

**RUN LONG CONSTRUCTION CO., LTD.
AND SUBSIDIARIES**
Consolidated Financial Statements
With Independent Auditors' Review Report
For the Three Months Ended March 31, 2024 and 2023

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The independent auditors' report and the accompanying consolidated 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 independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of Run Long Construction Co., Ltd.:

Introduction

We have reviewed the consolidated financial statements of Run Long Construction Co., Ltd. and its subsidiaries, which comprise the consolidated balance sheets as of March 31, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. It is the responsibility of the management to prepare and ensure fair presentation of consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the version of IAS 34 - "Interim Financial Reporting" approved and published by the Financial Supervisory Commission. Our responsibility as auditor is to form a conclusion based on our review.

Scope of Review

We, the auditors, have performed the review in accordance with Standards on Review Engagements No. 2410 - "Financial Statement Review." The procedures executed in our review of consolidated financial statements include inquiry (mainly with employees responsible for financial and accounting affairs), analysis and other review-related processes. The scope of financial statement review is significantly smaller than a financial statement audit, therefore we may not be able to detect all material issues through the steps we have taken, and are therefore unable to provide an audit opinion.

Conclusion

Based on the outcome of our review, none of the material disclosures of the consolidated financial statements mentioned above exhibited any misstatement that did not conform with Regulations Governing the Preparation of Financial Reports by Securities Issuers or the version of IAS 34 - "Interim Financial Reporting" approved by the Financial Supervisory Commission, or compromised the fair view of the consolidated financial position of Run Long Construction Co., Ltd. and subsidiaries as of March 31, 2024 and 2023, and consolidated business performance and cash flow for the three months ended March 31, 2024 and 2023.

The engagement partners on the reviews resulting in this independent auditors' review report are Han, Yi-Lien and Tseng, Kuo-Yang.

KPMG

Taipei, Taiwan (Republic of China)

May 13, 2024

Notes to Readers

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

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

RUN LONG CONSTRUCTION CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2024 and 2023

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

		Three Months Ended March 31			
		2024		2023	
		Amount	%	Amount	%
Operating Revenues (notes 6(n), (s) and 7):					
4511	Construction revenue	\$ 1,316,234	98	3,038,889	99
4521	Engineering service revenue	26,051	2	22,547	1
4800	Other operating revenue	5,834	-	4,436	-
		<u>1,348,119</u>	<u>100</u>	<u>3,065,872</u>	<u>100</u>
5000	Operating costs (note 7)	<u>721,241</u>	<u>53</u>	<u>1,639,094</u>	<u>53</u>
	Gross profit from operations	<u>626,878</u>	<u>47</u>	<u>1,426,778</u>	<u>47</u>
Operating expenses:					
6100	Selling expenses (notes 6(h), (t) and 7)	105,218	8	257,866	8
6200	Administrative expenses (note 6(t))	70,202	5	63,938	2
		<u>175,420</u>	<u>13</u>	<u>321,804</u>	<u>10</u>
	Operating income	<u>451,458</u>	<u>34</u>	<u>1,104,974</u>	<u>37</u>
Non-operating income and expenses (notes 6(u) and 7):					
7100	Interest income	5,459	-	388	-
7010	Other income	15,222	1	2,494	-
7020	Other gains and losses	7,833	1	8,167	-
7050	Finance costs	(26,509)	(2)	(47,968)	(2)
		<u>2,005</u>	<u>-</u>	<u>(36,919)</u>	<u>(2)</u>
	Profit from continuing operations before tax	<u>453,463</u>	<u>34</u>	<u>1,068,055</u>	<u>35</u>
7950	Less: Income tax expenses (note 6(p))	<u>115,765</u>	<u>9</u>	<u>213,370</u>	<u>7</u>
	Profit	<u>337,698</u>	<u>25</u>	<u>854,685</u>	<u>28</u>
8300	Other comprehensive income:				
8310	Components of other comprehensive income that				
	will not be reclassified to profit or loss				
8316	Unrealized gains from (losses on) investments in equity instruments measured at fair value through other comprehensive income	802	-	12,292	-
8300	Other comprehensive income (net after tax)	<u>802</u>	<u>-</u>	<u>12,292</u>	<u>-</u>
8500	Total comprehensive income	<u>\$ 338,500</u>	<u>25</u>	<u>866,977</u>	<u>28</u>
Earnings per share (note 6(r))					
9750	Basic earnings per share (NT dollars)	<u>\$ 0.75</u>		<u>1.89</u>	
9850	Diluted earnings per share (NT dollars)	<u>\$ 0.75</u>		<u>1.89</u>	

(Please refer to the notes to consolidated financial statements afterwards)

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

RUN LONG CONSTRUCTION CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the three months ended March 31, 2024 and 2023

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

	Equity attributable to owners of parent					Total other equity interest	Total equity
	Share capital		Retained earnings			Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Total		
Balance on January 1, 2023	\$ 4,510,261	22,601	1,068,459	291,432	1,359,891	130,574	6,023,327
Profit	-	-	-	854,685	854,685	-	854,685
Other comprehensive income	-	-	-	-	-	12,292	12,292
Total comprehensive income	-	-	-	854,685	854,685	12,292	866,977
Appropriation and distribution of retained earnings:							
Cash dividends of ordinary share	-	-	-	(270,616)	(270,616)	-	(270,616)
Due to donated assets received	-	1,252	-	-	-	-	1,252
Balance on March 31, 2023	\$ 4,510,261	23,853	1,068,459	875,501	1,943,960	142,866	6,620,940
Balance on January 1, 2024	\$ 4,510,261	23,854	1,084,122	7,706,699	8,790,821	185,687	13,510,623
Profit	-	-	-	337,698	337,698	-	337,698
Other comprehensive income	-	-	-	-	-	802	802
Total comprehensive income	-	-	-	337,698	337,698	802	338,500
Appropriation and distribution of retained earnings:							
Cash dividends of ordinary share	-	-	-	(1,353,078)	(1,353,078)	-	(1,353,078)
Other changes in capital surplus	-	883	-	-	-	-	883
Balance on March 31, 2024	\$ 4,510,261	24,737	1,084,122	6,691,319	7,775,441	186,489	12,496,928

(Please refer to the notes to consolidated financial statements afterwards)

RUN LONG CONSTRUCTION CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the three months ended March 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)**

	Three Months Ended March 31	
	2024	2023
Cash flows from (used in) operating activities:		
Profit before tax	\$ 453,463	1,068,055
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation	14,556	13,260
Amortization	1,306	1,131
Interest expenses	26,509	47,968
Interest revenue	(5,459)	(388)
Dividend income	(8,026)	-
Gain on disposal of property, plant and equipment	(4)	-
Gain on lease modification	(8)	-
Total adjustments to reconcile profit (loss)	28,874	61,971
Changes in operating assets and liabilities:		
Decrease in contract assets	27,437	36,510
Decrease (increase) in notes receivable	37,098 (15,182)
Increase in accounts receivable	(787,881)	(559,862)
Increase in other receivables	(8,229)	(79)
Decrease (increase) in inventories (construction)	(1,938,273)	412,797
Decrease (increase) in prepayments	(75,978)	14,452
Decrease in other current assets	6,786	17,357
Decrease (increase) in other financial assets - current	324,377 (76,310)
Decrease (increase) in assets recognized as incremental costs to obtain contract with customers	(168,705)	85,831
Decrease (increase) in other financial assets - non-current	(1,460)	185
Increase in other non-current assets	(15,932)	-
Increase in contract liabilities	435,553	31,754
Increase in notes payable	-	394
Decrease in accounts payable	(168,014)	(352,578)
Decrease in accounts payable to related parties	(1,081)	(29,400)
Increase (decrease) in other payables	10,997 (13,495)
Increase in provisions	4,784	8,457
Increase (decrease) in other current liabilities	(7,944)	218,713
Total adjustments	(2,297,591)	(158,485)
Cash inflow (outflow) generated from operations	(1,844,128)	909,570
Income taxes paid	(64,487)	(58,556)
Net cash flows from (used in) operating activities	(1,908,615)	851,014

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

RUN LONG CONSTRUCTION CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets (continued)

For the three months ended March 31, 2024 and 2023

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

	Three Months Ended March 31	
	2024	2023
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(488)	-
Proceeds from disposal of property, plant and equipment	4	-
Acquisition of intangible assets	(34)	(367)
Interest received	5,237	387
Net cash flows from investing activities	4,719	20
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	2,288,000	3,076,000
Decrease in short-term borrowings	(360,582)	(2,828,092)
Increase in short-term notes and bills payable	3,326,200	2,847,300
Decrease in short-term notes and bills payable	(3,458,600)	(2,693,800)
Proceeds from issuing bonds	2,000,000	-
Repayments of long-term borrowings	(6,429)	(6,335)
Payment of lease liabilities	(8,296)	(6,800)
Other financial assets - current	85,412	(400,127)
Other financial assets - non-current	(731,740)	(393,736)
Interest paid	(101,129)	(195,053)
Net cash flows from (used in) financing activities	3,032,836	(600,643)
Net increase in cash and cash equivalents	1,128,940	250,391
Cash and cash equivalents at beginning of period	4,199,162	2,252,570
Cash and cash equivalents at end of period	\$ 5,328,102	2,502,961

(Please refer to the notes to consolidated financial statements afterwards)

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
RUN LONG CONSTRUCTION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
March 31, 2024 and 2023

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

(1) Company history

Run Long Construction Co., Ltd. (the "Company") was incorporated in January 1977 as a company limited by shares under the Company Act of the Republic of China (R.O.C.). The Company's registered address is 8F., No. 267, Lequn 2nd Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.). Shares of the Company were approved for listing by Taiwan Stock Exchange Corporation on August 3, 1994. The consolidated financial statements of the Company as of and for the period ended March 31, 2024 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The Group primarily engages in the business of construction, sale, and leasing of residential and commercial buildings.

