

**RUN LONG CONSTRUCTION CO., LTD.  
AND SUBSIDIARIES**  
**Consolidated Financial Statements**  
**With Independent Auditors' Review Report**  
**For the Nine Months Ended September 30, 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 September 30, 2024 and 2023, the consolidated statements of comprehensive income for the three months and nine months ended September 30, 2024 and 2023, the statements of changes in equity and cash flows for the nine months ended September 30, 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 September 30, 2024 and 2023, consolidated business performance for the three months and nine months ended 2024 and 2023, and cash flow for nine months ended September 30, 2024 and 2023.

KPMG

Taipei, Taiwan (Republic of China)

November 6, 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 Balance Sheets**

**As of September 30, 2024, December 31, 2023, and September 30, 2023**  
**(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)**

Assets		September 30, 2024		December 31, 2023		September 30, 2023				September 30, 2024		December 31, 2023		September 30, 2023	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
<b>Current assets:</b>								<b>Current liabilities:</b>							
1100	Cash and cash equivalents (note 6(a))	\$ 6,879,762	14	4,199,162	10	3,656,266	8	2100	Short-term borrowings (note 6(i))	\$ 14,540,560	29	9,098,688	21	14,288,661	31
1120	Current financial assets at fair value through other comprehensive income (notes 6(b) and 8)	796,379	2	643,717	2	627,563	1	2110	Short-term notes and bills payable (note 6(i))	1,693,860	4	1,623,524	4	1,553,566	3
								2130	Current contract liabilities (notes 6(s), 7 and 9)	3,447,059	7	2,536,109	6	3,252,790	7
1140	Current contract assets (note 6(s))	112	-	27,465	-	18,687	-	2150	Notes payable	-	-	-	-	244	-
1150	Notes receivable, net (notes 6(c) and 8)	539,219	1	629,541	1	610,054	1	2170	Accounts payable	2,259,610	5	2,954,759	7	2,558,677	5
1170	Accounts receivable, net (note 6(c))	64,709	-	97,909	-	3,427,208	7	2180	Accounts payable to related parties (note 7)	770	-	3,114	-	15,505	-
1200	Other receivables (note 6(v) and 7)	11,714	-	1,904	-	8,567	-	2200	Other payables (note 7)	2,169,723	4	843,805	2	1,226,840	3
1220	Tax assets in the current period	4,862	-	-	-	-	-	2230	Current tax liabilities (note 6(p))	113,544	-	1,419,784	3	1,163,820	2
1320	Inventories (for construction business) (notes 6(d), 7 and 8)	28,691,801	58	25,079,562	59	27,810,590	60	2250	Current provisions (notes 6(m) and (o))	76,034	-	80,656	-	76,105	-
1410	Prepayments	262,135	-	55,577	-	128,158	-	2280	Current lease liabilities (note 6(l))	59,391	-	33,977	-	29,125	-
1476	Other current financial assets (notes 6(h), 7 and 8)	6,774,887	14	8,288,142	20	6,380,238	14	2321	Bonds payable, current portion or puttable bonds (note 6(k))	1,894,552	4	5,871,596	14	3,989,328	9
1479	Other current assets, others	43,999	-	48,804	-	42,168	-	2322	Long-term borrowings, current portion (note 6(j))	26,251	-	25,938	-	25,791	-
1480	Current assets recognized as incremental costs to obtain contract with customers (note 6(h))	1,124,586	2	929,954	2	1,019,213	2	2399	Other current liabilities, others (note 7)	116,676	-	223,440	1	273,884	1
										26,398,030	53	24,715,390	58	28,454,336	61
		45,194,165	91	40,001,737	94	43,728,712	93	<b>Non-current liabilities:</b>							
<b>Non-current assets:</b>								2530	Bonds payable (note 6(k))	7,976,402	16	3,996,868	9	5,890,809	12
1600	Property, plant and equipment (notes 6(5))	225,460	-	229,634	1	227,451	1	2541	Long-term borrowings (note 6(j))	247,938	1	267,576	1	274,116	1
1755	Right-of-use assets (note 6(f))	82,593	-	79,469	-	80,426	-	2570	Deferred tax liabilities (note 6(p))	2,844	-	2,844	-	2,844	-
1760	Investment property, net (notes 6(g) and 8)	940,376	2	1,054,818	2	896,729	2	2580	Non-current lease liabilities (note 6(l))	23,636	-	45,459	-	51,490	-
1780	Intangible assets	16,945	-	16,934	-	17,953	-			8,250,820	17	4,312,747	10	6,219,259	13
1840	Deferred tax assets (note 6(p))	13,912	-	14,461	-	14,532	-	<b>Total liabilities</b>		34,648,850	70	29,028,137	68	34,673,595	74
1984	Other non-current financial assets, other (notes 6(h) and 8)	2,700,823	6	1,092,216	3	1,811,608	4	<b>Equity (note 6(q)):</b>							
1990	Other non-current assets, others (Note 6(v))	290,680	1	49,491	-	52,211	-	3110	Ordinary shares	4,510,261	9	4,510,261	11	4,510,261	10
		4,270,789	9	2,537,023	6	3,100,910	7	3150	Stock dividends to be distributed	5,412,314	11	-	-	-	-
								3200	Capital surplus	24,737	-	23,854	-	23,853	-
								3300	Retained earnings	4,530,443	9	8,790,821	21	7,446,580	16
								3400	Other equity interest	338,349	1	185,687	-	175,333	-
								<b>Total equity</b>		14,816,104	30	13,510,623	32	12,156,027	26
<b>Total assets</b>		<b>\$ 49,464,954</b>	<b>100</b>	<b>42,538,760</b>	<b>100</b>	<b>46,829,622</b>	<b>100</b>	<b>Total liabilities and equity</b>		<b>\$ 49,464,954</b>	<b>100</b>	<b>42,538,760</b>	<b>100</b>	<b>46,829,622</b>	<b>100</b>

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

**RUN LONG CONSTRUCTION CO., LTD. AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income**  
**For the Three Months and Nine Months Ended September 30, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)**

