statements include the profit and loss and other comprehensive income of the affiliated companies recognized by the consolidated company in proportion to the equity ratio from the date of significant influence to the date of loss of significant influence after the adjustment, so as to be consistent with the Company's accounting policies. When changes in equity other than profit and loss and other comprehensive income occur to the affiliated enterprise that does not affect the shareholding ratio of the consolidated company, the consolidated company recognizes all changes in equity as a capital reserve in proportion to the shareholding ratio.

The unrealized gains and losses arising from the transactions between the Company and its affiliated companies are recognized in the financial statements of the companies only within the scope of the non-related investor's equity in the affiliated companies.

When the consolidated company's share of losses in the affiliates equals or exceeds its equity in the affiliates, the consolidated company stops recognizing its losses, and only after a legal obligation, constructive obligation or payment on behalf of the investee is made, additional loss and related liabilities are recognized.

(IX) Investment property

Investment property refers to property that is held for earning rent or for asset appreciation or both, rather than for normal business sales, for production, for supply of goods or services, or for administrative purposes. Investment property is initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment. The depreciation method, useful life and residual value are treated in accordance with the provisions of the property, plant and equipment.

The gain or loss on the disposal of investment property (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is recognized in profit or loss.

The rental income of investment property is recognized in the operating revenue using the straight-line method over the lease period. The lease incentives given to them are recognized as part of the lease income during the lease term.

(X) Property, plant and equipment

1. Recognition and measurement

Property, plant and equipment are measured at cost (including capitalized borrowing costs) less accumulated depreciation and any accumulated impairment.

Property, plant and equipment that are significant in terms of their useful lives are treated as a separate item (a major component) when their useful lives are different.

The gain or loss on disposal of property, plant and equipment is recognized in profit or loss.

2. Subsequent costs

Subsequent expenses may be capitalized only when their future economic benefits are likely to flow into the consolidated company.

3. Depreciation

Depreciation is calculated at the cost of the asset less residual value and recognized in profit or loss using the straight-line method over the estimated useful life of each component.

Land is not depreciated.

The estimated useful lives for the current period and the comparative period are as follows:

(1) Buildings 53 years

(2) Other equipment 3-5 years

The consolidated company reviews the depreciation method, useful years, and residual value on each reporting date, and makes appropriate adjustments if necessary.

(XI) Lease

The consolidated company assesses whether the contract is or contains a lease on the date of establishment of the contract. If the contract transfers control over the use of identified assets for a period of time in exchange for consideration, the contract is or contains a lease.

1. Lessee

The consolidated company recognizes right-of-use assets and lease liabilities on the lease commencement date. Right-of-use assets are initially measured at cost, which includes the initial measurement of lease liabilities, adjusted for any lease payments paid on or before the lease commencement date, and added up the initial direct cost and the estimated cost of dismantling, removing the underlying asset and restoring the location or underlying asset, while deducting any lease incentives received.

The subsequent right-of-use assets are depreciated using the straight-line method from the lease start date to the end of their useful lives or the expiration of the lease term, whichever is earlier. In addition, the consolidated company regularly assesses whether the right-of-use assets are impaired and handles any impairment losses that have occurred. The right-of-use assets are adjusted if the lease liabilities are remeasured.

Lease liabilities are initially measured at the present value of the unpaid lease payments on the lease starting date. If the interest rate implicit in the lease is easy to determine, the discount rate is the interest rate. If it is not easy to determine, the consolidated company's incremental borrowing rate is used. Generally, the consolidated company adopts its incremental borrowing interest rate as the discount rate.

Lease payments included in the measurement of lease liabilities include:

(1) Fixed payments, including substantive fixed payments;
(2) For the variable lease payment depending on a certain index or rate, the index or the rate on the lease commencement date is used as the initial measurement;
(3) The residual guarantee amount expected to be paid; and
(4) The exercise price or penalty when it is reasonably certain to exercise the purchase option or lease termination option.

Subsequent interest on lease liabilities is accrued using the effective interest method, and the amount is re-measured when:

(1) Changes in the index or rate used to determine lease payments result in changes in future lease payments;
(2) There is a change in the residual guarantee amount expected to be paid;
(3) There is a change in the evaluation of the underlying asset purchase option;
(4) There is a change in the estimate of whether to exercise the extension or termination of the option, and thus the assessment on the lease period is changed;
(5) Modifications to the subject, scope, or other terms and conditions of the lease.

When a lease liability is remeasured due to a change in the index or rate used to determine lease payments, changes in the residual guarantee amount, or an evaluation change in the purchase, extension, or termination of an option, the book value of the right-of-use asset shall be adjusted accordingly. When the book value of the right-of-use assets is reduced to zero, the remaining remeasured amount is recognized in profit or loss.

For a lease modification that reduces the scope of the lease, the book value of the right-of-use asset is reduced to reflect the partial or full termination of the lease, and the difference between the remeasured amount of the lease liability and the difference is recognized in profit or loss.

The consolidated company presents the right-of-use assets and lease liabilities that do not meet the definition of investment property as separate line items in the balance sheet.

For short-term leases such as office equipment and leases of underlying low-value assets, the consolidated company chooses not to recognize right-of-use assets and lease liabilities, but to recognize relevant lease payments as expenses on a straight-line basis over the lease term.

2. Lessor

For transactions in which the consolidated company is a lessor, the lease contract is classified based on whether it transfers almost all the risks and returns attached to the ownership of the underlying asset on the date of establishment of the lease. If so, it is classified as a financing lease; otherwise, it is classified as an operating lease. During the evaluation, the consolidated company considers relevant specific indicators, including whether the lease period covers the main part of the economic life of the underlying assets.

If the consolidated company is the sublessor, it shall manage the main lease and sublease transactions separately, and use the right-of-use assets generated from the main lease to assess the classification of the sublease transactions. If the main lease is a short-term lease and the recognition exemption is applicable, the sublease transaction of the main lease should be classified as an operating lease.

If the agreement includes lease and non-lease components, the consolidated company uses IFRS 15 to allocate the consideration in the contract.

(XII) Intangible assets

1. Recognition and measurement

The intangible assets with finite useful life that the consolidated company acquires are measured at cost less accumulated amortization and accumulated impairment.

2. Subsequent expenses

Subsequent expenses are capitalized only when they increase the future economic benefits of the relevant specific assets. All other expenses are recognized as income upon occurrence, including the goodwill and brand developed internally.

3. Amortization

The amortization is calculated in accordance with the asset cost less the estimated residual value, and is recognized in profit or loss using the straight-line method over the estimated useful years from the intangible asset becoming available for use.

The estimated useful lives for the current period and the comparative period are as follows:

Computer software cost for 3 years

The consolidated company reviews the amortization method, useful years and residual value of intangible assets on each reporting date, and makes appropriate adjustments if necessary.

(XIII) Impairment of non-financial assets

The consolidated company assesses whether there is any indication that the book value of non-financial assets (except inventories, contract assets and deferred income tax assets) may be impaired on each reporting date. If any sign exists, the recoverable amount of the asset shall be estimated.

For the purpose of impairment testing, the group of assets whose cash inflow is mostly independent of other individual assets or asset group is recognized as the smallest identifiable asset group.

The recoverable amount is the fair value of an individual asset or cash-generating unit less the cost of disposal and its value in use, whichever is higher.

If the recoverable amount of an individual asset or cash-generating unit is lower than the book value, it is recognized as impairment loss.