(2) Approval date and procedures of the consolidated financial statements:

The accompanying consolidated financial statements were authorized for issue by the Board of Directors on May 13, 2024.

(3) New standards, amendments and interpretations adopted

- (a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

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

- (b) The impact of IFRS issued by IASB but not yet endorsed by the FSC

Below is a list of standards and interpretations amended and announced by International Accounting Standards Board (IASB) that are yet to be approved by FSC but may be relevant to the Group:

Standards or Interpretations	Content of amendments	Effective date per IASB
IFRS 18 - "Presentation and Disclosure in Financial Statements"	The new standards introduced three types of income, expense, and loss as well as two income statement subtotals and one footnote on management-defined performance measure. These three amendments and enhancements provide guidelines on how financial statement information can be classified to provide users with better and more consistent information, and will affect all companies.	January 1, 2027

**Notes to Consolidated Financial Statements of Run Long Construction Co., Ltd.
and Subsidiaries (continued)**

Standards or Interpretations	Content of amendments	Effective date per IASB
IFRS 18 - "Presentation and Disclosure in Financial Statements"	<ul style="list-style-type: none"> ● More structured income statement: The existing standards allow companies to present business outcomes using different formats, which makes it difficult for investors to compare financial performance across companies. The new standards introduce a more structured income statement along with a newly defined subtotal of "operating profit" and the need to classify all income, expenses, and losses into three different categories based on the company's main business activities. ● Management-defined performance measure (MPM): The new standards define the concept of MPM and require companies to explain in a financial statement footnote how each MPM provides useful information, how it is calculated, and how it can be reconciled with the amounts recognized according to IFRS/IAS. ● More detailed classification: The new standards provide guidelines on how companies can improve the grouping of information in financial statements. These guidelines also address whether information should be included in the main statements or presented in footnotes. 	January 1, 2027

The Group continues to evaluate how revisions of the above standards and interpretations affect its financial position and business performance. Outcomes of these assessments will be disclosed upon completion.

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"
- Amendments to IAS21 "Lack of Exchangeability"

**Notes to Consolidated Financial Statements of Run Long Construction Co., Ltd.
and Subsidiaries (continued)**

(4) Summary of material accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") and the version of International Accounting Standards No. 34 - "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission, R.O.C. The consolidated financial statements do not necessarily include all the information to be disclosed in full-year consolidated financial statements that are prepared in accordance with FSC-approved IFRS, IAS, and interpretations thereof (collectively referred to as "FSC-approved IFRS/IAS" below").

(b) Basis of consolidation

(i) Principles for preparing consolidated financial statements

The consolidated financial statements were prepared using the same principles as the 2023 consolidated financial statements. Except for notes 4(c) and 4(d) mentioned below, all significant accounting policies are identical to the 2023 consolidated financial statements. For more information, please refer to note 4 in the 2023 consolidated financial statements.

(ii) List of subsidiaries included in the consolidated financial statements

List of subsidiaries in the consolidated financial statements:

Name of investor	Subsidiaries	Principal activity	Shareholding			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
The company	Jin Jyun Construction Co., Ltd.	Construction, housing and building development rental services etc.	100.00%	100.00%	100.00%	

(iii) List of subsidiaries which are not included in the consolidated financial statements:
None.

(c) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as noncurrent:

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

**Notes to Consolidated Financial Statements of Run Long Construction Co., Ltd.
and Subsidiaries (continued)**

A liability is classified as current under one of the following criteria, and all other liabilities are classified as noncurrent:

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Group does not have the right to postpone settlement of the liability to more than 12 months after the end of the reporting period.

(d) Income tax

The Group measures and discloses income tax expenses for the interim period according to section B12 of IAS 34 - "Interim Financial Reporting."

Income tax expense is measured by multiplying interim profit before tax with the management's best estimate of effective tax rate for the year.

Where income tax expense is recognized directly in equity or other comprehensive income, the amount is measured using the temporary differences between asset/liability figures presented for financial reporting purpose and asset/liability figures used for taxation basis and the tax rate applicable at the time when assets/liabilities are expected to be realized/settled.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The management is required to make certain judgments, estimates, and assumptions when preparing consolidated financial statements that comply with FSC-approved IAS 34 - "Interim Financial Reporting." These judgments, estimates, and assumptions may affect the types of accounting policies adopted and amounts of asset, liability, income, and expense reported. Actual results may differ from these estimates.

The accounting policies and major sources of uncertainty to significant judgments, estimates, and assumptions involved in the preparation of the consolidated financial statements were identical to note 5 of the 2023 consolidated financial statements.

(6) Explanation of significant accounts

There was no significant difference in the explanation of significant accounts between the current consolidated financial statements and the 2023 consolidated financial statements, except for the matters discussed below. Please refer to note 6 of the 2023 consolidated financial statements for more details.

**Notes to Consolidated Financial Statements of Run Long Construction Co., Ltd.
and Subsidiaries (continued)**

(a) Cash and cash equivalents

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand and petty cash	\$ 1,296	1,165	608
Demand deposits (including foreign currency)	5,296,728	4,167,987	2,252,691
Check deposits	78	10	78
Time deposits	30,000	30,000	249,584
Cash and cash equivalents	\$ 5,328,102	4,199,162	2,502,961

Please refer to note 6(v) for the disclosure of the Group's financial assets and liabilities interest risk and sensitivity analysis.

(b) Financial assets at fair value through other comprehensive income

	March 31, 2024	December 31, 2023	March 31, 2023
Equity investments at fair value through other comprehensive income:			
Stocks listed on domestic market	\$ 644,519	643,717	595,096

- (i) The Group designated the investments shown above as equity investment at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term for strategic purposes and not hold for sale.

During the three months ended March 31, 2024 and 2023, the dividends of \$8,026 thousand and \$0, respectively, related to equity investments at fair value through other comprehensive income, were recognized;

- (ii) There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of March 31, 2024 and 2023.
- (iii) For credit risk (including the impairment of the debt investment) and market risk, please refer to note 6(v).
- (iv) The financial assets at fair value through other comprehensive income of the Group had been pledged as collateral. Please refer to note 8.

(c) Note and account receivables, net

	March 31, 2024	December 31, 2023	March 31, 2023
Notes receivable	\$ 592,443	629,541	209,802
Trade receivables-measured as amortized cost	885,790	97,909	1,722,339
Total	\$ 1,478,233	727,450	1,932,141

**Notes to Consolidated Financial Statements of Run Long Construction Co., Ltd.
and Subsidiaries (continued)**

- (i) The Group applies the simplified approach to provide for its expected credit losses, i.e. expected loss provision over the useful life, for all note and account receivables measured at amortized cost. To measure the expected credit losses, note and trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward looking information.
- (ii) The expected credit losses of the note receivables and trade receivables were as follows:

March 31, 2024			
	Gross carrying amount	Weighted-average loss rate	Loss allowance Provision
Current	\$ 1,478,233	-	-
December 31, 2023			
	Gross carrying amount	Weighted-average loss rate	Loss allowance Provision
Current	\$ 727,450	-	-
March 31, 2023			
	Gross carrying amount	Weighted-average loss rate	Loss allowance Provision
Current	\$ 1,932,141	-	-

For the three months ended March 31, 2024 and 2023, there were no expected credit losses recognized or reversed.

As of March 31, 2024, December 31, 2023, and March 31, 2023, note receivables had been pledged as collateral; please refer to note 8.

- (d) Inventories

	March 31, 2024	December 31, 2023	March 31, 2023
Prepaid for land purchase	\$ 444,689	-	-
Land held for construction sites	1,210,884	701,934	701,934
Construction in progress	19,509,348	22,344,932	30,443,088
Properties and land held for sale	5,915,554	2,032,696	4,173,989
Total	\$ 27,080,475	25,079,562	35,319,011

For the three months ended March 31, 2024 and 2023, there were no write-offs or reversals of inventories.