		For the three months ended September 30				For the nine months ended September 30			
		2024		2023		2024		2023	
		Amount	%	Amount	%	Amount	%	Amount	%
<b>Operating Revenues (notes 6(n), (s) and 7):</b>									
4511	Construction revenue	\$ 1,974,843	100	16,921,144	100	8,547,706	100	24,394,268	100
4521	Engineering service revenue	53	-	16,786	-	26,403	-	59,200	-
4800	Other operating revenue	5,518	-	4,568	-	17,076	-	13,447	-
		<u>1,980,414</u>	<u>100</u>	<u>16,942,498</u>	<u>100</u>	<u>8,591,185</u>	<u>100</u>	<u>24,466,915</u>	<u>100</u>
5000	<b>Operating costs (note 7)</b>	<u>1,202,862</u>	<u>61</u>	<u>11,189,573</u>	<u>66</u>	<u>4,680,003</u>	<u>54</u>	<u>15,140,065</u>	<u>62</u>
	<b>Gross profit from operations</b>	<u>777,552</u>	<u>39</u>	<u>5,752,925</u>	<u>34</u>	<u>3,911,182</u>	<u>46</u>	<u>9,326,850</u>	<u>38</u>
<b>Operating expenses:</b>									
6100	Selling expenses (notes 6(h), (t) and 7)	169,444	8	607,899	3	666,517	8	1,204,402	5
6200	Administrative expenses (note 6(t) and 7)	80,197	4	111,295	1	243,260	3	248,046	1
		<u>249,641</u>	<u>12</u>	<u>719,194</u>	<u>4</u>	<u>909,777</u>	<u>11</u>	<u>1,452,448</u>	<u>6</u>
	<b>Operating income</b>	<u>527,911</u>	<u>27</u>	<u>5,033,731</u>	<u>30</u>	<u>3,001,405</u>	<u>35</u>	<u>7,874,402</u>	<u>32</u>
<b>Non-operating income and expenses (notes 6(u) and 7):</b>									
7100	Interest income	6,201	-	2,082	-	42,704	-	20,901	-
7010	Other income	4,951	-	2,671	-	24,644	-	15,066	-
7020	Other gains and losses	24,628	1	10,787	-	42,978	1	32,581	-
7050	Finance costs	( 37,543)	( 2)	( 91,327)	-	( 88,879)	( 1)	( 200,856)	-
		<u>( 1,763)</u>	<u>( 1)</u>	<u>( 75,787)</u>	<u>-</u>	<u>21,447</u>	<u>-</u>	<u>( 132,308)</u>	<u>-</u>
	<b>Profit from continuing operations before tax</b>	<u>526,148</u>	<u>26</u>	<u>4,957,944</u>	<u>30</u>	<u>3,022,852</u>	<u>35</u>	<u>7,742,094</u>	<u>32</u>
7950	<b>Less: Income tax expenses (note 6(p))</b>	<u>82,923</u>	<u>4</u>	<u>809,782</u>	<u>5</u>	<u>517,838</u>	<u>6</u>	<u>1,384,789</u>	<u>6</u>
	<b>Profit</b>	<u>443,225</u>	<u>22</u>	<u>4,148,162</u>	<u>25</u>	<u>2,505,014</u>	<u>29</u>	<u>6,357,305</u>	<u>26</u>
8300	<b>Other comprehensive income:</b>								
8310	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>								
8316	Unrealized gains from (losses on) investments in equity instruments measured at fair value through other comprehensive income	( 39,972)	( 2)	10,774	-	152,662	2	44,759	-
8300	<b>Other comprehensive income (net after tax)</b>	<u>( 39,972)</u>	<u>( 2)</u>	<u>10,774</u>	<u>-</u>	<u>152,662</u>	<u>2</u>	<u>44,759</u>	<u>-</u>
8500	<b>Total comprehensive income</b>	<u>\$ 403,253</u>	<u>20</u>	<u>4,158,936</u>	<u>25</u>	<u>2,657,676</u>	<u>31</u>	<u>6,402,064</u>	<u>26</u>
<b>Earnings per share (note 6(r))</b>									
9750	<b>Basic earnings per share (NT dollars)</b>	<u>\$ 0.45</u>		<u>4.18</u>		<u>2.52</u>		<u>6.41</u>	
9850	<b>Diluted earnings per share (NT dollars)</b>	<u>\$ 0.45</u>		<u>4.18</u>		<u>2.52</u>		<u>6.41</u>	

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

**RUN LONG CONSTRUCTION CO., LTD. AND SUBSIDIARIES**  
**Consolidated Statements of Changes in Equity**  
**For the Nine Months Ended September 30, 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	Stock dividends to be distributed	Capital surplus	Legal reserve	Unappropriated earnings	Total		
<b>Balance on January 1, 2023</b>	\$ 4,510,261	-	22,601	1,068,459	91,432	1,359,891	130,574	6,023,327
Profit	-	-	-	-	6,357,305	6,357,305	-	6,357,305
Other comprehensive income	-	-	-	-	-	-	44,759	44,759
Total comprehensive income	-	-	-	-	6,357,305	6,357,305	44,759	6,402,064
Appropriation and distribution of retained earnings:								
Provision for legal reserve	-	-	-	15,663 (	15,663)	-	-	-
Cash dividends of ordinary share	-	-	-	-	( 270,616)(	270,616)	-	( 270,616)
Other changes in capital surplus	-	-	1,252	-	-	-	-	1,252
<b>Balance on September 30, 2023</b>	<b>\$ 4,510,261</b>	<b>-</b>	<b>23,853</b>	<b>1,084,122</b>	<b>6,362,458</b>	<b>7,446,580</b>	<b>175,333</b>	<b>12,156,027</b>
<b>Balance on January 1, 2024</b>	\$ 4,510,261	-	23,854	1,084,122	7,706,699	8,790,821	185,687	13,510,623
Profit	-	-	-	-	2,505,014	2,505,014	-	2,505,014
Other comprehensive income	-	-	-	-	-	-	152,662	152,662
Total comprehensive income	-	-	-	-	2,505,014	2,505,014	152,662	2,657,676
Appropriation and distribution of retained earnings:								
Provision for legal reserve	-	-	-	770,155 (	770,155)	-	-	-
Cash dividends of ordinary share	-	-	-	-	( 1,353,078)(	1,353,078)	-	( 1,353,078)
Stock dividends of ordinary share	-	5,412,314	-	-	( 5,412,314)(	5,412,314)	-	-
Other changes in capital surplus	-	-	883	-	-	-	-	883
<b>Balance on September 30, 2024</b>	<b>\$ 4,510,261</b>	<b>5,412,314</b>	<b>24,737</b>	<b>1,854,277</b>	<b>2,676,166</b>	<b>4,530,443</b>	<b>338,349</b>	<b>14,816,104</b>