(XIV) Provisions

The provisions shall be recognized when the consolidated company has a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be estimated reliably. The provision is discounted at the pre-tax discount rate that reflects the current market's assessment of the specific risk of the time value of money and liabilities; the amortization of the discount is recognized as interest expense.

The warranty provision is recognized upon completion of a project. The warranty provision is measured according to the historical warranty information and all possible outcomes weighted by the relevant probability.

(XV) Revenue recognition

1. Revenue from customer contracts

Revenue is measured based on the expected consideration for the right to be obtained from the transfer of goods or services. The consolidated company recognizes revenue when the control of the product or labor service is transferred to the customer and the performance obligation is met. The main revenue items of the consolidated company are described as follows:

(1) Labor services

The consolidated company provides business management services, and the related income is recognized during the financial reporting period of the provision of labor services.

Under a fixed price contract, the customer makes a fixed amount of payment according to the agreed time schedule.

(2) Construction contracts

The consolidated company engages in the contracting business of residential real estate and public construction projects. As the assets are controlled by the customers at the time of construction, the income is gradually recognized over time based on the proportion of the construction costs incurred to date in the estimated total contract costs. The contract includes fixed and variable consideration. The customer makes a fixed amount of payment in accordance with the agreed schedule. Consideration for some changes (such as fines and price adjustments calculated based on the number of days past due) are estimated based on the expected value based on accumulated past experience, and the consolidated company only recognizes it within the scope of the accumulated revenue level with probable no significant reversal income. If the amount of recognized revenue has not yet been paid, it is recognized as a contract asset; when the Company has an unconditional right to the consideration, the contract asset is transferred to accounts receivable.

If the degree of completion of the performance obligation under the construction contract cannot be reasonably measured, the contract revenue is recognized only within the range of the expected recoverable cost.

When the consolidated company expects that the inevitable cost of fulfilling an obligation in a construction contract exceeds the economic benefits expected from the contract, the provision for the onerous contract is recognized.

If the situation changes, the estimates of revenue, cost and level of completion will be revised, and the resulting increase or decrease will be reflected in the profit or loss during the period in which the management is aware of the change and making revisions.

The consolidated company provides standard warranty for residential real estate and public constructions in line with the agreed specifications, and has recognized the warranty reserve for the obligation. Please refer to Note 6(10).

2. Cost of contracts with customers

Cost of fulfilling contract

If the cost of performing a contract with customers is not within the scope of other standards (IAS 2 "Inventory", IAS 16 "Property, Plant and Equipment" or IAS 38 "Intangible Assets") "), the consolidated company will only pay the cost if it is directly related to a contract or identifiable expected contract, will generate or strengthen resources that will be used to meet (or continue to meet) the performance obligation in the future, and is expected to be recoverable. Such costs are recognized as assets.

General and administrative costs; costs of raw materials, labor or other resources wasted to fulfill the contract but not reflected in the contract price; costs associated with fulfilled (or partially fulfilled) performance obligations; and the costs related to the obligations or fulfilled (or partially fulfilled) performance obligations are recognized as expenses when incurred.

(XVI) Employee benefits

1. Definite contribution plan

The obligation of the defined contribution plan is recognized as an expense within the service period provided by the employee.

2. Defined benefit plan

The consolidated company's net obligation to the defined benefit plan is converted to the present value of the future benefit amount earned by employees from the services in the current period or in the past for each benefit plan, and less the fair values of any planned assets.

Defined benefit obligations are calculated annually by a qualified actuary using the projected unit benefit method. When the calculation result may be favorable to the consolidated company, the assets recognized shall be up to the present value of any economic benefit that can be derived from the refund of the contribution from the plan or the reduction of the contribution from the plan in the future. The calculation of the present value of the economic benefits takes into account the minimum capital contribution required.

The remeasurement of the net defined benefit liability, including actuarial gains and losses, plan asset returns (excluding interest), and any change in the impact of asset ceilings (excluding interest) is immediately recognized in other comprehensive income and accumulated in retained earnings. The consolidated company determines the net interest expense (revenue) of the net defined benefit liabilities (assets) using the net defined benefit liabilities (assets) and the discount rate at the beginning of the reporting period. The net interest expense and other expenses of the defined benefit plan are recognized in profit or loss.

When the plan is revised or curtailed, the changes in welfare related to the prior service cost or curtailment benefit or loss is recognized immediately in profit or loss. When the settlement occurs, the consolidated company recognizes the settlement gain or loss of the defined benefit plan.

3. Short-term employee benefits

Short-term employee benefit obligations are recognized as expenses when the services are provided. If the consolidated company has a current legal or presumed payment obligation due to the past services provided by employees, and the obligation can be estimated reliably, the amount is recognized as liabilities.

(XVII) Income tax

Income tax includes current income tax and deferred income tax. Except for those related to business combination and recognized directly in equity or other comprehensive income, current income tax and deferred income tax shall be recognized in profit or loss.

The current income tax includes the expected income tax payable or tax refund receivable calculated based on the taxable income (loss) of the current year, and any adjustment to the income tax payable or tax refund receivable from prior years. The amount is the best estimate of the expected payment or receipt based on the statutory tax rate or tax rate substantially enacted on the reporting date.

Deferred income tax is measured and recognized on temporary differences between the carrying amount of assets and liabilities and their tax bases at the reporting date. Temporary differences arising from the following circumstances shall not be recognized as deferred income tax:

1. Assets or liabilities originally recognized in a transaction that is not a business merger, and at the time of the transaction (i) does not affect accounting profits and taxable income (loss) and (ii) does not generate equivalent taxable and deductible temporary difference;
2. Temporary differences arising from investments in subsidiaries, affiliates and joint ventures, of which the consolidated company can control the timing of temporary difference reversal and is very likely not to be reversed in the foreseeable future; and
3. The taxable temporary difference arising from the initial recognition of goodwill.

Unused tax losses and unused income tax credits carried forward and deductible temporary differences are recognized as deferred income tax assets within the range of future taxable income that is likely to be available for use. The Company shall reevaluate it at each reporting date, and adjust the relevant income tax benefits to the extent that it is not very likely to be realized; or to reverse the amount of reduction in the range where it is very likely that there will be sufficient taxable income.

Deferred income tax is measured at the tax rate at which the temporary difference is expected to be reversed, and based on the statutory tax rate or substantive tax rate at the reporting date.

The consolidated company will offset the deferred income tax assets and deferred income tax liabilities when the following conditions are met at the same time:

1. Has the legally enforceable right to offset current income tax assets and current income tax liabilities; and
2. Deferred income tax assets and deferred income tax liabilities are related to one of the

following taxable entities levied by the same taxation authority:

(1) The same taxpayer; or

(2) Different taxable entities, but each entity intends to settle the current income tax liabilities and assets on a net basis, or realize assets and settlement of liabilities at the same time in each future period when significant amounts of deferred income tax assets are expected to be recovered and the deferred income tax liabilities are expected to be settled.

(XVIII) Earnings per share

The consolidated company presents the basic and diluted earnings per share attributable to the Company's common stock shareholders. The basic earnings per share of the consolidated company is calculated by dividing the profit or loss attributable to the Company's common stock shareholders by the weighted average number of the outstanding common stock shares during the period. Diluted earnings per share is calculated by having the profit and loss attributable to the Company's common stock shareholders and the weighted average number of common stock shares outstanding adjusted for the effects of all potential diluted common stock shares, respectively.