For the three months ended March 31, 2024 and 2023, the cost of inventory recognized as cost of goods sold and expense were \$692,957 thousand and \$1,614,774 thousand, respectively.

For the three months ended March 31, 2024, the Group changed the usage of partial assets, and reclassified properties and land held for sale to investment property according to definition of investment property. Please see note 6(g) for details.

**Notes to Consolidated Financial Statements of Run Long Construction Co., Ltd.
and Subsidiaries (continued)**

For the three months ended March 31, 2024 and 2023, construction in progress of the Group were calculated using a capitalization rate 2.23% and 2.34%, respectively. Please see note 6(u) for the amounts of interest capitalized.

The inventories of the Group had been pledged as collateral, please refer to note 8.

(e) Property, plant and equipment

	Land (Including improvement)	Buildings and construction	Machinery and equipment	Other equipment (Including transportation, office, leased improvements and other equipment)	Construction in progress	Total
Carrying amounts:						
January 1, 2024	\$ 208,180	3,008	425	15,301	2,720	229,634
March 31, 2024	\$ 208,133	2,690	389	14,497	2,720	228,429
January 1, 2023	\$ 208,323	4,035	672	19,057	-	232,087
March 31, 2023	\$ 208,180	3,660	566	17,692	-	230,098

There was no significant addition, disposal, impairment, or impairment reversal of the Group's property, plant, and equipment for the three months ended March 31, 2024 and 2023. Please refer to note 12(a) for depreciation in the current period, and note 6(e) of the 2023 consolidated financial statements for other relevant information.

As of March 31, 2024, December 31, 2023, and March 31, 2023, the above-mentioned property, plant and equipment of the Group were not pledged as collateral.

(f) Right-of-use assets

The Group leases assets including land and buildings. Information about leases for which the Group as a lessee was presented below:

	Land	Buildings and construction	Total
Carrying amounts:			
January 1, 2024	\$ 8,686	70,783	79,469
March 31, 2024	\$ 5,175	63,851	69,026
January 1, 2023	\$ 2,885	98,511	101,396
March 31, 2023	\$ 2,711	91,579	94,290

There was no significant addition, disposal, impairment, or impairment reversal of the Group's right-of-use assets for the three months ended March 31, 2024 and 2023. Please refer to note 12(a) for depreciation in the current period, and note 6(f) of the 2023 consolidated financial statements for other relevant information.

**Notes to Consolidated Financial Statements of Run Long Construction Co., Ltd.
and Subsidiaries (continued)**

(g) Investment property

The information of investment properties of the Group were as follows:

	Land and improvement	Buildings and construction	Right-of-use assets-Land	Total
Cost:				
Balance on January 1, 2024	\$ 602,663	496,450	-	1,099,113
Transfer from inventory	20,418	13,916	-	34,334
Balance on March 31, 2024	\$ 623,081	510,366	-	1,133,447
Balance on January 1, 2023	\$ 501,764	434,920	73	936,757
Balance on March 31, 2023	\$ 501,764	434,920	73	936,757
Depreciation and Impairment:				
Balance on January 1, 2024	\$ -	44,295	-	44,295
Depreciation for the period	-	4,531	-	4,531
Balance on March 31, 2024	\$ -	48,826	-	48,826
Balance on January 1, 2023	\$ -	27,525	18	27,543
Depreciation for the period	-	4,162	3	4,165
Balance on March 31, 2023	\$ -	31,687	21	31,708
Carrying amounts:				
January 1, 2024	\$ 602,663	452,155	-	1,054,818
March 31, 2024	\$ 623,081	461,540	-	1,084,621
January 1, 2023	\$ 501,764	407,395	55	909,214
March 31, 2023	\$ 501,764	403,233	52	905,049

The investment property includes the Group's own assets and right-of-use assets held in recognition of lease rights and office buildings and parking lots leased to third parties under operating leases. Please refer to note 6(n) for more information.

Information on fair value of the Group's investment properties was not significantly different from note 6(g) of the 2023 consolidated financial statements.

Please refer to note 8 for details on the Group's investment properties that have been placed as collateral.

(h) Other financial assets and incremental costs of obtaining a contract

	March 31, 2024	December 31, 2023	March 31, 2023
Other current and non-current financial assets	\$ 9,703,769	9,380,358	6,348,116
Current incremental costs of obtaining a contract	1,098,659	929,954	1,478,240
Total	\$ 10,802,428	10,310,312	7,826,356

(i) Other financial assets

Other financial assets include certificate of deposit as collateral, trust account for presale of properties, endorsement and performance guarantee, corporate bonds and reserve account, and construction deposit.

**Notes to Consolidated Financial Statements of Run Long Construction Co., Ltd.
and Subsidiaries (continued)**

(ii) Current incremental costs of obtaining a contract

The Group expects that incremental commission fees paid to intermediaries, and the bonus for the internal sales department are recoverable. The Group has therefore capitalized them as contract costs. Capitalized commission fees are amortized when the related revenues are recognized. For the three months ended March 31, 2024 and 2023, the Group recognized \$79,498 thousand and \$200,393 thousand of selling expense, respectively.

(i) Short-term borrowings, notes and bills payable

The details of short-term borrowings, notes and bills payable of the Group were as follows:

March 31, 2024				
	Currency	interest rate	Maturity	Amount
Secured bank loans	TWD	2.12%~3.14%	2024~2029	\$ 10,317,519
Unsecured bank loans	TWD	2.38%~2.78%	2024~2027	709,000
Short-term notes and bills payable	TWD	1.50%~2.86%	2024	1,491,459
Total				<u><u>\$ 12,517,978</u></u>

December 31, 2023				
	Currency	interest rate	Maturity	Amount
Secured bank loans	TWD	2.01%~3.02%	2024~2027	\$ 8,511,688
Unsecured bank loans	TWD	2.25%~2.65%	2024~2027	587,000
Short-term notes and bills payable	TWD	1.52%~2.74%	2024	1,623,524
Total				<u><u>\$ 10,722,212</u></u>

March 31, 2023				
	Currency	interest rate	Maturity	Amount
Secured bank loans	TWD	2.01%~3.80%	2023~2027	\$ 21,428,917
Unsecured bank loans	TWD	2.05%~2.87%	2023~2027	1,444,000
Short-term notes and bills payable	TWD	1.46%~2.57%	2023	1,003,035
Total				<u><u>\$ 23,875,952</u></u>

(i) The issue of bank loan and repayment

For the three months ended March 31, 2024 and 2023, the incremental amounts were \$5,614,200 thousand and \$5,923,300 thousand, respectively; the repayment amounts were \$3,819,182 thousand and \$5,521,892 thousand, respectively.

(ii) Collateral for bank loans

The Group had pledged as collateral for bank loans, please refer to note 8.

**Notes to Consolidated Financial Statements of Run Long Construction Co., Ltd.
and Subsidiaries (continued)**

(j) Long-term borrowings/Long-term borrowings, current portion

The details of long-term borrowings of the Group were as follows:

March 31, 2024			
Currency	Interest Rate	Maturity	Amount
Secured bank loans	TWD	2.42%	2034
Less: current portion			\$ 287,085
Total			(25,943)
			\$ 261,142

December 31, 2023			
Currency	Interest Rate	Maturity	Amount
Secured bank loans	TWD	2.29%	2034
Less: current portion			\$ 293,514
Total			(25,938)
			\$ 267,576

March 31, 2023			
Currency	Interest Rate	Maturity	Amount
Secured bank loans	TWD	2.17%	2034
Less: current portion			\$ 312,589
Total			(25,504)
			\$ 287,085

1. Issue of bank loan and repayment

There was no addition for the three months ended March 31, 2024 and 2023, whereas the amounts of repayment were \$6,429 thousand and \$6,335 thousand, respectively.

2. Collateral for bank loans

The Group had pledged as collateral for bank loans, please refer to note 8.

(k) Bonds payable/Bonds payable current portion or puttable bonds

The details of the Group's bonds payable were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Secured ordinary bonds	\$ 11,900,000	9,900,000	9,900,000
Discount on bonds payable — unamortized amount	(27,780)	(31,536)	(48,007)
Ending balance: bonds payable	\$ 11,872,220	9,868,464	9,851,993
Secured ordinary corporate bond — current	\$ 5,882,647	5,871,596	-
Secured ordinary corporate bond — non-current	5,989,573	3,996,868	9,851,993
Total	\$ 11,872,220	9,868,464	9,851,993

- (i) The Group issued \$2,000,000 thousand of secured ordinary corporate bonds with 1.70% coupon rate and 5-year tenor in March 2024; there was no issuance, recall, or early repayment of corporate bonds payable between January 1 and March 31, 2023.