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

**RUN LONG CONSTRUCTION CO., LTD. AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**  
**For the Nine Months Ended September 30, 2024 and 2023**  
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 3,022,852	7,742,094
<b>Adjustments:</b>		
Adjustments to reconcile profit (loss):		
Depreciation	43,868	38,794
Amortization	3,889	3,496
Interest expenses	88,879	200,856
Interest income	( 42,704)	( 20,901)
Dividend income	( 8,026)	( 7,231)
Gain on disposal of property, plant and equipment	( 4)	( 767)
Gain on disposal of investment property	( 34,302)	-
Gain on lease modification	( 8)	( 1)
Total adjustments to reconcile profit (loss)	51,592	214,246
<b>Changes in operating assets and liabilities:</b>		
Decrease in contract assets	27,353	30,426
Decrease (increase) in notes receivable	90,322 (	415,434)
Decrease (increase) in accounts receivable	33,200 (	2,264,731)
Increase in other receivables	( 806)	( 215)
Decrease (increase) in inventories (construction)	( 3,322,898)	8,152,081
Decrease (increase) in prepayments	( 203,014)	468,365
Decrease in other current assets	4,805	18,529
Increase in other financial assets - current	( 956,358)	( 907,827)
Decrease (increase) in assets recognized as incremental costs to obtain contract with customers	( 194,632)	544,858
Decrease (increase) in other financial assets - non-current	( 3,233)	35
Increase in other non-current assets	( 241,189)	-
Increase (decrease) in contract liabilities	910,950 (	2,401,666)
Increase in notes payable	-	244
Increase (decrease) in accounts payable	( 695,149)	341,196
Decrease in accounts payable to related parties	( 2,344)	( 46,869)
Increase (decrease) in other payables	( 59,866)	294,852
Increase (decrease) in provisions	( 4,622)	25,561
Decrease in other current liabilities	( 106,764)	( 93,290)
Total adjustments	( 4,672,653)	3,960,361
Cash inflow (outflow) generated from operations	( 1,649,801)	11,702,455
Income taxes paid	( 1,828,391)	( 247,145)
<b>Net cash flows from (used in) operating activities</b>	( 3,478,192)	11,455,310

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

**RUN LONG CONSTRUCTION CO., LTD. AND SUBSIDIARIES****Consolidated Statements of Cash Flows****For the Nine Months Ended September 30, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)**

	<b>For the nine months ended September 30, 2024</b>	<b>For the nine months ended September 30, 2023</b>
<b>Cash flows from investing activities:</b>		
Acquisition of property, plant and equipment	( 765 )	( 1,068 )
Proceeds from disposal of property, plant and equipment	4	1,143
Acquisition of intangible assets	( 3,900 )	( 5,231 )
Proceeds from disposal of investment property	169,589	-
Increase in other non-current assets	-	( 2,720 )
Interest received	41,726	20,536
<b>Net cash flows from investing activities</b>	<b>206,654</b>	<b>12,660</b>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term borrowings	7,052,900	5,027,000
Decrease in short-term borrowings	( 1,612,082 )	( 13,364,685 )
Increase in short-term notes and bills payable	8,506,800	7,347,000
Decrease in short-term notes and bills payable	( 8,437,800 )	( 6,644,000 )
Proceeds from issuing bonds	4,000,000	-
Repayment of corporate bond	( 4,000,000 )	-
Repayments of long-term borrowings	( 19,325 )	( 19,017 )
Payment of lease liabilities	( 24,965 )	( 20,539 )
Other financial assets - current	2,478,776	( 1,368,203 )
Other financial assets - non-current	( 1,614,537 )	( 437,720 )
Interest paid	( 377,629 )	( 584,110 )
<b>Net cash flows from (used in) financing activities</b>	<b>5,952,138</b>	<b>( 10,064,274 )</b>
Net increase in cash and cash equivalents	2,680,600	1,403,696
Cash and cash equivalents at beginning of period	4,199,162	2,252,570
Cash and cash equivalents at end of period	<b>\$ 6,879,762</b>	<b>3,656,266</b>

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



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

(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**

**For the Nine Months Ended September 30, 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 September 30, 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. Please refer to note 14 for details.

**(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 November 6, 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) Impact of not adopting the International Financial Reporting Standards (IFRSs) endorsed by the Financial Supervisory Commission

Based on the Group's own evaluation, adopting the newly revised international financial reporting standards listed below that take effect from January 1, 2025 onwards does not have material impact on the consolidated financial statements.

- Amendments to IAS 21 "Lack of Exchangeability"

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

- (c) 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:

<b>Standards or Interpretations</b>	<b>Content of Amendments</b>	<b>Effective Date per IASB</b>
IFRS 18 - "Presentation and Disclosure in Financial Statements"	<p>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.</p> <ul style="list-style-type: none"> <li>• <b>More structured income statement:</b> 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.</li> <li>• <b>Management-defined performance measure (MPM):</b> 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.</li> <li>• <b>More detailed classification:</b> 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.</li> </ul>	January 1, 2027

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

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"
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"
- IFRS improvements for the year

### **(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 (FSC), 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.

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

- (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
			September 30, 2024	December 31, 2023	September 30, 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.

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.

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

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.

**(a) Cash and cash equivalents**

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Cash on hand and petty cash \$	925	1,165	1,105
Demand deposits	6,676,288	4,167,987	3,654,442
Check deposits	4,322	10	719
Time deposits	198,227	30,000	-
Cash and cash equivalents	<b><u>\$ 6,879,762</u></b>	<b><u>4,199,162</u></b>	<b><u>3,656,266</u></b>

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**

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Equity investments at fair value through other comprehensive income:			
Stocks listed on domestic market	<b><u>\$ 796,379</u></b>	<b><u>643,717</u></b>	<b><u>627,563</u></b>

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

- (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 nine months ended September 30, 2024 and 2023, dividends of \$8,026 thousand and \$7,231 thousand, respectively, related to equity investments at fair value through other comprehensive income, were recognized.

- (ii) There was no disposal of strategic investment or transfer of any cumulative gain or loss within equity relating to these investments for the nine months ended September 30, 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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Notes receivable	\$ 539,219	629,541	610,054
Trade receivables - measured at amortized cost	64,709	97,909	3,427,208
Total	<b>\$ 603,928</b>	<b>727,450</b>	<b>4,037,262</b>

- (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.

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

- (ii) The expected credit losses of the note receivables and trade receivables were as follows:

<b>September 30, 2024</b>			
	<b>Gross carrying amount</b>	<b>Weighted average loss rate</b>	<b>Loss allowance provision</b>
Current	<b>\$ 603,928</b>	-	-

  

<b>December 31, 2023</b>			
	<b>Gross carrying amount</b>	<b>Weighted average loss rate</b>	<b>Loss allowance provision</b>
Current	<b>\$ 727,450</b>	-	-

  

<b>September 30, 2023</b>			
	<b>Gross carrying amount</b>	<b>Weighted average loss rate</b>	<b>Loss allowance provision</b>
Current	<b>\$ 4,037,262</b>	-	-

For the nine months ended September 30, 2024 and 2023, there were no expected credit losses recognized or reversed.

As of September 30, 2024, December 31, 2023, and September 30, 2023, note receivables had been pledged as collateral; please refer to note 8.

(d) Inventories

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Prepaid for land purchase	\$ 453,327	-	-
Land held for construction sites	3,527,459	701,934	701,934
Construction in progress	22,742,435	22,344,932	20,699,649
Properties and land held for sale	1,968,580	2,032,696	6,409,007
Total	<b>\$ 28,691,801</b>	<b>25,079,562</b>	<b>27,810,590</b>

For the nine months ended September 30, 2024 and 2023, there were no write-offs or reversals of inventories.

For the nine months ended September 30, 2024 and 2023, the cost of inventory recognized as cost of goods sold and expense were \$4,642,476 thousand and \$15,072,510 thousand, respectively.