(XIX) Segment information

The operating segment is a component of the consolidated company and is engaged in business activities that may earn revenue and incur expenses (including revenue and expenses related to transactions between other components of the consolidated company). The operating results of all operating segments are regularly reviewed by the chief operating decision maker of the consolidated company to make decisions on the allocation of resources to each segment and to evaluate its performance. Each operating segment has its own financial information.

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

When preparing these consolidated financial statements, management must make judgments and estimations about the future, including climate-related risks and opportunities, which will affect the adoption of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from estimates.

Management continually reviews estimates and underlying assumptions, which are consistent with the consolidated company's risk management and climate-related commitments. Changes in estimates are recognized prospectively in the period of change and affected future periods. If a revision of an estimate only affects the current period, it is recognized in the period in which the revision is made; if a revision of an accounting estimate affects both the current period, that is, future periods, it is recognized in the period in which the revision occurs, i.e. future periods.

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 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

(I) Cash and cash equivalent

	2024.12.31	2023.12.31
Cash and petty cash	$ 320	320
Demand deposits	153,864	234,808
Check deposits	1,001,043	662,477
Time deposit	3,100,000	3,008,789
Cash equivalents	379,039	1,355,994
Cash and cash equivalents	$ 4,634,266	5,262,388

The cash equivalents referred to above are short-term bills, the maturity intervals of which are January to February 2025 and January to March 2024, respectively, and the interest rate intervals of which are 1.42% - 1.43% and 1.30% - 1.36%, respectively.

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

	2024.12.31	2023.12.31
Financial assets mandatorily measured at fair value through profit or loss:		
Non-derivative financial assets		
Listed (OTC) company stocks	$ 111,294	76,900

1. As the non-derivative financial assets listed above are mandatorily measured at fair value through profit or loss, the consolidated company recognized dividend income of NTD 2,965 thousand and NTD 1,731 thousand in 2024 and 2023, respectively.
2. The consolidated company's financial assets had not been provided as collateral guarantees as of December 31, 2024 and 2023.

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

		2024.12.31	2023.12.31
Equity instruments measured at fair value through other comprehensive income:			
Domestic listed (OTC) company stock - Kindom Development Co., LTD.	$	595,061	454,187
Stock of domestic (OTC) listed companies - Fubon Financial Preferred Shares C (FBFHCPSC)		1,099	1,136
Stock of domestic (OTC) listed companies - Global Views Commonwealth Publishing Group		5,796	6,428
Stock of domestic (OTC) listed companies - Taiwan Calcom International Computer Graphic Co., Ltd.		-	-
Total	$	601,956	461,751

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. As the consolidated company designated the investment in equity instrument listed above as measured at fair value through other comprehensive gain or loss, the dividend income recognized in 2024 and 2023 were NTD 21,577 thousand and NTD 20,852 thousand respectively.
3. The consolidated company did not dispose of strategic investment in 2024 and 2023, and the accumulated gain or loss during that period was not transferred within the equity.
4. None of the financial assets of the consolidated company has been provided as a collateral guarantee.
5. 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

		2024.12.31	2023.12.31
Accounts receivable	$	1,449,251	948,123
Less: Loss allowance		-	(7,551)
	$	1,449,251	940,572

The consolidated company estimates the expected credit losses using the simplified 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:

	2024.12.31		
	Carrying amount of notes and accounts receivable	**Weighted average rate of expected credit losses**	**Allowance for expected credit losses during the duration**
Not past due	$ 1,449,251	-	-
Overdue for more than 90 days	-	100%	-
	$ 1,449,251		-

	2023.12.31		
	Carrying amount of notes and accounts receivable	**Weighted average rate of expected credit losses**	**Allowance for expected credit losses during the duration**
Not past due	$ 940,572	-	-
Overdue for more than 90 days	7,551	100%	7,551
	$ 948,123		7,551

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

	2024	2023
Opening balance	$ 7,551	7,551
Reversal of impairment loss	(7,551)	-
Closing balance	$ -	7,551

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

(V) Investment under equity method

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

	2024.12.31	2023.12.31
Readycom Information Services Co., Ltd.	$ 17,498	16,131

1. Affiliated enterprises

The consolidated company's share of the affiliated enterprise's profit or loss is as follows:

	2024	2023
Shares attributable to the consolidated company:		
The consolidated company's share of the affiliated	$ 1,367	1,739

	2024	2023
enterprise's net income for the period		

The consolidated company does not share any contingent liabilities of the associates with other investors, or have contingent liabilities arising from assuming the liabilities of the associates.

2. Guarantee

As of December 31, 2024 and 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	Transportation equipment	Other equipment	Total
Cost or recognized cost:					
Balance as of January 1, 2024	$ 115,630	27,635	-	101,152	244,417
Addition	-	-	720	10,411	11,131
Reclassification	-	-	-	1,124	1,124
Balance as of December 31, 2024	**$ 115,630**	**27,635**	**720**	**112,687**	**256,672**
Balance as of January 1, 2023	$ 115,630	27,635	-	79,287	222,552
Addition	-	-	-	15,164	15,164
Reclassified from prepayments	-	-	-	6,701	6,701
Balance as of December 31, 2023	**$ 115,630**	**27,635**	**-**	**101,152**	**244,417**
Depreciation and impairment loss:					
Balance as of January 1, 2024	$ 7,000	21,282	-	57,311	85,593
Depreciation in the current year	-	310	140	27,080	27,530
Balance as of December 31, 2024	**$ 7,000**	**21,592**	**140**	**84,391**	**113,123**
Balance as of January 1, 2023	$ 7,000	20,972	-	33,987	61,959
Depreciation in the current year	-	310	-	23,324	23,634
Balance as of December 31, 2023	**$ 7,000**	**21,282**	**-**	**57,311**	**85,593**

		Land	Buildings	Transportation equipment	Other equipment	Total
Carrying amount:						
December 31, 2024	$	108,630	6,043	580	28,296	143,549
January 1, 2023	$	108,630	6,663	-	45,300	160,593
December 31, 2023	$	108,630	6,353	-	43,841	158,824

Guarantee

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

(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		1,416	3,763	4,662	9,841
Transferred out - lease expiry		(5,744)	(1,542)	(4,262)	(11,548)
Balance as of December 31, 2024	$	13,637	12,368	11,949	37,954
Balance as of January 1, 2023	$	2,302	8,150	10,577	21,029
Addition		15,576	1,997	4,394	21,967
Reclassification		87	-	-	87
Transferred out - lease expiry		-	-	(3,422)	(3,422)
Balance as of December 31, 2023	$	17,965	10,147	11,549	39,661
Depreciation and impairment loss of right-of-use assets:					
Balance as of January 1, 2024	$	6,979	2,592	4,692	14,263
Depreciation in the current year		7,885	3,333	4,639	15,857
Transferred out - lease expiry		(5,744)	(1,542)	(4,262)	(11,548)
Balance as of December 31, 2024	$	9,120	4,383	5,069	18,572

	Land	Buildings	Transportation equipment	Total
Balance as of January 1, 2023	$ -	616	3,802	4,418
Depreciation in the current year	6,979	1,976	4,312	13,267
Transferred out - lease expiry	-	-	(3,422)	(3,422)
Balance as of December 31, 2023	$ 6,979	2,592	4,692	14,263
Book value:				
December 31, 2024	$ 4,517	7,985	6,880	19,382
January 1, 2023	$ 2,302	7,534	6,775	16,611
December 31, 2023	$ 10,986	7,555	6,857	25,398