**Notes to Consolidated Financial Statements of Run Long Construction Co., Ltd.
and Subsidiaries (continued)**

(ii) The Group issued secured ordinary corporate bonds amounting to \$2,000,000 thousand, \$2,000,000 thousand, and \$5,900,000 thousand with coupon rates of 0.85%, 0.57%, and 0.78%-0.85% in April 2022, November 2021, and 2019, respectively. The tenor for corporate bonds above both was 5 years.

(iii) For the details of collateral of secured both ordinary corporate bonds, please refer to note 8.

(l) Lease liabilities

The carrying amount of lease liabilities were as follows :

	March 31, 2024	December 31, 2023	March 31, 2023
Current	\$ 31,433	33,977	29,123
Non-current	\$ 37,588	45,459	65,221

For the maturity analysis, please refer to note 6(v).

The amounts recognized in profit or loss were as follows:

	Three Months Ended March 31	
	2024	2023
Interest on lease liabilities	\$ 377	471
Expenses relating to short-term leases	\$ 1,745	5,379

The amounts recognized in the statement of cash flows for the Group were as follows :

	Three Months Ended March 31	
	2024	2023
Total cash outflow for leases	\$ 10,418	12,650

The Group sold and leased back its office buildings, and leased land for parking lot. The leases run for a period of 1.5-20 years. The Group also leases out its office equipment, reception center and outdoor advertising. These leases are short-term and leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(m) Provisions

	Warranty
Balance on January 1, 2024	\$ 72,308
Provisions made at current period	5,929
Provisions reversed at current period	(618)
Balance on March 31, 2024	\$ 77,619
Balance on January 1, 2023	\$ 43,015
Provisions made at current period	9,415
Balance on March 31, 2023	\$ 52,430

The Group's warranty provision is related to construction contract. The warranty measured by the historical record, the Group expects most of the liabilities will realize within 1-3 years after construction completion.

**Notes to Consolidated Financial Statements of Run Long Construction Co., Ltd.
and Subsidiaries (continued)**

(n) Operating lease

The Group leases out its investment property. The Group has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to note 6(g) for information about the operating leases of investment property.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date are as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Less than one year	\$ 23,912	23,828	16,653
One to two years	19,039	21,452	12,049
Two to three years	15,823	16,480	7,050
Three to four years	15,229	15,663	4,131
Four to five years	9,683	13,852	4,131
More than five years	-	-	2,001
Total undiscounted lease payments	\$ 83,686	91,275	46,015

For the three months ended March 31, 2024 and 2023, the Group's rental income from investment properties were \$5,834 thousand and \$4,436 thousand, respectively.

(o) Employee benefits

(i) Defined benefit plans

The Group's employee benefit liabilities were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Short-term paid leave liability	\$ 7,821	8,348	6,571

(ii) Defined contribution plans

The Group had recognized the following pension expenses for the defined contribution plan, and contributed them to the Bureau of Labor Insurance:

	Three Months Ended March 31	
	2024	2023
Operating cost	\$ 601	878
Selling expenses	306	331
Administrative expenses	1,461	1,179
Total	\$ 2,368	2,388

(p) Income tax

(i) Components of income tax expense:

	Three Months Ended March 31	
	2024	2023
Current tax expense		
Current period	\$ 52,836	156,693
Land value increment tax	63,992	58,560
	<u>116,828</u>	<u>215,253</u>
Deferred tax expense		
Origination and reversal of temporary differences	(1,063)	(1,883)
Tax expense	\$ 115,765	213,370

**Notes to Consolidated Financial Statements of Run Long Construction Co., Ltd.
and Subsidiaries (continued)**

(ii) Assessment of tax

Profit-seeking enterprise income tax filing of the company have been certified by the tax authority up to 2022, whereas domestic subsidiaries have had income tax filings certified up to 2021.

(q) Capital and other equity

There was no significant change in the Group's share capital and other equity between the periods January 1 to March 31, 2024 and 2023, except for the matters discussed below. Please refer to note 6(q) of the 2023 consolidated financial statements for more information.

(i) Capital surplus

The components of the capital surplus were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Premium on issuance of capital stock	\$ 12,021	12,021	12,021
Others	12,716	11,833	11,832
	<u>\$ 24,737</u>	<u>23,854</u>	<u>23,853</u>

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding. Furthermore, changes in other capital surplus represented the difference between acquisition price and book value of subsidiaries' shares and dividends that remain uncollected by shareholders past the deadline.

(ii) Retained earnings

In accordance with the Company's Articles of Incorporation, stipulates that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval. Before the distribution of dividends, the Company shall first take into consideration its operating environment, industry developments, and the long-term interests of stockholders, as well as its programs to maintain operating efficiency and meet its capital expenditure budget and financial goals in determining the stock or cash dividends to be paid. When distributing dividends, the Company determines the stock or cash dividends to be paid. The limit of dividend distribution is maintained between 10% and 100% of current-year earnings distribution. The cash dividends shall not be below 10% of total dividends.

**Notes to Consolidated Financial Statements of Run Long Construction Co., Ltd.
and Subsidiaries (continued)**

As the Company distributes all or part of dividends, or legal reserve, or capital with cash, the Company should hold a Board meeting to pass the resolution by more than half of the directors present at the Board meeting, which meeting requires a quorum of two thirds of all the directors present. The resolution should be submitted to the Shareholder's meeting.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

In accordance with the FSC, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of unappropriated earnings prior-period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

On March 26, 2024, the board of directors passed a resolution to distribute cash dividends out of 2023 earnings, raised a proposal to issue stock dividends out of 2023 earnings, and approved the distribution of 2022 earnings as resolved during the general meeting of shareholders held on June 13, 2023. Details of the dividends distributed are as follows:

	2023		2022	
	Amount Per Share (Dollars)	Amount	Amount Per Share (Dollars)	Amount
Dividends distributed to ordinary shareholders:				
Cash	\$ 3.00	1,353,078	0.60	270,616
Shares	12.00	5,412,314	-	-
Total		<u>\$ 6,765,392</u>		<u>270,616</u>

**Notes to Consolidated Financial Statements of Run Long Construction Co., Ltd.
and Subsidiaries (continued)**

(iii) Other equity items (net after tax)

	Unrealized Gains (Losses) From Financial Assets Measured At Fair Value Through Other Comprehensive Income
Balance on January 1, 2024	\$ 185,687
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	802
Balance on March 31, 2024	<u>\$ 186,489</u>
Balance on January 1, 2023	\$ 130,574
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	12,292
Balance on March 31, 2023	<u>\$ 142,866</u>

(r) Earnings per share

The calculations of basic and diluted earnings per share were as follows:

(i) Basic earnings per share

	Three Months Ended March 31	
	2024	2023
1) Profit attributable to ordinary shareholders of the Company	<u>\$ 337,698</u>	<u>854,685</u>
2) Weighted-average number of ordinary shares	<u>451,026</u>	<u>451,026</u>

(ii) Diluted earnings per share

	Three Months Ended March 31	
	2024	2023
1) Profit attributable to ordinary shareholders of the Company (diluted)	<u>\$ 337,698</u>	<u>854,685</u>
2) Weighted-average number of ordinary shares(basic)	451,026	451,026
Effect of restricted employee shares unvested	215	81
Weighted-average number of ordinary shares (after adjusting for dilutive effect of potential common shares)	<u>451,241</u>	<u>451,107</u>

(s) Revenue from contracts with customers

(i) Disaggregation of revenue

	Three Months Ended March 31 2024		
	Sales Of Real Estate Department	Construction Contractor Department	Total
Primary geographical markets:			
Taiwan	<u>\$ 1,322,068</u>	<u>26,051</u>	<u>1,348,119</u>
Major products/services lines:			
Sales revenue (sales of real estate)	\$ 1,316,234	-	1,316,234
Construction contracts	-	26,051	26,051
Other revenue	5,834	-	5,834
	<u>\$ 1,322,068</u>	<u>26,051</u>	<u>1,348,119</u>
Timing of revenue recognition:			
Revenue transferred over time	\$ 5,834	26,051	31,885
Products and services transferred at a point in time	1,316,234	-	1,316,234
Total	<u>\$ 1,322,068</u>	<u>26,051</u>	<u>1,348,119</u>

**Notes to Consolidated Financial Statements of Run Long Construction Co., Ltd.
and Subsidiaries (continued)**

Three Months Ended March 31 2023			
	Sales Of Real Estate Department	Construction Contractor Department	Total
Primary geographical markets:			
Taiwan	\$ 3,043,325	22,547	3,065,872
Major products/services lines:			
Sales revenue (sales of real estate)	\$ 3,038,889	-	3,038,889
Construction contracts	-	22,547	22,547
Other revenue	4,436	-	4,436
Total	\$ 3,043,325	22,547	3,065,872
Timing of revenue recognition:			
Revenue transferred over time	\$ 4,436	22,547	26,983
Products and services transferred at a point in time	3,038,889	-	3,038,889
Total	\$ 3,043,325	22,547	3,065,872
(ii) Contract balances			
	March 31, 2024	December 31, 2023	March 31, 2023
Contract assets - Construction	\$ 28	27,465	12,603
Less: Allowance for impairment	-	-	-
Total	\$ 28	27,465	12,603
Contract liabilities - Construction	\$ -	-	1
Contract liabilities - Sales of real estate	2,970,435	2,535,438	5,685,930
Contract liabilities - Advance receipt	1,227	671	279
Total	\$ 2,971,662	2,536,109	5,686,210

For details on accounts receivable and allowance for impairment, please refer to note 6(c).