For the nine months ended September 30, 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.

For the nine months ended September 30, 2024 and 2023, construction in progress of the Group were calculated using a capitalization rate 2.40%. Please see note 6(u) for the amounts of interest capitalized.

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

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

(e) Property, plant and equipment

	<b>Land (Including improvement)</b>	<b>Buildings and construction</b>	<b>Machinery and equipment</b>	<b>Other equipment (Including transportation, office, leased improvements and other equipment)</b>	<b>Construction in progress</b>	<b>Total</b>
Carrying amounts:						
January 1, 2024	\$ 208,180	3,008	425	15,301	2,720	229,634
September 30, 2024	\$ 208,037	2,082	319	12,302	2,720	225,460
January 1, 2023	\$ 208,323	4,035	672	19,057	-	232,087
September 30, 2023	\$ 208,180	3,021	425	15,825	-	227,451

There was no significant addition, disposal, impairment, or impairment reversal of the Group's property, plant, and equipment for the nine months ended September 30, 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 September 30, 2024, December 31, 2023, and September 30, 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:

	<b>Land</b>	<b>Buildings and construction</b>	<b>Total</b>
Cost of right-of-use assets:			
Balance on January 1, 2024	\$ 11,508	152,503	164,011
Addition	-	30,618	30,618
Lease modification	58	-	58
Disposals	( 2,815 )	-	( 2,815 )
Balance on September 30, 2024	\$ 8,751	183,121	191,872
Balance on January 1, 2023	\$ 3,479	152,503	155,982
Balance on September 30, 2023	\$ 3,479	152,503	155,982
Depreciation and impairment of right-of-use assets:			
Balance on January 1, 2024	\$ 2,822	81,720	84,542
Depreciation for the period	3,114	22,326	25,440
Disposals	( 703 )	-	( 703 )
Balance on September 30, 2024	\$ 5,233	104,046	109,279
Balance on January 1, 2023	\$ 594	53,992	54,586
Depreciation for the period	174	20,796	20,970
Balance on September 30, 2023	\$ 768	74,788	75,556
Carrying amounts:			
January 1, 2024	\$ 8,686	70,783	79,469
September 30, 2024	\$ 3,518	79,075	82,593
January 1, 2023	\$ 2,885	98,511	101,396
September 30, 2023	\$ 2,711	77,715	80,426



**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 was as follows:

	<u>Land and improvement</u>	<u>Buildings and construction</u>	<u>Right-of-use assets - Land</u>	<u>Total</u>
Cost or deemed cost:				
Balance on January 1, 2024	\$ 602,663	496,450	-	1,099,113
Transfer from inventory	20,418	13,916	-	34,334
Disposals	( 80,922)	( 55,158)	-	( 136,080)
Balance on September 30, 2024	<u>\$ 542,159</u>	<u>455,208</u>	<u>-</u>	<u>997,367</u>
Balance on January 1, 2023	\$ 501,764	434,920	73	936,757
Lease modification	-	-	11	11
Others	-	-	( 15)	( 15)
Balance on September 30, 2023	<u>\$ 501,764</u>	<u>434,920</u>	<u>69</u>	<u>936,753</u>
Depreciation and impairment:				
Balance on January 1, 2024	\$ -	44,295	-	44,295
Depreciation for the period	-	13,489	-	13,489
Disposals	-	( 793)	-	( 793)
Balance on September 30, 2024	<u>\$ -</u>	<u>56,991</u>	<u>-</u>	<u>56,991</u>
Balance on January 1, 2023	\$ -	27,525	18	27,543
Depreciation for the period	-	12,486	10	12,496
Others	-	-	( 15)	( 15)
Balance on September 30, 2023	<u>\$ -</u>	<u>40,011</u>	<u>13</u>	<u>40,024</u>
Carrying amounts:				
January 1, 2024	<u>\$ 602,663</u>	<u>452,155</u>	<u>-</u>	<u>1,054,818</u>
September 30, 2024	<u>\$ 542,159</u>	<u>398,217</u>	<u>-</u>	<u>940,376</u>
January 1, 2023	<u>\$ 501,764</u>	<u>407,395</u>	<u>55</u>	<u>909,214</u>
September 30, 2023	<u>\$ 501,764</u>	<u>394,909</u>	<u>56</u>	<u>896,729</u>

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.

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

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

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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Other current and non-current financial assets	\$ 9,475,710	9,380,358	8,191,846
Current incremental costs of obtaining a contract	1,124,586	929,954	1,019,213
<b>Total</b>	<b>\$ 10,600,296</b>	<b>10,310,312</b>	<b>9,211,059</b>

(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.

(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 nine months ended September 30, 2024 and 2023, the Group recognized \$521,332 thousand and \$1,063,167 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:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Secured bank loans	\$ 13,440,560	8,511,688	13,135,161
Unsecured bank loans	1,100,000	587,000	1,153,500
Short-term notes and bills payable	1,693,860	1,623,524	1,553,566
	<b>\$ 16,234,420</b>	<b>10,722,212</b>	<b>15,842,227</b>
Interest rate	<b>1.64%~3.14%</b>	<b>1.52%~3.02%</b>	<b>1.44%~3.27%</b>

(i) Issue of bank loan and repayment

For nine months ended September 30, 2024 and 2023, the incremental amounts were \$15,559,700 thousand and \$12,374,000 thousand, respectively; the repayment amounts were \$10,049,882 thousand and \$20,008,685 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:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Secured bank loans	\$ 274,189	293,514	299,907
Less: current portion	( 26,251 )	( 25,938 )	( 25,791 )
	<b>\$ 247,938</b>	<b>267,576</b>	<b>274,116</b>
Interest rate	<b>2.42%</b>	<b>2.29%</b>	<b>2.29%</b>

(i) Issue of bank loan and repayment

There was no addition for the nine months ended September 30, 2024 and 2023, whereas the amounts of repayment were \$19,325 thousand and \$19,017 thousand, respectively.

(ii) 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:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Secured ordinary bonds	\$ 9,900,000	9,900,000	9,900,000
Discount on bonds payable - unamortized amount	( 29,046 )	( 31,536 )	( 19,863 )
Ending balance: bonds payable	<b>\$ 9,870,954</b>	<b>9,868,464</b>	<b>9,880,137</b>
Secured ordinary corporate bond - current	\$ 1,894,552	5,871,596	3,989,328
Secured ordinary corporate bond - non-current	7,976,402	3,996,868	5,890,809
Total	<b>\$ 9,870,954</b>	<b>9,868,464</b>	<b>9,880,137</b>

(i) The Group issued secured ordinary corporate bonds amounting to \$2,000,000 thousand with coupon rates of 1.70% and 1.73% in March and May 2024, respectively. The tenor for both corporate bonds above were 5 years. The Group repaid the \$4,000,000 thousand corporate bond issued back in 2019 during the nine months ended September 30, 2024; no issuance, recall, or early repayment of corporate bonds payable had occurred for the nine months ended September 30, 2023.