(VIII) Investment property

	Land and buildings
Cost or recognized cost:	
Balance as of January 1, 2024	$ 61,682
Balance as of December 31, 2024	$ 61,682
Balance as of January 1, 2023	$ 61,682
Balance as of December 31, 2023	$ 61,682
Depreciation and impairment loss:	
Balance as of January 1, 2024	$ 13,225
Depreciation in the current year	232
Balance as of December 31, 2024	$ 13,457
Balance as of January 1, 2023	$ 12,993
Depreciation in the current year	232
Balance as of December 31, 2023	$ 13,225
Carrying amount:	
December 31, 2024	$ 48,225
January 1, 2023	$ 48,689
December 31, 2023	$ 48,457
Fair value:	
December 31, 2024	$ 90,662
December 31, 2023	$ 91,018

The fair value of investment property is based on the comprehensive valuation made by independent appraisers (with relevant professional qualifications recognized) or the consolidated company's comparative method (with reference to the real estate transaction quotation and the actual price registration information of the Ministry of the Interior). The input value used in the fair value valuation technique belongs to Class III.

The valuation of fair value is carried out under the income approach. If there is no current price in an active market, the valuation considers the estimated aggregate cash flows expected to be received from the lease of the property, and discounts it at a rate of return that reflects the specific risks inherent to the net cash flow to determine the value of the property. The rates of return adopted in 2024 and 2023 were 1.735% and 1.765%, respectively.

Please refer to Note 8 for the consolidated company's investment property provided as collateral for financing as of December 31, 2024 and 2023.

(IX) Short-term loans

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

	2024.12.31	2023.12.31
Unsecured bank borrowings	$ 100,000	100,000
Unused credit limit	$ 6,111,338	4,695,523
Interest rate range	1.79%	1.70%

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.

(X) Provisions

	Warranty
Balance as of January 1, 2024	$ 181,670
Liability reserve increased in the current period	14,244
Liability reserve used in the current period	(21,717)
Balance as of December 31, 2024	$ 174,197
Balance as of January 1, 2023	$ 183,236
Liability reserve increased in the current period	17,902
Liability reserve used in the current period	(19,468)
Balance as of December 31, 2023	$ 181,670

The consolidated company's warranty provision in 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 leases out its investment properties. Since it has not transferred almost all the risks and rewards attached to the ownership of the underlying assets, the lease contracts are classified as operating leases. Please refer to Note 6(8)

Investment properties.

The maturity analysis of lease payments is shown in the following table based on the total undiscounted lease payments to be received after the reporting date:

	2024.12.31	2023.12.31
Total undiscounted lease payments (less than one year)	$ 3,360	3,360

The rent income generated from the investment property was NTD 3,360 thousand in both 2024 and 2023; in addition, no significant maintenance and repair expense has been incurred.

(XII) Employee benefits

1. Defined benefit plan

The present value of the consolidated company's defined benefit obligation and the fair value of the plan assets are adjusted as follows:

	2024.12.31	2023.12.31
Present value of defined benefit obligation	$ 8,639	13,582
Fair value of plan assets	(18,826)	(20,529)
Net defined benefit obligation assets	$ (10,187)	(6,947)

The consolidated company's defined benefit plan is appropriated to the labor pension reserve account at the Bank of Taiwan. The retirement payment of each employee under the Labor Standards Act is calculated based on the bases earned for the years of service and the average salary six months prior to retirement.

(1) Composition of plan assets

The pension fund appropriated by the consolidated company in accordance with the Labor Standards Act is under the overall management of the Bureau of Labor Funds, Ministry of Labor. In accordance with the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund," the minimum income distributed each year in the final accounts for the use of the fund shall not be lower than the income calculated based on the local bank's two-year time deposit interest rate.

The consolidated company's labor pension fund account at the Bank of Taiwan is with a balance of NTD 18,826 thousand as of the reporting date. Information on the utilization of assets of the Labor Pension Fund, including fund yield rate and fund asset allocation, is disclosed on the website of the Bureau of Labor Funds, Ministry of Labor.

(2) Changes in the present value of definite benefit obligations

Changes in the present value of the consolidated company's defined benefit obligations as of 2024 and 2023 are as follows:

		2024	2023
Defined benefit obligation as of January 1	$	13,582	16,887
Current service cost and interest		170	211
Remeasurement of net defined benefit liabilities (assets)			
- Experience adjustment		(941)	(403)
Benefits paid by the plan		(4,172)	(3,113)
Defined benefit obligation as of December 31	$	8,639	13,582

(3) Changes in the fair value of plan assets

Changes in the fair value of the consolidated company's defined benefit plan assets in 2024 and 2023 are as follows:

		2024	2023
Fair value of the plan assets on January 1	$	20,529	22,707
Interest revenue		260	287
Remeasurement of net defined benefit liabilities (assets)			
- Return on plan assets (excluding interest for the current period)		1,856	189
Amount appropriated to the plan		353	459
Benefits paid by the plan		(4,172)	(3,113)
Fair value of the plan assets on December 31	$	18,826	20,529

(4) In 2024 and 2023, the consolidated company had no ceiling effect on the defined benefit plan assets.

(5) Expenses recognized in profit or loss

The expenses to be recognized in profit or loss by the consolidated company in 2024 and 2023 are as follows:

		2024	2023
Net interest of net defined benefit liabilities (assets)	$	(90)	(76)

Expenses are recognized as the following items in the statement of comprehensive income:

		2024	2023
Operating cost	$	(90)	(76)

(6) Remeasurement of net defined benefit liabilities (assets) recognized as other comprehensive income

The remeasurement of net defined benefit liabilities (assets) cumulatively recognized as other comprehensive income by the consolidated company as of

December 31, 2024 and 2023 is as follows:

		2024	2023
Accumulated balance on January 1	$	5,756	5,164
Recognized in current period		2,797	592
Accumulated balance on December 31	$	8,553	5,756

(7) Actuarial assumptions

The main actuarial assumptions used by the consolidated company at the end of the financial reporting date are as follows:

	2024.12.31	2023.12.31
Discount rate	1.50%	1.25%
Future salary increase	2.00%	2.00%

The consolidated company expects to have an amount of NT$353 thousand appropriated for the payment of the defined benefit plan within one year after the 2024 reporting date.

The weighted average duration of the defined benefit plan is 9.1 years.

(8) Sensitivity analysis

The impact of changes in major actuarial assumptions adopted on the reporting dates on December 31, 2024 and 2023 on the present value of defined benefit obligations is as follows:

		Effect on defined benefit obligations	
		Increase	Decrease
December 31, 2024			
Discount rate (changed by 0.25%)	$	(174)	178
Future salary increase (1% change)		742	(675)
December 31, 2023			
Discount rate (changed by 0.25%)		(321)	331
Future salary increase (1% change)		1,378	(1,237)

The above sensitivity analysis analyzes the impact of changes in a single assumption with other assumptions remaining unchanged. In practice, many changes in assumptions may be linked. The sensitivity analysis is consistent with the method used to calculate the net defined benefit liability in the Statement of Financial Position.

The methods and assumptions used in the preparation of the sensitivity analysis of the current period are the same as those used in the previous period.