The amount of revenue recognized for the three months ended March 31, 2024 and 2023 that was included in the contract liability—Sales of real estate balance at the beginning of the period were \$169,690 thousand and \$607,631 thousand, respectively. The major change in the balance of contract assets and liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received. There were no other significant changes for the three months ended March 31, 2024 and 2023.

(t) Employee and directors' remuneration

In accordance with the articles of incorporation, the Company should contribute no less than 0.1% of the profit as employee remuneration and less than 1% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

**Notes to Consolidated Financial Statements of Run Long Construction Co., Ltd.
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The Company had estimated employee remuneration at \$4,569 thousand and \$2,670 thousand, and director remuneration at \$2,285 thousand and \$1,602 thousand for the three months ended March 31, 2024 and 2023, respectively. These figures were estimated by multiplying the amount of profit before tax and before employee/director remuneration with the percentages of employee/director remuneration stated in the Articles of Incorporation, and are presented as operating expense for the respective periods. If a resolution is made by the meeting of Board of Directors to distribute employee remuneration by shares, the number of shares to be distributed will be calculated based on the closing price of the Company's ordinary shares, one day before the date of the meeting of Board of Directors.

For the years 2023 and 2022, the Company estimated employee remuneration at \$25,000 thousand and \$4,000 thousand, and directors' remuneration at \$10,000 thousand and \$1,500 thousand, respectively. These amounts were indifferent from the actual amounts paid. More information can be found on the Market Observation Post System.

(u) Non-operating income and expense

(i) Interest income

The details of interest income:

	Three Months Ended March 31	
	2024	2023
Interest income from construction refundable deposit	\$ 1	1
Interest income from bank deposit and bills	5,448	381
Others	10	6
	\$ 5,459	388

(ii) Other income

The details of other income:

	Three Months Ended March 31	
	2024	2023
Dividend income	\$ 8,026	-
Rent income	7,196	2,494
	\$ 15,222	2,494

(iii) Other gains and losses

The details of other gains and losses:

	Three Months Ended March 31	
	2024	2023
Gain on disposal of property, plant and equipment	\$ 4	-
Foreign exchange income	2	1
Gain on lease modification	8	-
Other income	8,372	8,175
Other expenses	(553)	(9)
	\$ 7,833	8,167

**Notes to Consolidated Financial Statements of Run Long Construction Co., Ltd.
and Subsidiaries (continued)**

(iv) Finance costs

The details of finance cost:

	Three Months Ended March 31	
	2024	2023
Interest expenses		
Bank loans and collateral	\$ 72,001	146,739
Guarantee fees	3,543	2,042
Interest on corporate bond (including fees)	47,562	47,191
Other financial expenses	377	471
Less: capitalized interest	(96,974)	(148,475)
	\$ 26,509	47,968

(v) Financial instruments

There was no significant change in the fair value of the Group's financial instruments or credit risk, liquidity risk, and market risk exposures arising from use of financial instruments, except for the matters discussed below. Please refer to note 6(v) of the 2023 consolidated financial statements for more information.

(i) Credit risk

1) Credit risk exposure

Maximum credit exposure of the financial instruments held in possession is represented by their carry amount.

2) Concentration of credit risk

The Group deals with a vast number of customers that are unrelated, hence there is limited degree of credit risk concentration.

3) Credit risk of receivables

For credit risk information on notes and accounts receivable and other non-current assets, please refer to Note 6(c).

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying Amount	Contractual Cash Flows	Within 1 Year	1-3 Years	3-5 Years	Over 5 Years
March 31, 2024						
Non derivative financial liabilities:						
Secured bank loans	\$ 10,604,604	11,219,850	2,927,869	6,469,728	1,662,057	160,196
Unsecured bank loans	709,000	743,473	368,162	81,990	293,321	-
Short-term notes and bills payable	1,491,459	1,494,600	1,494,600	-	-	-
Ordinary corporate bonds(including current portion)	11,872,220	12,221,020	6,011,220	2,124,800	4,085,000	-
Notes payable, accounts payable and other payables	5,017,794	5,017,794	5,017,794	-	-	-
Lease liabilities	69,021	70,659	31,476	38,323	137	723
	\$ 29,764,098	30,767,396	15,851,121	8,714,841	6,040,515	160,919

**Notes to Consolidated Financial Statements of Run Long Construction Co., Ltd.
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	Carrying Amount	Contractual Cash Flows	Within 1 Year	1-3 Years	3-5 Years	Over 5 Years
December 31, 2023						
Non derivative financial liabilities:						
Secured bank loans	\$ 8,805,202	9,258,752	3,002,023	5,087,064	1,002,326	167,339
Unsecured bank loans	587,000	607,539	427,181	8,689	171,669	-
Short-term notes and bills payable	1,623,524	1,627,000	1,627,000	-	-	-
Ordinary corporate bonds(including current portion)	9,868,464	10,051,020	5,977,220	2,056,800	2,017,000	-
Notes payable, accounts payable and other payables	3,801,678	3,801,678	3,801,678	-	-	-
Lease liabilities	79,436	81,491	34,076	46,555	137	723
	\$ 24,765,304	25,427,480	14,869,178	7,199,108	3,191,132	168,062
March 31, 2023						
Non derivative financial liabilities:						
Secured bank loans	\$ 21,741,506	22,735,566	6,978,779	11,926,596	3,638,561	191,630
Unsecured bank loans	1,444,000	1,478,400	1,294,778	8,689	174,933	-
Short-term notes and bills payable	1,003,035	1,005,200	1,005,200	-	-	-
Ordinary corporate bonds	9,851,993	10,128,240	77,220	6,005,620	4,045,400	-
Notes payable, accounts payable and other payables	2,823,101	2,823,101	2,823,101	-	-	-
Lease liabilities	94,344	97,458	29,162	58,440	9,132	724
	\$ 36,957,979	38,267,965	12,208,240	17,999,345	7,868,026	192,354

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Market risk

1) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. Interest rate sensitivity analyses are reported to the management by applying a variance of 0.5% above and below. This variance conforms with the management's expectation about the possible and reasonable range of interest rate variation.

If the interest rate had increased / decreased by 0.5%, the Group's interest expenses would have increased / decreased by \$14,144 thousand and \$28,986 thousand, respectively, for the periods from January 1 to March 31, 2024 and 2023, with all other variable factors remaining constant. After taking capitalized interest into account, net profit would have decreased or increased by \$3,036 thousand and \$7,078 thousand, respectively. This is mainly due to the Group's borrowing at variable rates.

2) Other market price risk

For the years ended March 31, 2024 and 2023, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

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Price Of Securities At Reporting Date	Three Months Ended March 31	
	2024	2023
	Other Comprehensive Income After Tax	Other Comprehensive Income After Tax
10% increase	\$ 64,452	59,510
10% decrease	(\$ 64,452)	(59,510)

(iv) Information of fair value

1) Valuation techniques for financial instruments measured at fair value

The fair value of financial assets and liabilities at fair value through profit or loss, and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	March 31, 2024				
	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	\$ 644,519	644,519	-	-	644,519
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 5,328,102	-	-	-	-
Notes and accounts receivable	1,478,233	-	-	-	-
Other receivables	18,381	-	-	-	-
Other financial assets - current	7,887,516	-	-	-	-
Other financial assets - non-current	1,816,253	-	-	-	-
Other non-current assets	17,376	-	-	-	-
Subtotal	16,545,861	-	-	-	-
Total	\$ 17,190,380	644,519	-	-	644,519
Financial liabilities measured at amortized cost					
Short-term loans	\$ 11,026,519	-	-	-	-
Short-term notes and bills payable	1,491,459	-	-	-	-
Notes payable, accounts payable and other payables	5,017,794	-	-	-	-
Lease liabilities	69,021	-	-	-	-
Corporate bonds payable(including current portion)	11,872,220	-	-	-	-
Long-term loans (including current portion)	287,085	-	-	-	-
Total	\$ 29,764,098	-	-	-	-