(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 both corporate bonds above were 5 years.

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

(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:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Current	\$ 59,391	33,977	29,125
Non-current	\$ 23,636	45,459	51,490

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

The amounts recognized in profit or loss were as follows:

	<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Interest on lease liabilities	\$ 390	390	1,076	1,283
Expenses relating to short-term leases	\$ 4,875	4,697	7,356	13,223

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

	<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Total cash outflow for leases	\$ 33,397	35,045

The Group sold and leased back its office buildings, and leased land for parking lot and reception center. The leases run for a period of 1.5 to 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) Increase in provisions

	<b>Warranty</b>
Balance on January 1, 2024	\$ 72,308
Provisions made at current period	5,929
Provisions reversed at current period	( 8,677 )
Balance on September 30, 2024	\$ 69,560
Balance on January 1, 2023	\$ 43,015
Provisions made at current period	38,687
Provisions reversed at current period	( 9,043 )
Balance on September 30, 2023	\$ 72,659

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

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

(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:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Less than one year	\$ 18,870	23,828	13,437
One to two years	12,704	21,452	10,631
Two to three years	11,945	16,480	4,509
Three to four years	11,417	15,663	4,131
Four to five years	1,926	13,852	3,680
More than five years	-	-	387
Total undiscounted lease payments	<b>\$ 56,862</b>	<b>91,275</b>	<b>36,775</b>

For the three months and nine months ended September 30, 2024 and 2023, the Group's rental income from investment properties were \$5,518 thousand and \$4,568 thousand, \$17,076 thousand and \$13,447 thousand, respectively.

(o) Employee benefits

(i) Defined benefit plans

The Group's employee benefit liabilities were as follows:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Short-term paid leave liability	<b>\$ 6,474</b>	<b>8,348</b>	<b>3,446</b>

(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:

	<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Operating cost	\$ 564	655	1,642	2,422
Selling expenses	284	3,129	899	3,808
Administrative expenses	1,414	1,542	4,380	3,970
Total	<b>\$ 2,262</b>	<b>5,326</b>	<b>6,921</b>	<b>10,200</b>

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

(p) Income tax

(i) Components of income tax expense:

	<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current tax expense				
Current period	\$ 56,414	767,937	332,025	1,179,522
Land value increment tax	25,307	42,014	174,248	211,029
Adjustment to previous year's income tax expense	3	-	2,716	167
Additional tax on unappropriated earnings	<u>-</u>	<u>-</u>	<u>8,300</u>	<u>-</u>
	<u>81,724</u>	<u>809,951</u>	<u>517,289</u>	<u>1,390,718</u>
Deferred tax expense				
Origination and reversal of temporary differences	1,199	(169)	549	(5,929)
Tax expense	<u><b>\$ 82,923</b></u>	<u><b>809,782</b></u>	<u><b>517,838</b></u>	<u><b>1,384,789</b></u>

(ii) Assessment of tax

Profit-seeking enterprise income tax filing of the Group has been certified by the tax authority up to 2022.

(q) Capital and other equity

There was no significant change in the Group's share capital and other equity for the nine months ended September 30, 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) Ordinary shares

A resolution was passed during the general meeting of shareholders held on June 13, 2024, for the issuance of 1,200 new shares per one thousand shares, using retained earnings, with an amount totaling \$5,412,314 thousand. The Company has received the approval from the Financial Supervisory Commission for the above-mentioned capital increase on August 1, 2024. Also, a resolution was passed during the board meeting, to set October 2, 2024, as the base date for the stock allotment. The relevant statutory registration procedures have since been completed.

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

(ii) Capital surplus

The components of the capital surplus were as follows:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Premium on issuance of capital stock	\$ 12,021	12,021	12,021
Others	<u>12,716</u>	<u>11,833</u>	<u>11,832</u>
	<b><u>\$ 24,737</u></b>	<b><u>23,854</u></b>	<b><u>23,853</u></b>

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 the 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.

(iii) 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.

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.

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

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

Earnings distribution for the years ended December 31, 2023 and 2022 were decided by the resolution adopted, at the general meeting of shareholders held on June 13, 2024 and June 13, 2023, and the dividends distribution were as follows:

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



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

(iv) Other equity items (net after tax)

	<b>Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income</b>
Balance on January 1, 2024	\$ 185,687
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	152,662
Balance on September 30, 2024	<b><u>\$ 338,349</u></b>
Balance on January 1, 2023	\$ 130,574
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	44,759
Balance on September 30, 2023	<b><u>\$ 175,333</u></b>

(r) Earnings per share

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

(i) Basic earnings per share

	<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
1) Profit attributable to ordinary shareholders of the Company	<b><u>\$ 443,225</u></b>	<b><u>4,148,162</u></b>	<b><u>2,505,014</u></b>	<b><u>6,357,305</u></b>
2) Weighted-average number of ordinary shares	<b><u>992,257</u></b>	<b><u>992,257</u></b>	<b><u>992,257</u></b>	<b><u>992,257</u></b>

(ii) Diluted earnings per share

	<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
(1) Profit attributable to ordinary shareholders of the Company (diluted)	<b><u>\$ 443,225</u></b>	<b><u>4,148,162</u></b>	<b><u>2,505,014</u></b>	<b><u>6,357,305</u></b>
(2) Weighted-average number of ordinary shares (basic)	992,257	992,257	992,257	992,257
Effect of restricted employee shares unvested	<u>474</u>	<u>211</u>	<u>533</u>	<u>225</u>
Weighted-average number of ordinary shares (after adjusting for dilutive effect of potential common shares)	<b><u>992,731</u></b>	<b><u>992,468</u></b>	<b><u>992,790</u></b>	<b><u>992,482</u></b>

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

(s) Revenue from contracts with customers

(i) Disaggregation of revenue

<b>For the three months ended September 30, 2024</b>			
	<b>Sales of real estate department</b>	<b>Construction contractor department</b>	<b>Total</b>
Primary geographical markets:			
Taiwan	<b>\$ 1,980,361</b>	<b>53</b>	<b>1,980,414</b>
Major products/services lines:			
Sales revenue (sales of real estate)	\$ 1,974,843	-	1,974,843
Construction contracts	-	53	53
Other revenue	5,518	-	5,518
	<b>\$ 1,980,361</b>	<b>53</b>	<b>1,980,414</b>
Timing of revenue recognition:			
Revenue transferred over time	\$ 5,518	53	5,571
Products and services transferred at a point in time	1,974,843	-	1,974,843
Total	<b>\$ 1,980,361</b>	<b>53</b>	<b>1,980,414</b>