2. Definite contribution plan

The consolidated company's defined contribution plan complies with the Labor Pension Act. An amount equivalent to 6% of the employee's monthly wage is appropriated to the individual labor pension account with the Bureau of Labor Insurance. Under this plan, after appropriating a fixed amount to the Bureau of Labor Insurance, the consolidated company has no legal or constructive obligation to make additional payments.

The consolidated company's pension expense under the defined contribution plan was NTD 26,157 thousand and NTD 26,104 thousand in 2024 and 2023, respectively; also, it had been appropriated to the Bureau of Labor Insurance.

3. Liabilities for short-term paid leave

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

		2024.12.31	2023.12.31
Short-term paid leave of absence	$	12,664	12,607

(XIII) Income tax

1. The details of income tax expenses of the consolidated company for 2024 and 2023 are as follows:

		2024	2023
Current income tax expense			
Occurred in the current period	$	205,694	243,827
Adjustment of the current income tax of the previous period		(190)	(209)
Imposition on undistributed earnings		20,585	20,899
		226,089	264,517
Deferred income tax expense			
Occurrence and reversal of temporary difference		3,026	7
Income tax expense	$	229,115	264,524

2. The relationship between the consolidated company's income tax expenses and net income before tax for 2024 and 2023 is adjusted as follows:

		2024	2023
Net income before tax	$	1,103,489	1,254,881
Income tax calculated in accordance with the domestic tax rate in the place where the Company is located		220,697	250,976
Adjustment of the current income tax of the previous period		(190)	(209)
Imposition on undistributed earnings		20,585	20,899
Tax-exempted income		(4,815)	(4,429)
Other		(7,162)	(2,713)
Total	$	229,115	264,524

3. Deferred income tax assets

(1) Unrecognized deferred income tax assets

The items that have not been recognized by the consolidated company as deferred income tax assets are as follows:

	2024.12.31	2023.12.31
Deductible temporary difference	$ 798	803

(2) Recognized deferred income tax assets

Movements in deferred income tax assets in 2024 and 2023 are as follows:

	Provision for liabilities	Employee bonus for unused vacation	Other	Total
January 1, 2024	$ 36,329	2,518	1,829	40,676
Recognized in the income statement	(1,489)	15	(1,552)	(3,026)
December 31, 2024	$ 34,840	2,533	277	37,650
January 1, 2023	$ 36,642	2,331	1,710	40,683
Recognized in the income statement	(313)	187	119	(7)
December 31, 2023	$ 36,329	2,518	1,829	40,676

4. The income tax returns of the consolidated company's profit-seeking business have been audited by the tax authorities up to 2022.

(XIV) Capital and other equity

The Company's authorized capital amounted to NTD 1,800,000 thousand on December 31, 2024 and 2023, respectively, with 180,000 thousand shares issued at NTD 10 par value per share. The above-mentioned authorized capital stock is of common stock, and the issued shares are 123,136 thousand and 120,722 thousand, respectively. All payments on the issued shares have been collected.

1. Issuance of common shares

On May 29, 2024 and June 2, 2023, respectively, the Company's general shareholders' meetings resolved to increase capital by earnings, amounting to NTD 24,144 thousand and NTD 40,824 thousand, at NTD 10 per share, respectively. There shares were 2,414 thousand and 4,082 thousand shares, respectively. The aforementioned capital increase was approved by the Financial Supervisory Commission, Executive Yuan on June 26, 2024 and July 3, 2023, respectively. The ex-rights base date is August 4, 2024 and August 2, 2023, and the relevant statutory registration procedures have been completed.

2. Capital reserve

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

		2024.12.31	2023.12.31
Issued stock premium	$	383,109	383,109
Premium of corporate bond conversion		130,766	130,766
Changes in net equity of affiliates and joint ventures recognized under the equity method		2,602	2,568
Overdue dividends received		895	754
Others		1,437	1,437
	$	518,809	518,634

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; the shareholders' meeting, on May 29, 2024, approved by resolution the 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:

	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		$ 507,030		524,877

The Company's board of directors on March 7, 2025 resolved the amount of cash dividends for the 2024 earnings appropriation proposal and proposed the amount of stock dividends for the 2024 earnings appropriation. The amount of dividends distributed to the shareholders is as follows:

	2024	
	Stock dividend rate (NTD)	**Amount**
Dividends distributed to common stock shareholders:		
Cash	$ 3.20	394,035
Stocks	0.60	73,882
Total		$ 467,917

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	140,174
Balance as of December 31, 2024	$ 381,918

		Unrealized gains or losses on financial assets at fair value through other comprehensive income
Balance as of January 1, 2023	$	129,294
Unrealized valuation profit or loss on financial assets measured at fair value through other comprehensive income		112,450
Balance as of December 31, 2023	**$**	**241,744**

(XV) Earnings per share

Calculations of the Company's 2024 and 2023 basic earnings per share and diluted earnings per share are as follows:

		2024	2023
Basic earnings per share			
Net profit attributable to the Company's common stock shareholders	**$**	**874,356**	**990,345**
Weighted average outstanding common stock		123,136	123,136
	$	**7.10**	**8.04**
Diluted earnings per share			
Net profit attributable to the Company's common stock shareholders	**$**	**874,356**	**990,345**
Weighted average outstanding common stock		123,136	123,136
Effect of potentially dilutive ordinary shares			
Effect of employee stock compensation		1,099	1,339
Weighted average outstanding common stock shares (after adjusting the potential dilutive effect of the common stock shares)		**124,235**	**124,475**
	$	**7.04**	**7.96**

(XVI) Revenue from customer contracts

1. Breakdown of revenue

		2024	2023
Timing of revenue recognition:			
Construction transferred over time	$	14,230,231	14,289,051
Services gradually transferred over time		3,918	3,360
	$	**14,234,149**	**14,292,411**

2. Contract balance

	2024.12.31	2023.12.31	2023.1.1
Notes and accounts receivable (including related party)	$ 1,885,760	1,653,628	2,476,004
Less: Loss allowance	-	(7,551)	(7,551)
Total	$ 1,885,760	1,646,077	2,468,453
Contract assets- construction project	$ 4,164,171	3,403,415	1,881,176
Less: Loss allowance	-	-	-
Total	$ 4,164,171	3,403,415	1,881,176
Contract liabilities- construction project	$ 2,428,654	2,103,184	1,533,575

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 in 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 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 2024 and 2023 employee remuneration is estimated to be NTD 62,966 thousand and NTD 86,063 thousand, respectively, and that directors' remuneration is NTD 23,672 thousand and NTD 27,319 thousand, respectively. The Company's net income before tax deducting employees' and directors' remuneration and multiplying it by the appropriation percentage of employees' remuneration and directors' remuneration set out in the Articles of Incorporation of the Company, which is reported as operating costs and operating expenses for 2024 and 2023. The amount of remuneration distributed to employees and directors as resolved by the above-mentioned board meeting is no different from the estimated amount in the Company's 2024 and 2023 parent company only financial statements. Please visit the MOPS for relevant information.