**Notes to Consolidated Financial Statements of Run Long Construction Co., Ltd.
and Subsidiaries (continued)**

		December 31, 2023				
		Carrying Amount	Fair Value			
			Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income						
Stocks listed on domestic markets	\$	643,717	643,717	-	-	643,717
Financial assets measured at amortized cost						
Cash and cash equivalents	\$	4,199,162	-	-	-	-
Notes and accounts receivable		727,450	-	-	-	-
Other receivables		1,904	-	-	-	-
Other financial assets - current		8,288,142	-	-	-	-
Other financial assets - non-current		1,092,216	-	-	-	-
Subtotal		14,308,874	-	-	-	-
Total	\$	14,952,591	643,717	-	-	643,717
Financial liabilities measured at amortized cost						
Short-term loans	\$	9,098,688	-	-	-	-
Short-term notes and bills payable		1,623,524	-	-	-	-
Notes payable, accounts payable and other payables		3,801,678	-	-	-	-
Lease liabilities		79,436	-	-	-	-
Corporate bonds payable(including current portion)		9,868,464	-	-	-	-
Long-term loans (including current portion)		293,514	-	-	-	-
Total	\$	24,765,304	-	-	-	-
		March 31, 2023				
		Carrying Amount	Fair value			
			Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income						
Stocks listed on domestic markets	\$	595,096	595,096	-	-	595,096
Financial assets measured at amortized cost						
Cash and cash equivalents	\$	2,502,961	-	-	-	-
Notes and accounts receivable		1,932,141	-	-	-	-
Other receivables		839	-	-	-	-
Other financial assets - current		2,396,353	-	-	-	-
Other financial assets - non-current		3,951,763	-	-	-	-
Subtotal		10,784,057	-	-	-	-
Total	\$	11,379,153	595,096	-	-	595,096
Financial liabilities measured at amortized cost						
Short-term loans	\$	22,872,917	-	-	-	-
Short-term notes and bills payable		1,003,035	-	-	-	-

**Notes to Consolidated Financial Statements of Run Long Construction Co., Ltd.
and Subsidiaries (continued)**

	March 31, 2023				
	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	Total
Notes payable, accounts payable and other payables	2,823,101	-	-	-	-
Lease liabilities	94,344	-	-	-	-
Corporate bonds payable (including current portion)	9,851,993	-	-	-	-
Long-term loans (including current portion)	312,589	-	-	-	-
Total	\$ 36,957,979	-	-	-	-

2) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

Financial instruments that are openly quoted in an active market will have fair value determined at the openly quoted price. Fair values of public-listed (OTC-traded) equity instruments and debt instruments openly quoted in active markets are determined using market prices quoted on major exchange and OTC center for actively traded government bonds.

A financial instrument is deemed to be openly quoted on an active market if reliable quotations (that are representative of transactions actually and frequently taking place in a fair market) can be obtained from stock exchange, brokers, underwriters, industry associations, pricing institutions, or the authority on a timely and frequent basis. A market is deemed inactive if it fails to satisfy the above conditions. Determining whether a market is active involves judgment.

Fair values and extents of financial instruments quoted in active markets are listed as follows:

Fair value of listed stocks and corporate bonds are determined by market prices, for they are issued with standard terms and conditions, and are quoted in active markets.

b) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models. Fair value of forward currency is usually determined by the forward currency exchange rate. Structured Interest Rate Derivatives financial instruments are based on appropriate option pricing models (such as the Black-Scholes model) or other evaluation methods.

The discounted cash flow method is used to estimate the fair value. The main assumptions are considering the probability of occurrence base on the surplus before the tax, interest, depreciation and amortization to estimate the price to be paid, and are estimated as the present value after discounting, whose discount rate is adjusted base on the risk.

**Notes to Consolidated Financial Statements of Run Long Construction Co., Ltd.
and Subsidiaries (continued)**

3) Transfers between levels

Stock held by the Group quoted in an active market is sorted to Level 1. There is no difference regarding valuation techniques for the three months ended March 31, 2024 and 2023. There was no transfer between levels measured at fair value for the three months ended March 31, 2024 and 2023.

(w) Financial risk management

There was no significant change in the Group's financial risk management goals and policies from those disclosed in Note 6(w) of the 2023 consolidated financial statements.

(x) Capital management

The Group's capital management goals, policies, and procedures were consistent with those disclosed in the 2023 consolidated financial statements. There was no change in the quantitative data used for capital management from that disclosed in the 2023 consolidated financial statements. Please see note 6(x) of the 2023 consolidated financial statements for more information.

(y) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow in the three months ended March 31, 2024 and 2023, were as follows:

1. Please refer to note 6(f) for right-of-use assets acquired through lease.

(7) Related-party transactions

(a) Parent company and ultimate controlling company

On March 31, 2024, December 31, 2023, and March 31, 2023, Guang Yang Investment Co., Ltd. (Guang Yang) is the parent company of the Group and both owned 6.37% of all shares outstanding of the Company. Chyi Yuh Construction Co., Ltd. is the parent company of Guang Yang. Highwealth Construction Corp. is the ultimate controlling party of the Group. It has issued Consolidated Financial Statements available for Public Use.

(b) Names and relationship with related party

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

Name Of Related Party	Relationship With The Group
Guang Yang Investment Co., Ltd.	Parent company of the Group
Chyi Yuh Construction Co., Ltd. (Chyi Yuh)	Parent company of Guang Yang Investment Co., Ltd.
Highwealth Construction Corp. (Highwealth)	Ultimate controlling company of the Group
Well Rich International Co., Ltd.	Same ultimate controlling company with the Group
Bo Yuan Construction Co., Ltd. (Bo Yuan)	"
Ju Feng Hotel Management Consultant Co., Ltd. (Ju Feng)	"
Highwealth Real Estate Co., Ltd.	"
Da Li Investment Co., Ltd.	Corporate director of the Group
Goyu Construction Co., Ltd	The entity is a joint venture under the parent company of the Group
A party of 5 including CHIU, ○○	Relatives by blood within the second degree of relationship of key management personnel of the Group
CHEN, ○	Relatives by blood within the second degree of relationship of key management personnel of the Group's ultimate parent

**Notes to Consolidated Financial Statements of Run Long Construction Co., Ltd.
and Subsidiaries (continued)**

(c) Significant transactions with related parties

(i) Operating revenue

For the three months ended March 31, 2024 and 2023, the Group's board of directors resolved to sell real estates to related parties in accordance with the employee purchase policy, which resulted in amount of \$0 to be recognized as sales revenue, and advance real estate receipts of \$3,280 thousand, \$0, and \$4,698 thousand to be recognized as contract liabilities on March 31, 2024, December 31, 2023, and March 31, 2023, respectively. The values of the above transactions were \$46,290 thousand, \$32,077 thousand, and \$32,078 thousand (all tax-inclusive), respectively. The collection terms were indifferent from non-related party transactions.

(ii) Purchase

- 1) The amounts of purchases from contract construction by the Group from related parties were as follows:

	Purchase (Charged)	
	Three Months Ended March 31	
	2024	2023
Other related parties	\$ 920	-

There were no significant differences of the price and conditions for related parties and ordinary contract mentioned above.

- 2) The Group commissioned related parties to administer construction properties. Administration fees were as follows:

	Expense Paid	
	Three Months Ended March 31	
	2024	2023
Parent company	\$ 371	371
Other related parties	-	559
	\$ 371	930

(iii) Receivables from related parties

The receivables from related parties were as follows:

Accounted Items	Categories	March 31, 2024	December 31, 2023	March 31, 2023
Other receivables	Parent company - Highwealth Construction Corp.	\$ 8,026	-	-
"	Parent company - Chyi Yuh Construction Co., Ltd.	-	449	-
"	Other related party - Highwealth Real Estate Co., Ltd.	4,540	-	95
		\$ 12,566	449	95

**Notes to Consolidated Financial Statements of Run Long Construction Co., Ltd.
and Subsidiaries (continued)**

(iv) Payables to related parties

The payables to related parties were as follows:

Accounted Items	Categories	March 31, 2024	December 31, 2023	March 31, 2023
Accounts payable	Parent company - Chyi Yuh Construction Co., Ltd.	\$ -	-	29,507
"	Other related party - Well Rich International Co., Ltd.	1,067	2,887	3,467
"	Other related parties	966	227	-
Other payables	Parent company	1,172	18	-
"	Other related party - Ju Feng Hotel Management Consultant Co., Ltd.	15,523	19,468	17,376
"	Other related parties	-	591	28
		\$ 18,728	23,191	50,378

(v) Leases

The leases between the Group and related parties were as follows:

1) Rent income

	Guarantee deposits			Rent income	
	March 31, 2024	December 31, 2023	March 31, 2023	Three Months Ended March 31	
				2024	2023
Parent company	\$ -	-	-	14	14
Other related parties:					
Bo Yuan	1,378	1,378	1,378	1,995	1,976
Highwealth Real Estate	200	200	-	4,726	96
Other related parties	-	-	-	10	10
	\$ 1,578	1,578	1,378	6,745	2,096

2) Rent expense

	Refundable deposits			Rent expense	
	March 31, 2024	December 31, 2023	March 31, 2023	Three Months Ended March 31	
				2024	2023
Parent company	\$ 215	215	215	449	1,478
Other related parties	140	140	140	194	194
	\$ 355	355	355	643	1,672

The Group had prepaid \$0, \$0, and \$5 thousand of rent to the parent company for the above leases as of March 31, 2024, December 31, 2023, and March 31, 2023, respectively.