<b>For the three months ended September 30, 2023</b>			
	<b>Sales of real estate department</b>	<b>Construction contractor department</b>	<b>Total</b>
Primary geographical markets:			
Taiwan	<b>\$ 16,925,712</b>	<b>16,786</b>	<b>16,942,498</b>
Major products/services lines:			
Sales revenue (sales of real estate)	\$ 16,921,144	-	16,921,144
Construction contracts	-	16,786	16,786
Other revenue	4,568	-	4,568
	<b>\$ 16,925,712</b>	<b>16,786</b>	<b>16,942,498</b>
Timing of revenue recognition:			
Revenue transferred over time	\$ 4,568	16,786	21,354
Products and services transferred at a point in time	16,921,144	-	16,921,144
Total	<b>\$ 16,925,712</b>	<b>16,786</b>	<b>16,942,498</b>

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

For the nine months ended September 30, 2024			
	Sales of real estate department	Construction contractor department	Total
Primary geographical markets:			
Taiwan	\$ 8,564,782	26,403	8,591,185
Major products/services lines:			
Sales revenue (sales of real estate)	\$ 8,547,706	-	8,547,706
Construction contracts	-	26,403	26,403
Other revenue	17,076	-	17,076
	<u>\$ 8,564,782</u>	<u>26,403</u>	<u>8,591,185</u>
Timing of revenue recognition:			
Revenue transferred over time	\$ 17,076	26,403	43,479
Products and services transferred at a point in time	8,547,706	-	8,547,706
Total	<u>\$ 8,564,782</u>	<u>26,403</u>	<u>8,591,185</u>

For the nine months ended September 30, 2023			
	Sales of real estate department	Construction contractor department	Total
Primary geographical markets:			
Taiwan	\$ 24,407,715	59,200	24,466,915
Major products/services lines:			
Sales revenue (sales of real estate)	\$ 24,394,268	-	24,394,268
Construction contracts	-	59,200	59,200
Other revenue	13,447	-	13,447
Total	<u>\$ 24,407,715</u>	<u>59,200</u>	<u>24,466,915</u>
Timing of revenue recognition:			
Revenue transferred over time	\$ 13,447	59,200	72,647
Products and services transferred at a point in time	24,394,268	-	24,394,268
Total	<u>\$ 24,407,715</u>	<u>59,200</u>	<u>24,466,915</u>

(ii) Contract balances

	September 30, 2024	December 31, 2023	September 30, 2023
Contract assets - Construction	\$ 112	27,465	18,687
Less: Allowance for impairment	-	-	-
Total	<u>\$ 112</u>	<u>27,465</u>	<u>18,687</u>
Contract liabilities - Sales of real estate	\$ 3,444,714	2,535,438	3,252,494
Contract liabilities - Advance receipt	2,345	671	296
Total	<u>\$ 3,447,059</u>	<u>2,536,109</u>	<u>3,252,790</u>

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

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

The amount of revenue recognized for the nine months ended September 30, 2024 and 2023 that was included in the contract liability - Sales of real estate balance at the beginning of the period were \$960,764 thousand and \$3,808,033 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 nine months ended September 30, 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.

The Company had estimated employee remuneration at \$0, \$12,447 thousand, \$25,269 thousand, and \$19,400 thousand, and director remuneration at \$0, \$7,468 thousand, \$12,635 thousand, and \$11,640 thousand, for the three months and nine months ended September 30, 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:

	<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Interest income from bank deposit and bills	\$ 6,170	2,080	42,660	20,891
Others	31	2	44	10
	<b>\$ 6,201</b>	<b>2,082</b>	<b>42,704</b>	<b>20,901</b>

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

(ii) Other income

The details of other income:

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Dividend income	\$ -	-	8,026	7,231
Rent income	4,951	2,671	16,618	7,835
	<u>\$ 4,951</u>	<u>2,671</u>	<u>24,644</u>	<u>15,066</u>

(iii) Other gains and losses

The details of other gains and losses:

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Gain on disposal of investment property	\$ 27,174	-	34,302	-
Gain (loss) on disposal of property, plant and equipment	-	( 1)	4	767
Foreign exchange income	2	-	5	3
Gain on lease modification	-	-	8	1
Other income	2,952	11,107	15,262	32,230
Other expenses	( 5,500)	( 319)	( 6,603)	( 420)
	<u>\$ 24,628</u>	<u>10,787</u>	<u>42,978</u>	<u>32,581</u>

(iv) Finance costs

The details of finance costs:

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Interest expenses				
Bank loans and collateral	\$ 94,745	130,849	247,593	427,193
Guarantee fees	957	3,343	7,565	8,324
Interest on corporate bond (including fees)	56,903	48,078	156,320	143,394
Other financial expenses	390	390	1,076	1,283
Less: capitalized interest	( 115,452)	( 91,333)	( 323,675)	( 379,338)
	<u>\$ 37,543</u>	<u>91,327</u>	<u>88,879</u>	<u>200,856</u>

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

(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 Increase in 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.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-3 years</u>	<u>3-5 years</u>	<u>Over 5 years</u>
<b>September 30, 2024</b>						
Non derivative financial liabilities:						
Secured bank loans	\$ 13,714,749	14,521,703	4,529,823	7,098,267	2,749,709	143,904
Unsecured bank loans	1,100,000	1,144,476	556,740	587,736	-	-
Short-term notes and bills payable	1,693,860	1,696,000	1,696,000	-	-	-
Ordinary corporate bonds						
(including current portion)	9,870,954	10,343,020	2,011,820	4,194,000	4,137,200	-
Notes payable, accounts payable and other payables	4,430,103	4,430,103	4,430,103	-	-	-
Lease liabilities	83,027	85,871	36,255	37,273	11,574	769
	<u><b>\$ 30,892,693</b></u>	<u><b>32,221,173</b></u>	<u><b>13,260,741</b></u>	<u><b>11,917,276</b></u>	<u><b>6,898,483</b></u>	<u><b>144,673</b></u>
<b>December 31, 2023</b>						
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
	<u><b>\$ 24,765,304</b></u>	<u><b>25,427,480</b></u>	<u><b>14,869,178</b></u>	<u><b>7,199,108</b></u>	<u><b>3,191,132</b></u>	<u><b>168,062</b></u>

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-3 years</u>	<u>3-5 years</u>	<u>Over 5 years</u>
<b>September 30, 2023</b>						
Non derivative financial liabilities:						
Secured bank loans	\$ 13,435,068	14,010,801	7,092,980	2,976,024	3,766,361	175,436
Unsecured bank loans	1,153,500	1,173,105	991,663	8,689	172,753	-
Short-term notes and bills payable	1,553,566	1,554,700	1,554,700	-	-	-
Ordinary corporate bonds						
(including current portion)	9,880,137	10,077,240	4,077,220	1,971,620	4,028,400	-
Notes payable, accounts payable and other payables	3,801,266	3,801,266	3,801,266	-	-	-
Lease liabilities	80,615	82,919	29,165	52,884	146	724
	<u><b>\$ 29,904,152</b></u>	<u><b>30,700,031</b></u>	<u><b>17,546,994</b></u>	<u><b>5,009,217</b></u>	<u><b>7,967,660</b></u>	<u><b>176,160</b></u>

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 \$55,558 thousand and \$54,716 thousand, respectively, for the nine months ended September 30, 2024 and 2023, with all other variable factors remaining constant. After taking capitalized interest into account, net profit would have decreased or increased by \$11,969 thousand and \$18,942 thousand, respectively. This is mainly due to the Group's borrowing at variable rates.