(XVIII) Non-operating income and expenses

1. Interest revenue

The interest income of the consolidated company for 2024 and 2023 is as follows:

	2024	2023
Bank deposits	$ 51,354	38,153

		2024	2023
Short-term bill interest income		11,985	13,521
Other interest income		2	1
	$	63,341	51,675

2. Other income

The consolidated company's other income as of 2024 and 2023 is as follows:

		2024	2023
Dividend income	$	24,542	22,583
Rental income		-	12
Other income		5,644	35
	$	30,186	22,630

3. Other gains and losses

The consolidated company's other gains and losses as of 2024 and 2023 are as follows:

		2024	2023
Gain (loss) on foreign currency exchange	$	217	(6)
Financial assets income measured at fair value through profit or loss		34,394	13,261
	$	34,611	13,255

4. Financial costs

Financial costs of the consolidated company in 2024 and 2023 are as follows:

		2024	2023
Interest expense			
Bank borrowings	$	3,319	4,235
Other		129	129
	$	3,448	4,364

(XIX) Financial instruments

1. Credit risk

(1) Credit risk exposure

The book value of financial assets represents the maximum credit risk exposure amount.

(2) Concentration of credit risk

The consolidated company's revenue in 2024 and 2023 were both derived from sales to domestic customers; the consolidated company's customers were concentrated in the construction industry and public construction industry, but mainly the customers in the group, companies with good credit and government agencies. Therefore, the consolidated company has no significant concentration of credit risk. The consolidated company still regularly evaluates the possibility of the recovery of accounts receivable and sets aside an allowance for bad debts. The bad debt losses are still within the management's expectation.

2. 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
December 31, 2024						
Non-derivative financial liabilities						
Unsecured bank borrowings	$ 100,000	101,193	101,193	-	-	-
Payable notes	307,839	307,839	307,839	-	-	-
Accounts payable	4,231,645	4,231,645	2,324,808	1,906,837	-	-
Other payables	353,984	353,984	353,984	-	-	-
Other current liabilities (lease liabilities)	9,356	9,578	9,578	-	-	-
Other non-current liabilities (lease liabilities)	9,561	10,515	-	6,464	393	3,658
	$ 5,012,385	**5,014,754**	**3,097,402**	**1,913,301**	**393**	**3,658**
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	-	-	-
Other non-current liabilities (lease liabilities)	9,984	10,997	-	6,749	393	3,855
	$ 5,214,878	**5,217,343**	**3,250,341**	**1,962,754**	**393**	**3,855**

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.

3. Interest rate analysis

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

The following sensitivity analysis is based on the interest rate risk exposure of the derivative and non-derivative instruments on the reporting date. The analysis of liabilities with floating interest rates is based on the assumption that the amount of liabilities outstanding on the reporting date has been outstanding throughout the year. The rate of change used in the consolidated company's internal reporting of interest rates to key management is an increase or decrease of 0.5%, which also represents management's assessment of the reasonably possible range of interest rates.

4. Other price 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:

	2024		2023	
Securities price on the reporting date	**Other comprehensive income after tax**	**Profit or loss after tax**	**Other comprehensive income after tax**	**Profit or loss after tax**
Up 10%	$ 59,616	11,129	45,532	7,690
Down 10%	$ (59,616)	(11,129)	(45,532)	(7,690)

5. 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:

	2024.12.31				
		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	$ 111,294	111,294	-	-	111,294
Financial assets measured at fair value through other comprehensive income	601,956	596,160	-	5,796	601,956
Financial assets measured at amortized cost					
Cash and cash equivalents	4,634,266	-	-	-	-
Notes receivable and accounts receivable (including related parties)	1,885,760	-	-	-	-
Other financial assets- Liquidity	901,938	-	-	-	-
Other financial assets- Non-current	8,480	-	-	-	-
Subtotal	7,430,444	-	-	-	-
Total	$ 8,143,694	707,454	-	5,796	713,250
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 100,000	-	-	-	-
Notes payable and accounts payable	4,539,484	-	-	-	-
Other current liabilities (lease liabilities)	9,356	-	-	-	-
Other non-current liabilities (lease	9,561	-	-	-	-

	2024.12.31				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
liabilities)					
Other payables	353,984	-	-	-	-
Total	$ 5,012,385	-	-	-	-

	2023.12.31				
		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	$ 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	$ 8,639,017	532,223	-	6,428	538,651
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 100,000	-	-	-	-
Notes payable and accounts payable	4,740,887	-	-	-	-
Other current liabilities (lease liabilities)	12,660	-	-	-	-
Other non-current liabilities (lease liabilities)	9,984	-	-	-	-
Other payables	351,347	-	-	-	-
Total	$ 5,214,878	-	-	-	-

(2) Quantitative information on the fair value measurement of significant unobservable inputs (Level 3)

The fair value of the consolidated company's financial assets classified as Level 3 is mainly due to the financial assets measured at fair value through other comprehensive income, and the fair value of the consolidated company is measured using the income method.

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

Non-derivative financial instruments

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

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

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

The shares of TWSE/TPEX listed companies are financial assets with standard terms and conditions and in the active market. The fair value is determined by reference to market quotations.

Except for the above-mentioned financial instruments with active markets, the fair value of the remaining financial instruments is obtained through valuation technique or by referring to the quotations of the counterparties. The fair value obtained through the valuation technique can be based on the current fair value of other financial instruments with similar conditions and characteristics, the discounted cash flow method or other valuation technique, including the value obtained by applying the model to the market information available on the consolidated reporting date. (e.g. reference yield curve of Taipei Exchange, average Reuters commercial paper interest rate quoted).

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

Equity instruments without public quotations: The fair value is estimated using the market comparable company method, and the main assumption is the investees' estimated earnings before tax, depreciation and amortization, and the earnings multiplier derived from the market quotations of comparable listed (OTC) companies as basis of measurement. The estimate has adjusted the effect of the discount due to the lack of market liquidity of the equity securities.

(4) Details of changes in Level 3

	Measured at fair value through other comprehensive income
	Equity instruments without public quotations
January 1, 2024	$ 6,428
December 31, 2024	$ 5,796
January 1, 2023	$ 6,766
December 31, 2023	$ 6,428

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 December 31, 2024 and 2023 are as follows:

	2024	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")	$ (632)	(338)

(XX) Financial risk management

1. Overview

The consolidated company is exposed to the following risks due to the use of financial instruments:

(1) Credit risk

(2) Liquidity risk

(3) Market risk

The consolidated company's risk exposure information and the objectives, policies and procedures of the consolidated company's risk measurement and management are disclosed in the notes. Please refer to the notes to the consolidated financial statements for further quantitative disclosure.

2. Risk management framework

(1) Risk management policies:

In the course of business operations, enterprises often encounter many uncertainties that may threaten business operations. In order to detect and control risks at an early stage, and reduce the losses caused by risks, sound risk management policies are required. The consolidated company's Board of Directors formulates overall risk management policies in accordance with the operating strategies, operating environment and department plans, which mainly include environmental aspects, internal and external operating procedures, and strategic decision-making. In addition, the board of directors should also submit risk management reports on various risk management decisions, tasks, supervision, and subsequent implementation, so that when the management can refer to past experience and come up with better solutions when faced with similar issues.

(2) Organizational structure for risk management:

Each level or department in the consolidated company is responsible for the risks. Once any abnormal situation is found, it should be reported to the Audit Office or senior management immediately, and a solution should be sought for as soon as possible. The decision-maker should also take action in the shortest time possible.

The organizational structure of risk management is as follows:

Name of the organization	Scope of responsibility
Board of Directors	Formulate a risk management policy Ensure the effective operation of a risk management mechanism and allocate resources
Senior management	Implement risk management measures resolved by the board Coordinate inter-departmental risk management matters
Audit Department	Audit daily risk management operations Supervise risk management and report on the implementation status to the Board of Directors
Other departments	Aggregate the results of risk management activities Perform daily risk management operations Determine the type of risk and formulate a plan to cope depending on the changes in the environment

3. Credit risk

Credit risk is the risk of financial loss incurred by the consolidated company due to the failure of customers or financial instrument trading counterparts to fulfill contractual obligations, which mainly comes from the consolidated company's accounts receivable from customers and securities investment.