**Notes to Consolidated Financial Statements of Run Long Construction Co., Ltd.
and Subsidiaries (continued)**

(vi) Others

- 1) As of March 31, 2024, December 31, 2023, and March 31, 2023, the Group's contracts with related parties for construction cooperation were as follows:

Property	Land Owner /Investor	Type	Portion	Construction Deposits
March 31, 2024				
Shih Zheng Ai Yue (Huei An section)	Parent company - Highwealth	Redistribution under cooperative construction	57%	Refundable deposits \$ 100,000 Refundable notes \$ 100,000
December 31, 2023				
Shih Zheng Ai Yue (Huei An section)	Parent company - Highwealth	Redistribution under cooperative construction	57%	Refundable deposits \$ 100,000 Refundable notes \$ 200,000
March 31, 2023				
Shih Zheng Ai Yue (Huei An section)	Parent company - Highwealth	Redistribution under cooperative construction	57%	Refundable deposits \$ 100,000 Refundable notes \$ 200,000

- 2) As of March 31, 2024, December 31, 2023, and March 31, 2023, the Group received guarantee notes of \$0, \$0, and \$61,001 thousand, respectively, from Chyi Yuh for construction contracts.
- 3) As of March 31, 2024, December 31, 2023, and March 31, 2023, the Group issued guarantee notes of \$0, \$0, and 64,351 thousand, respectively, to Highwealth for contracting project.
- 4) The Group commissioned related parties to sell real estate and administer the construction sites. Related consulting fees and commission and sales expense were as follows:

	Expense paid	
	Three Months Ended March 31	
	2024	2023
Parent company:		
Chyi Yuh	\$ 2,857	2,857
Other related parties:		
Other related parties	534	14,620
	\$ 3,391	17,477

(d) Key management personnel compensation

Key management personnel compensation comprised:

	Three Months Ended March 31	
	2024	2023
Short-term employee benefits	\$ 6,375	5,569

**Notes to Consolidated Financial Statements of Run Long Construction Co., Ltd.
and Subsidiaries (continued)**

(8) Pledged assets

The carrying values of pledged assets were as follows:

Pledged Assets	Object	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets at fair value through other comprehensive income-current	Bank loans	\$ 527,772	527,115	540,917
Notes receivable	Bank loans, short-term notes and bonds	608,324	627,831	208,845
Other financial assets-current and non-current	Trust account, performance guarantee, guarantees and endorsements, and bonds	8,814,213	8,392,288	5,835,831
Inventories (construction)	Bank loans, short-term notes and long-term borrowings	20,197,540	19,787,143	31,990,146
Investment property	Long-term borrowings and short-term bills payable	1,081,954	1,052,151	904,997
		\$ 31,229,803	30,386,528	39,480,736

As of March 31, 2024, December 31, 2023, and March 31, 2023, the book value of assets pledged for undrawn loan limits were \$2,390,315 thousand, \$4,598,488 thousand, and \$284,654 thousand, respectively. As of March 31, 2024, December 31, 2023, and March 31, 2023, the Group provided notes receivable of presale cases totaling \$1,770,188 thousand, \$1,525,139 thousand, and \$2,424,960 thousand, respectively, as collateral for the bank loan.

(9) Commitments and contingencies

(a) Unrecognized contractual commitments

- (i) Amount of signed contract and received amount from contracts for construction released, for properties sold in advance and sold after completion, were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Amounts of signed contracts	\$ 35,415,869	32,463,218	48,623,022
Received amount from contracts	\$ 2,970,435	2,535,437	5,685,930
Outstanding checks received from presale cases	\$ 2,937,801	2,782,497	2,578,407

- (ii) As of March 31, 2024, December 31, 2023, and March 31, 2023, the amount of refundable deposits placed for joint construction with land owners amounted to \$4,005,000 thousand, \$4,305,000 thousand, and \$625,000 thousand, respectively. For the above-mentioned joint construction projects, the Group will settle the amounts on dates agreed by both parties.
- (iii) As of March 31, 2024, December 31, 2023, and March 31, 2023, the contract price of administration services the Group provided to joint investors both were \$14,286 thousand, and the amounts received both were \$11,429 thousand on the above dates.

**Notes to Consolidated Financial Statements of Run Long Construction Co., Ltd.
and Subsidiaries (continued)**

- (iv) The Group had the following contractual commitments for inventory acquisition that were not recognized on balance sheet:

	March 31, 2024	December 31, 2023	March 31, 2023
Inventory acquisition (construction)	\$ 1,874,351	-	-

- (v) Construction contract price signed by subsidiaries was as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Amount of signed contracts	\$ 457	188,992	154,764
Received amount from contracts	\$ 457	143,128	89,687
Guarantee notes issued (Note 1)	\$ 1,972	2,458	68,559

Note 1: Includes guarantee notes issued to related parties, which amounted to \$0, \$0, and \$64,351 thousand as of March 31, 2024, December 31, 2023, and March 31, 2023, respectively.

(10) Losses due to major disasters: None

(11) Subsequent events: None

(12) Others

- (a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

Item	Three Months Ended March 31					
	2024			2023		
	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits						
Salary	19,915	30,232	50,147	26,460	34,223	60,683
Labor and health insurance	2,092	4,490	6,582	2,183	4,335	6,518
Pension	601	1,767	2,368	878	1,510	2,388
Others	409	2,379	2,788	640	3,227	3,867
Depreciation	4,906	9,650	14,556	4,472	8,788	13,260
Amortization	-	1,306	1,306	-	1,131	1,131

- (b) Seasonality of operations:

The Group's operations are not affected by seasonality or cyclicity.

- (c) Others

Regarding the fraud allegations against TSAI, TSUNG-PIN, the former chairman of the Group, in connection with the Kuobin Dayuan case, the Taipei District Prosecutors Office decided not to prosecute TSAI, TSUNG-PIN and others on December 21, 2016. However, after the plaintiff requested a review and the Taiwan High Prosecutors Office revoked the non-prosecution decision, the prosecutor filed charges of ordinary fraud against TSAI, TSUNG-PIN on January 5, 2023. The case is now being tried by the Taipei District Court, and the Group assesses that the aforementioned event has no significant impact on the financial operations of the Group.

**Notes to Consolidated Financial Statements of Run Long Construction Co., Ltd.
and Subsidiaries (continued)**

(13) Other disclosures

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the three months ended March 31, 2024:

(i) Loans to other parties: None

(ii) Guarantees and endorsements for other parties:

(Amount in Thousands of New Taiwan Dollars, Unless specified Otherwise)

No.	Name Of Guarantor	Counter-Party Of Guarantee And Endorsement		Limitation On Amount Of Guarantees And Endorsements For A Specific Enterprise	Highest Balance For Guarantees And Endorsements During The Period	Balance Of Guarantees And Endorsements As Of Reporting Date	Actual Usage Amount During The Period	Property Pledged For Guarantees And Endorsements (Amount)	Ratio Of Accumulated Amounts Of Guarantees And Endorsements To Net Worth Of The Latest Financial Statements	Maximum Amount For Guarantees And Endorsements	Parent Company Endorsements/ Guarantees To Third Parties On Behalf Of Parent Company	Subsidiary Endorsements/ Guarantees To Third Parties On Behalf Of Parent Company	Endorsements/Guarantees To Third Parties On Behalf Of Companies In Mainland China
		Name	Nature Of Relationship										
0	The company	Jin Jyun Construction Co., Ltd.	2	2,499,386	100,000	100,000	-	-	0.80%	6,248,464	Y	N	N
1	Jin Jyun Construction Co., Ltd.	The company	3	3,541,388	1,000,000	1,000,000	400,000	400,000	56.48%	7,082,776	N	Y	N

Note 1: The numbering is as follows:

- 1) "0" represents the company
- 2) Investees are sequentially numbered from 1 by company

Note 2: The relationship between the guaranteed and the guarantor are as follows:

- 1) Transactions between the companies.
- 2) The Company directly or indirectly holds more than 50% voting right.
- 3) When other companies directly or indirectly hold more than 50% voting rights of the Company.
- 4) The Company directly or indirectly holds more than 90% voting right.
- 5) A company that is mutually protected under contractual requirements based on the needs of the contractor.
- 6) A company that is endorsed by all the contributing shareholders in accordance with their shareholding ratio due to joint investment relationship.
- 7) Under the Consumer Protection Act, performance guarantees for pre-sale contracts for companies in the same industry.