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

2) Other market price risk

For the years ended September 30, 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:

	<u>2024</u>	<u>2023</u>
<u>Price of Securities at Reporting Date</u>	<u>Other Comprehensive Income after Tax</u>	<u>Other Comprehensive Income after Tax</u>
10% increase	\$ 79,638	62,756
10% decrease	(\$ 79,638)	(62,756)

(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:

	<u>September 30, 2024</u>				
	<u>Carrying amount</u>	<u>Fair value</u>			
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	\$ 796,379	796,379	-	-	796,379
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 6,879,762	-	-	-	-
Notes and accounts receivable	603,928	-	-	-	-
Other receivables	11,714	-	-	-	-
Other financial assets - current	6,774,887	-	-	-	-
Other financial assets - non-current	2,700,823	-	-	-	-
Other non-current assets	243,337	-	-	-	-
Subtotal	17,214,451	-	-	-	-
Total	\$ 18,010,830	796,379	-	-	796,379



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

		September 30, 2024				
		Carrying amount	Fair value			
			Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost						
Short-term loans	\$	14,540,560	-	-	-	-
Short-term notes and bills payable		1,693,860	-	-	-	-
Notes payable, accounts payable and other payables		4,430,103	-	-	-	-
Lease liabilities		83,027	-	-	-	-
Corporate bonds payable (including current portion)		9,870,954	-	-	-	-
Long-term loans (including current portion)		274,189	-	-	-	-
Total	\$	30,892,693	-	-	-	-
		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	-	-	-	-

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

		September 30, 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	\$	627,563	627,563	-	-	627,563
Financial assets measured at amortized cost						
Cash and cash equivalents	\$	3,656,266	-	-	-	-
Notes and accounts receivable		4,037,262	-	-	-	-
Other receivables		8,567	-	-	-	-
Other financial assets - current		6,380,238	-	-	-	-
Other financial assets - non-current		1,811,608	-	-	-	-
Subtotal		15,893,941	-	-	-	-
Total	\$	16,521,504	627,563	-	-	627,563
Financial liabilities measured at amortized cost						
Short-term loans	\$	14,288,661	-	-	-	-
Short-term notes and bills payable		1,553,566	-	-	-	-
Notes payable, accounts payable and other payables		3,801,266	-	-	-	-
Lease liabilities		80,615	-	-	-	-
Corporate bonds payable (including current portion)		9,880,137	-	-	-	-
Long-term loans (including current portion)		299,907	-	-	-	-
Total	\$	29,904,152	-	-	-	-

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.

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

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

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.

3) Transfers between levels

Stock held by the Group quoted in an active market is sorted to Level 1. There was no change in valuation techniques for nine months ended September 30, 2024 and 2023. There was no transfer between levels of fair value input for the nine months ended September 30, 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.

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

(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 nine months ended September 30, 2024 and 2023, were as follows:

(i) 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 September 30, 2024, December 31, 2023, and September 30, 2023, Guang Yang Investment Co., Ltd. (Guang Yang) was the parent company of the Group and it owned 5.81%, 6.37%, and 6.37% of all shares outstanding of the Group, respectively. 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 a related party during the periods covered in the consolidated financial statements.

<u>Name of related party</u>	<u>Relationship with the group</u>
Guang Yang Investment Co., Ltd.	Parent company of the Group
Chyi Yuh Construction Co., Ltd.	Parent company of Guang Yang Investment Co., Ltd.
Highwealth Construction Corp.	Ultimate controlling company of the Group
Well Rich International Co., Ltd.	Same ultimate controlling company with the Group
BoYuan Construction Co., Ltd.	//
Ju Feng Hotel Management Consultant Co., Ltd.	//
Highwealth Real Estate Co., Ltd.	//
Da Li Investment Co., Ltd.	Corporate director of the Group
Fang ○○ architectural firm	Key management personnel of the Group who is in charge of the architectural firm (Note)
A party of 6 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

Note: The party is no longer a key management personnel of the Group since March 1, 2024.

**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 nine months ended September 30, 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 amounts of \$0 and \$31,256 thousand being recognized as sales revenue, and advance real estate receipts of \$4,690 thousand, \$0, and \$0 being recognized as contract liabilities on September 30, 2024, December 31, 2023, and September 30, 2023, respectively. The values of the above transactions were \$57,620 thousand, \$32,077 thousand, and \$32,077 thousand (all including tax), 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:

		<b>Purchase (Charged)</b>			
		<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
		<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Other related parties:					
BoYuan Construction					
Co., Ltd.	\$	59	15	75	46,568
Other related parties		368	-	2,208	1,210
	\$	<b>427</b>	<b>15</b>	<b>2,283</b>	<b>47,778</b>

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

The above purchase from other related parties represented a purchase of construction permit from BoYuan, with a contract price of \$48,852 thousand (including tax).

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

		<b>Expense paid</b>			
		<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
		<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Parent company -					
Highwealth					
Construction Corp.	\$	371	4,943	742	10,076
Other related parties		-	-	-	559
	\$	<b>371</b>	<b>4,943</b>	<b>742</b>	<b>10,635</b>

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

(iii) Receivables from related parties

The receivables from related parties were as follows:

<b>Accounted items</b>	<b>Categories</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Other receivables	Parent company - Highwealth Construction Corp.	\$ 8,026	-	7,231
"	Parent company - Chyi Yuh Construction Co., Ltd.	-	449	-
"	Other related parties	874	-	-
		<b>\$ 8,900</b>	<b>449</b>	<b>7,231</b>

(iv) Payables to related parties

The payables to related parties were as follows:

<b>Accounted items</b>	<b>Categories</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Accounts payable	Parent company - Highwealth Construction Corp.	\$ -	-	4,800
"	Parent company - Chyi Yuh Construction Co., Ltd.	-	-	7,229
"	Other related party - Well Rich International Co., Ltd.	534	2,887	3,467
"	Other related parties	236	227	9
Other payables	Parent company	-	18	170
"	Other related parties	48,583	20,059	26,697
		<b>\$ 49,353</b>	<b>23,191</b>	<b>42,372</b>

(v) Leases

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

1) Rent income

	<b>Guarantee deposits</b>			<b>Rent income</b>			
	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>	<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
				<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Parent company	\$ -	-	-	14	14	43	43
Other related parties:							
BoYuan Construction Co., Ltd.	1,378	1,378	1,378	1,976	1,976	5,946	5,927
Highwealth Real Estate Co., Ltd.	200	200	200	1,396	286	7,517	667
Other related parties	-	-	-	10	10	31	31
	<b>\$ 1,578</b>	<b>1,578</b>	<b>1,578</b>	<b>3,396</b>	<b>2,286</b>	<b>13,537</b>	<b>6,668</b>

For the three months and nine months ended September 30, 2024 and 2023, the Group's imputed interest on rent deposit from other related parties were \$1 thousand and \$1 thousand, \$19 thousand and \$16 thousand, respectively.