(1) Accounts receivable and other receivables

The consolidated company's credit risk exposure is mainly affected by the conditions of each individual customer. However, the management also considers the statistical data of the consolidated company's customer base, including the default risk of the industry and country of the customer, as these factors may affect credit risk. In order to reduce the credit risk of receivables, the consolidated company continuously evaluates the financial position of customers, and when necessary, requires the counterparty to provide collaterals or guarantees.

(2) Investment

The credit risk of bank deposits, fixed income investments and other financial instruments is measured and monitored by the consolidated company's Finance Department. As the counterparties of the consolidated company are financial institutions, corporations and government agencies with good credit standing and there is no significant performance concern, there is no significant credit risk.

(3) Guarantee

According to the consolidated company's policy, it can only provide financial guarantees to wholly owned subsidiaries and companies with whom we have business dealings. The endorsements/guarantees provided by the consolidated company as of December 31, 2023 and 2024 were both NTD 28,384 thousand.

4. Liquidity risk

Liquidity risk is the risk that the consolidated company may not be able to deliver cash or other financial assets to settle financial liabilities and fail to fulfill related obligations. The consolidated company manages liquidity by ensuring that, under normal and stressed circumstances, the consolidated company has sufficient liquidity to meet its liabilities as they fall due, without incurring unacceptable losses or risk of damage to the consolidated company's reputation.

In general, the consolidated company ensures that it has sufficient cash to meet the expected operating expenditure needs, including the performance of financial obligations, but excluding potential effects that cannot be reasonably expected under extreme circumstances, such as natural disasters. In addition, the consolidated company's unused comprehensive borrowing facilities (including NTD loans, letters of credit and commercial paper facilities) as of December 31, 2024 and 2023 totaled NTD 6,411,338 thousand and NTD 4,845,523 thousand.

5. Market risk

Market risk refers to the risk that changes in market prices, such as exchange rates, interest rates, and equity instrument prices will affect the consolidated company's revenue or the value of financial instruments. The objective of market risk management is to control market risk exposure within the tolerable range and to optimize investment returns.

(1) Interest rate risk

The consolidated company's policy is to adopt a fixed interest rate basis for the risk exposure of borrowing interest rates. The Company achieves this objective by entering into fixed interest rate instruments and borrowing at floating interest rates in part through the use of interest rate swap contracts to avoid cash flow variations due to interest rate fluctuations.

(2) Other market price risks

The consolidated company is exposed to the equity price risk due to the investment in the listed equity securities. The equity investment is not held for trading but is a strategic investment. The consolidated company does not actively trade such investments, and the consolidated company's management manages risks by holding investment portfolios with different risks.

(XXI) Capital management

The objectives of the consolidated company's capital management are to ensure the ability to continue as a going concern, to continuously provide returns to shareholders and the interests of other stakeholders, and to maintain the optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to pay off liabilities.

Similar to the industry peers, the consolidated company manages capital based on the debt to equity ratio. The said ratio is net debt divided by total capital. Net liabilities are the total liabilities shown in the balance sheet less cash and cash equivalents. Total capital is all components of equity (i.e. capital stock, capital reserve, retained earnings, other equity and non-controlling interests) plus net liabilities.

The capital management strategy of the consolidated company in 2024 is consistent with that in 2023, in order to ensure the financing at reasonable cost. The debt capital ratios as of December 31, 2024 and 2023 are as follows:

	2024.12.31	**2023.12.31**
Total liabilities	$ 7,738,470	7,778,998
Less: Cash and cash equivalent	(4,634,266)	(5,262,388)
Net liabilities	3,104,204	2,516,610
Total equity	5,340,528	4,805,897
Adjusted capital	**$ 8,444,732**	**7,322,507**
Debt capital ratio	**37%**	**34%**

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

The non-cash transaction investing activities of the consolidated company in 2024 and 2023 are as follows:

	2024	**2023**
Purchase of property, plant and equipment	$ 11,131	15,164
Add: Payables for equipment, beginning	-	-
Less: Payables for equipment, ending	(236)	-
	$ 10,895	**15,164**

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:

		2024			
	Nature	Total contracting price	Estimated amount	Amount denominated in the current period	Revenue recognized in current period
Parent company - Kindom Development Corp.	Construction contracting	$ 16,495,076	7,593,328	3,216,800	3,275,121

		2023			
	Nature	Total contracting price	Estimated amount	Amount denominated in the current period	Revenue recognized in current period
Parent company - Kindom Development Corp.	Construction contracting	$ 13,579,853	5,896,180	2,761,509	3,006,589

(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 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:

Presentation item	Category of related party	2024.12.31	2023.12.31
Notes and accounts receivable	Parent company - Kindom Development Corp.	$ 436,509	705,505
Other payables	Parent company - Kindom Development Corp.	-	111
Contract assets	Parent company - Kindom Development Corp.	583,543	494,908
Contract assets (retained receivables)	Parent company - Kindom Development Corp.	372,459	139,652
Contract liabilities	Parent company - Kindom Development Corp.	39,846	66,810
		$ 1,432,357	1,406,986

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 December 31, 2024 and 2023.

4. Leases

The consolidated company leased an office building to its parent company, Kindom Development Corp., in 2024 and 2023, 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 were both NTD 3,360 thousand for 2024 and 2023.

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

Development Corp. rented office buildings in 2024 and 2023 for a total contract value of NTD 575 thousand per month in both years. The rent expense for 2024 and 2023 is both NTD 6,571 thousand.

5. Others

(1) The consolidated company donated NTD 6,000 thousand and NTD 8,000 thousand to the "Kindom Yu San Education Foundation" in 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 December 31, 2023, NTD 150 thousand has been paid and the contract was terminated in 2023.

(3) The amounts of purchases paid by the consolidated company to other related parties during the period from January 1 to December 31, 2024 amounted to NTD 10,162 thousand.

(4) From January 1 to December 31, 2024 and 2023, the earnings distributed by the parent company, Kindom Development Corp., to the consolidated company were NTD 21,043 thousand and NTD 20,496 thousand, respectively.

(5) The provision of consulting services between the consolidated company and the related parties is as follows:

	2024		2023	
	Total contract price	**Revenue recognized in current period**	**Total contract price**	**Revenue recognized in current period**
The consolidated company provides to the parent company	$ 292	279	-	-
The consolidated company provides to other related party	292	279	-	-
	$ 584	**558**	**-**	**-**

	2024		2023	
	Total contract price	**Expenses recognized in the current period**	**Total contract price**	**Expenses recognized in the current period**
The parent company	**$ 4,815**	**4,586**	**3,000**	**2,857**

	2024		2023	
	Total contract price	**Expenses recognized in the current period**	**Total contract price**	**Expenses recognized in the current period**
provides to the consolidated company				

(IV) Transactions by key management personnel

Remuneration to key management personnel includes:

	2024	2023
Short-term employee benefits	$ 80,805	104,065
Post-employment benefits	1,497	223
	$ 82,302	104,288

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	2024.12.31	2023.12.31
Other financial assets - current	Construction deposits secured by loan facilities and restricted assets	$ 867,557	1,159,843
Property, plant and equipment, net	Guarantee of loan limit	99,400	99,400
Investment property, net	Guarantee of loan limit	48,225	48,457
		$ 1,015,182	1,307,700

IX. Significant contingent liabilities and unrecognized contractual commitments

(I) Significant unrecognized contractual commitments:

1. On December 31, 2024 and 2023, the consolidated company undertook medium and major projects for an aggregate amount of NTD 74,609,533 thousand and NTD 51,877,810 thousand, respectively, and received payments of NTD 30,545,559 thousand and NTD 22,943,300 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:

2024.12.31	2023.12.31
$ 5,068,287	3,397,844

3. As of December 31, 2023, the letter of credit issued but not used by the consolidated company amounted to US$1,008 thousand.