Note 3: The Company endorsed the operation method for the total amount of guarantees and the limit for endorsement of a single enterprise:

- 1) The aggregate amount of endorsements and guarantees endorsed by the company and its subsidiaries shall not exceed 50% of the net value of the Company.
- 2) The aggregate amount of endorsements and guarantees endorsed by the company and its subsidiaries for a single enterprise shall not exceed 20% of the net value of the Company.

Note 4: Jin Jyun Construction Co., Ltd. endorsed the operation method for the total amount of guarantees and the limit for endorsement of a single enterprise:

- 1) The aggregate amount of endorsements and guarantees endorsed by the company shall not exceed 400% of the net value of the company.
- 2) The aggregate amount of endorsements and guarantees endorsed by the company for a single enterprise shall not exceed 200% of the net value of the company.

**Notes to Consolidated Financial Statements of Run Long Construction Co., Ltd.
and Subsidiaries (continued)**

- (iii) Securities held as of March 31, 2024 (excluding investment in subsidiaries, associates and joint ventures):

(Amount in Thousands of New Taiwan Dollars, Unless specified Otherwise)

Name Of Holder	Category And Name Of Security	Relationship With Company	Account Name	Ending Balance				Note
				Shares	Carrying Amount	Percentage Of Ownership (%)	Fair Value	
The company	Stock-Highwealth Construction Corp.	Ultimate Controlling company of the Company	Financial assets at fair value through other comprehensive income- current	16,052,801	644,519	0.85 %	644,519	

- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:

(Amount in Thousands of New Taiwan Dollars, Unless specified Otherwise)

Name Of Company	Name Of Property	Transaction Date	Transaction Amount	Status Of Payment	Counter-Party	Nature Of Relationship	If The Counter-Party Is A Related Party, Disclose The Previous Transfer Information				References For Determining Price	Purpose Of Acquisition And Current Condition	Others
							Owner	Relationship With The Company	Date Of Transfer	Amount			
The company	Jincheng Section, Anping District, Tainan City	February 26, 2024	591,881	525,350	Party of 10 including KUO	Not related parties	-	-	-	-	Appraisal	Construction	-
Jin Jyun Construction Co., Ltd.	Guoan Section, Annan District, Tainan City	March 29, 2024	2,265,750	453,150	Taipang Shoufu Construction Co., Ltd.	Not related parties	-	-	-	-	Appraisal	Construction	Note

Note: Includes floor area transfer expenses of \$125,470 thousand (tax-inclusive).

- (vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

(Amount in Thousands of New Taiwan Dollars, Unless specified Otherwise)

Name Of Company	Counter-Party	Nature Of Relationship	Transaction Details				Transactions With Terms Different From Others		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	Percentage Of Total Purchases/ Sales	Payment Terms	Unit Price	Payment Terms	Ending Balance	Percentage Of Total Notes/ Accounts Receivable (Payable)	
The company	Jin Jyun Construction Co., Ltd.	Subsidiary of the Company	Contracting project management fee	1,667,090	51.66%		-	-	(686,625)	(39.50)%	Note 2, Note 3
Jin Jyun Construction Co., Ltd.	The company	Parent company	Contracted project management responsibility	(652,736)	96.16%		-	-	686,625	97.41%	Note 1, Note 3

Note 1: The contracted company recognizes its construction revenue through percentage of completion method, and the amount of sales included.

Note 2: The contracting company records its import price through estimates of amount of purchase through number of trials.

Note 3: Reconciliated in the preparation of consolidated report.

**Notes to Consolidated Financial Statements of Run Long Construction Co., Ltd.
and Subsidiaries (continued)**

- (viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

(Amount in Thousands of New Taiwan Dollars, Unless specified Otherwise)

Name Of Company	Counter-Party	Nature Of Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received In Subsequent Period	Allowance For Bad Debts
					Amount	Action taken		
The company	Jin Jyun Construction Co., Ltd.	Subsidiary of the Company	100,024	Note	-	-	-	-
Jin Jyun Construction Co., Ltd.	The company	Parent company	686,625	4.10	-	-	285,232	-

Note: Mainly represents 2023 cash dividends, therefore is not subject to turnover rate calculation.

- (ix) Trading in derivative instruments: None.
- (x) Business relationships and significant intercompany transactions:

No.	Name Of Company	Name Of Counter-Party	Nature of relationship	Intercompany Transactions			
				Account Name	Amount	Trading Terms	Percentage Of The Consolidated Net Revenue Or Total Assets
0	The company	Jin Jyun Construction Co., Ltd.	1	Accounts payable	\$ 686,625	Same with peer terms	1.46%
			1	Operating cost	652,736	Same with peer terms	48.42%
1	Jin Jyun Construction Co., Ltd.	The company	2	Accounts receivable	686,625	Same with peer terms	1.46%
			2	Operating revenue	652,736	Same with peer terms	48.42%

Note 1: The numbering is as follows:

- 1) "0" represents the parent company.
- 2) Subsidiaries are sequentially numbered from 1 by company.

Note 2: Relation between related parties are as follows:

- 1) Parent company and its subsidiaries
- 2) Subsidiaries and its parent company

- (b) Information on investees:

The following is the information on investees for the three months ended March 31, 2024 (excluding information on investees in Mainland China):

(Amount in Thousands of New Taiwan Dollars, Unless specified Otherwise)

Name Of Investor	Name Of Investee	Location	Main Businesses And Products	Original Investment Amount		Balance As Of March 31, 2024			Net Income (Losses) Of Investee	Share Of Profits/ Losses Of Investee	Note
				March 31, 2024	December 31, 2023	Shares	Percentage Of Ownership	Carrying Amount			
Run Long Construction Co., Ltd.	Stock-Jin Jyun Construction Co., Ltd.	Taiwan	Construction, housing and building development rental services etc.	1,718,300	1,718,300	170,000,000	100.00%	1,551,973	16,021	(3,481)	

Note: Reconciliated in the preparation of consolidated report.

**Notes to Consolidated Financial Statements of Run Long Construction Co., Ltd.
and Subsidiaries (continued)**

(c) Information on investment in mainland China: None.

(d) Major shareholders:

(Expressed in shares)

Shareholding	Shares	Percentage
Shareholder's Name		
Ching Shr Ban Investment Co., Ltd.	44,419,740	9.84%
Shing Ri Sheng Investment Co., Ltd.	33,074,642	7.33%
Guang Yang Investment Co., Ltd.	28,759,103	6.37%
Ruen Ying Investment Co., Ltd.	26,929,302	5.97%
Wan Sheng Fa Investment Co., Ltd.	26,103,040	5.78%
Feng Rau Investment Co., Ltd.	24,426,382	5.41%
Highwealth Construction Corp.	23,698,288	5.25%

(14) Segment information

Information on the Group's segments and reconciliation:

	Developing Segment	Constructing Segment	Reconciliation And Elimination	Total
For the three months ended March 31, 2024				
Revenue:				
Revenue From External Customers	\$ 1,322,068	26,051	-	1,348,119
Intersegment	-	652,736 (652,736)	-
Total Revenue	<u>\$ 1,322,068</u>	<u>678,787 (</u>	<u>652,736)</u>	<u>1,348,119</u>
Reportable Segment Profit Or Loss	<u>\$ 450,072</u>	<u>19,413 (</u>	<u>16,022)</u>	<u>453,463</u>
	Developing Segment	Constructing Segment	Reconciliation And Elimination	Total
For the three months ended March 31, 2023				
Revenue:				
Revenue From External Customers	\$ 3,043,325	22,547	-	3,065,872
Intersegment	-	668,744 (668,744)	-
Total Revenue	<u>\$ 3,043,325</u>	<u>691,291 (</u>	<u>668,744)</u>	<u>3,065,872</u>
Reportable Segment Profit Or Loss	<u>\$ 1,063,890</u>	<u>22,599 (</u>	<u>18,434)</u>	<u>1,068,055</u>
Reportable Segment Assets				
March 31, 2024	<u>\$ 45,898,699</u>	<u>4,010,768 (</u>	<u>2,900,874)</u>	<u>47,008,593</u>
December 31, 2023	<u>\$ 40,800,707</u>	<u>4,233,342 (</u>	<u>2,495,289)</u>	<u>42,538,760</u>
March 31, 2023	<u>\$ 49,250,965</u>	<u>2,488,970 (</u>	<u>1,650,130)</u>	<u>50,089,805</u>