4. As approved by the Board of Directors on December 20, 2024 and December 29, 2023, the consolidated company commits to donate to Kindom Yu Shan Educational Foundation for $9,000 thousand and $6,000 thousand for the promotion of the Foundation's affairs for 2025 and 2024, respectively.

X. Losses from major disasters: None.

XI. Material events after the period: None.

XII. Others

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

By function / By nature	2024			2023		
	Attributable to operating costs	Classified as operating expenses	Total	Attributable to operating costs	Classified as operating expenses	Total
Employee benefit expense						
Salary expenses	$ 568,337	201,801	770,138	608,046	208,720	816,766
Labor and national health insurance expenses	53,141	17,175	70,316	50,663	17,341	68,004
Pension expense	19,291	8,072	27,363	19,748	6,280	26,028
Other employee benefit expenses	15,990	15,530	31,520	16,129	17,443	33,572
Depreciation expense	23,016	20,603	43,619	18,749	18,384	37,133
Depletion expense	-	-	-	-	-	-
Amortization expense	2,762	772	3,534	382	-	382

XIII. Disclosures in Notes

(I) Information on significant transactions

According to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the consolidated company shall further disclose the information of significant transactions in 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 amount of 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	$ 10,680,579	14,192	14,192	14,192	-	0.27%	10,680,579	-	Y	-
1	Dingtian Construction	Kindom Development Corp.	Parent and Subsidiary	57,915	14,192	14,192	14,192	-	24.50%	57,915	-	Y	-
1	〃	Kedge Construction	〃	8,687,263	1,376,500	1,376,500	1,376,500	-	2,376.76%	17,374,526	-	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 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				Highest shareholding or contribution during the period	Remarks
				Number of shares (thousand shares)	Carrying amount	Shareholding ratio	Fair value		
Kedge Construction	Stock - Kindom Development Corp.	Kedge Construction is a	Financial assets measured at	550	$ 27,995	0.10 %	27,995	0.10%	

Companies in possession	Type and name of marketable securities	Relationship with the securities issuer	Presentation account	End of period				Highest shareholding or contribution during the period	Remarks
				Number of shares (thousand shares)	Carrying amount	Shareholding ratio	Fair value		
		subsidiary of the company	fair value through other comprehensive income - non-current						
Jiequn Investment Co., Ltd.	Stock - Fubon Financial	-	Financial assets at fair value through profit or loss - current	621	56,096	- %	56,096	- %	
〃	Stock - Sinopac Holdings	-	〃	235	5,374	- %	5,374	- %	
〃	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	477,090	1.69 %	477,090	1.69%	
〃	Stock - Fubon Financial Preferred Shares C (FBFHCPSC)	-	〃	11	582	- %	582	- %	
〃	Stock - Taiwan Calcom International Computer Graphic Co., Ltd.	-	〃	405	-	0.78 %	-	0.78%	
Kuan Ching Electromechanical	Stock - Kindom Development Corp.	Guanqing Electromechanical Co., Ltd. is a sub-subsidiary of the company	〃	1,768	89,976	0.32 %	89,976	0.32%	
〃	Stock - Fubon Financial Preferred Shares C (FBFHCPSC)	-	〃	10	517	- %	517	- %	
〃	Stock - Global Views Commonwealth Publishing Group	-	〃	177	5,796	0.59 %	5,796	0.59%	
〃	Stock - Fubon Financial	-	Financial assets at fair value through profit or loss - current	552	49,824	- %	49,824	- %	

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	$ (3,155,716	(21.99)%	The monthly payment collection according to the contract is generally slightly longer.	Equivalent	Slightly longer than general	794,562	18.56%	

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	$ 794,562	3.93	-	-	132,707	-

9. Engagement in derivative transactions: None.

10. Business relationships and important transactions between the parent company and its subsidiaries:

Serial number	Trader's Name	Trading counterpart	Relationship with the counterparty	Transactions with each other			
				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	$ 71,336	Equivalent to general transaction	0.55%
0	〃	〃	1	Contract assets	369	〃	-%
0	〃	〃	1	Accounts payable	14,225	〃	0.11%
0	〃	〃	1	Operating cost	491,426	〃	3.45%
0	〃	Dingtian Construction Co., Ltd.	1	Contract liabilities	783	〃	0.01%
0	〃	〃	1	Contract assets	50	〃	-%
0	〃	〃	1	Payable notes	1,525	〃	0.01%
0	〃	〃	1	Accounts payable	22,833	〃	0.17%
0	〃	〃	1	Operating cost	46,641	〃	0.33%
1	Kuan Ching Electromechanical	Kedge Construction Co., Ltd.	2	Contract assets	71,336	〃	0.55%
1	〃	〃	2	Contract liabilities	369	〃	-%
1	〃	〃	2	Accounts receivable	14,225	〃	0.11%
1	〃	〃	2	Operating revenue	491,426	〃	3.45%
2	Dingtian Construction Co., Ltd.	Kedge Construction Co., Ltd.	2	Contract assets	783	〃	0.01%
2	〃	〃	2	Contract liabilities	50	〃	-%
2	〃	〃	2	Notes receivable	1,525		0.01%
2	〃	〃	2	Accounts receivable	22,833	〃	0.17%
2	〃	〃	2	Operating revenue	46,641	〃	0.33%

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 in 2024 is as follows:

Unit: NTD Thousand/Thousand shares

Name of Investor	Name of investee	Location of the Company	Main business items	Initial investment amount		Held at end of period			Highest shareholding or contribution during the 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%	702,775	99.98%	37,697	37,689	Subsidiary
Kedge Construction	Kuan Ching Electromechanical	Taiwan	Electrical Appliance Installation and Fire Safety Equipment Installation Engineering	81,326	81,326	7,748	99.97%	316,853	99.97%	35,966	35,956	〃
Jiequn Investment Co., Ltd.	Dingtian Construction	Taiwan	Comprehensive Construction Activities, etc.	16,500	16,500	-	30.00%	17,374	30.00%	2,641	792	Sub-subsidiary
Kuan Ching Electromechanical	Dingtian Construction	Taiwan	Comprehensive Construction Activities, etc.	11,105	11,105	-	70.00%	40,541	70.00%	2,641	1,849	〃
Dingtian Construction	Readycom Information Services Co., Ltd.	Taiwan	IT software service and management consulting	15,000	15,000	1,400	46.67%	17,498	46.67%	2,930	1,367	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

Shares of Stock Name of major shareholder	Number of shares held	Shareholding ratio
Kindom Development Co., Ltd.	42,093,444	34.18%
Yu-De Investment Co., Ltd.	10,202,378	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.