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

2) Rent expense

	Refundable deposits			Rent expense			
	September 30, 2024	December 31, 2023	September 30, 2023	For the three months ended September 30		For the nine months ended September 30	
				2024	2023	2024	2023
Parent company	\$ 215	215	215	449	449	1,347	2,718
Other related parties	140	140	140	194	194	583	583
	<b>\$ 355</b>	<b>355</b>	<b>355</b>	<b>643</b>	<b>643</b>	<b>1,930</b>	<b>3,301</b>

For the three months and nine months ended September 30, 2024 and 2023, the Group's imputed interest on rent deposit from parent company were \$1 thousand and \$1 thousand, \$3 thousand and \$2 thousand, respectively. For the three months and nine months ended September 30, 2024 and 2023, the Group's imputed interest on rent deposit from other related parties were \$1 thousand and \$1 thousand, \$2 thousand and \$2 thousand, respectively.

(vi) Others

- 1) As of September 30, 2024, December 31, 2023, and September 30, 2023, the Group's contracts with related parties for construction cooperation were as follows:

<b>Property</b>	<b>Land Owner/ Investor</b>	<b>Type</b>	<b>Portion</b>	<b>Construction Deposits</b>
<b>September 30, 2024</b>				
Shicheng Aiyue (Huei An section)	Parent company – Highwealth Construction Corp.	Redistribution under cooperative construction	57%	Refundable deposits \$100,000 Refundable notes \$100,000
<b>December 31, 2023</b>				
Shicheng Aiyue (Huei An section)	Parent company – Highwealth Construction Corp.	Redistribution under cooperative construction	57%	Refundable deposits \$100,000 Refundable notes \$200,000
<b>September 30, 2023</b>				
Shicheng Aiyue (Huei An section)	Parent company – Highwealth Construction Corp.	Redistribution under cooperative construction	57%	Refundable deposits \$100,000 Refundable notes \$200,000

- 2) As of September 30, 2024, December 31, 2023, and September 30, 2023, the Group received guarantee notes of \$0, \$0, and \$6,077 thousand, respectively, from Chyi Yuh Construction Co., Ltd. for construction contracts.

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

- 3) 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:

		<b>Expense paid</b>			
		<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
		<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Parent company:					
Chyi Yuh Construction Co., Ltd.	\$	2,857	2,991	8,571	8,705
Other related parties:					
Other related parties		14,743	3,181	44,080	36,492
	\$	<b>17,600</b>	<b>6,172</b>	<b>52,651</b>	<b>45,197</b>

- (d) Key management personnel compensation

Key management personnel compensation comprised:

		<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
		<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Short-term employee benefits	\$	<b>6,560</b>	<b>20,008</b>	<b>31,564</b>	<b>32,455</b>

**(8) Pledged assets**

The carrying values of pledged assets were as follows:

<b>Pledged Assets</b>	<b>Object</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Financial assets at fair value through other comprehensive income	Bank loans			
- current		\$ -	527,115	518,570
Notes receivable	Bank loans, short-term notes and bonds	772,925	627,831	584,648
Other financial assets - current and non-current	Trust account, performance guarantee, bank loan, short-term bills payable, guarantees and endorsements, and bonds	8,464,400	8,392,288	7,201,112
Inventories (construction)	Bank loans, short-term notes and long-term borrowings	25,748,665	19,787,143	21,343,106
Investment property	Long-term borrowings and short-term bills payable	937,710	1,052,151	896,673
		<b>\$ 35,923,700</b>	<b>30,386,528</b>	<b>30,544,109</b>

As of September 30, 2024, December 31, 2023, and September 30, 2023, the book value of the above assets pledged for undrawn loan limits were \$1,393,422 thousand, \$4,598,488 thousand, and \$1,285,314 thousand, respectively. As of September 30, 2024, December 31, 2023, and September 30, 2023, the Group provided notes receivable on presale cases totaling \$2,099,885 thousand, \$1,525,139 thousand, and \$2,038,040 thousand, respectively, as collateral for bank loans.



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

**(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:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Amounts of signed contracts	\$ 43,630,490	32,463,218	36,167,356
Received amount from contracts	\$ 3,444,715	2,535,437	3,252,494
Outstanding checks received from presale cases	\$ 3,654,195	2,782,497	2,543,123

- (ii) As of September 30, 2024, December 31, 2023, and September 30, 2023, the amount of refundable deposits placed for joint construction with land owners amounted to \$3,975,000 thousand, \$4,305,000 thousand, and \$4,325,000 thousand, respectively. For the above-mentioned joint construction projects, the Group will settle the amounts on dates agreed by both parties.
- (iii) As of September 30, 2024, December 31, 2023, and September 30, 2023, the contract price of administration services the Group provided to joint investors was \$14,286 thousand, and the amount received was \$11,429 thousand for all of the above dates.
- (iv) The Group had the following contractual commitments for inventory acquisition that were not recognized on balance sheet:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Inventory acquisition (construction)	\$ 2,331,385	-	-

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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Amount of signed contracts	\$ 790	188,992	154,993
Received amount from contracts	\$ 457	143,128	120,522
Guarantee notes issued	\$ 4,135	2,458	2,458

**(10) Losses due to major disasters: None.**

**(11) Subsequent events: None.**

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

**(12) Others**

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

Function Item	For the three months ended September 30, 2024			For the three months ended September 30, 2023		
	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits						
Salary	20,906	39,765	60,671	15,932	53,752	69,684
Labor and health insurance	2,241	3,850	6,091	1,994	4,268	6,262
Pension	564	1,698	2,262	655	4,671	5,326
Others	1,730	3,110	4,840	2,477	20,359	22,836
Depreciation	4,631	10,704	15,335	4,321	8,370	12,691
Amortization	-	1,299	1,299	-	1,226	1,226

Function Item	For the nine months ended September 30, 2024			For the nine months ended September 30, 2023		
	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits						
Salary	59,500	128,622	188,122	65,298	119,403	184,701
Labor and health insurance	6,407	11,994	18,401	6,656	12,061	18,717
Pension	1,642	5,279	6,921	2,422	7,778	10,200
Others	2,498	10,232	12,730	3,778	28,210	31,988
Depreciation	14,262	29,606	43,868	13,103	25,691	38,794
Amortization	-	3,889	3,889	-	3,496	3,496

- (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 nine months ended September 30, 2024:

(i) Loans to other parties: None.

(ii) Guarantees and endorsements for other parties:

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

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 Subsidiary	Subsidiary Endorsements/ Guarantees to Third Parties on Behalf of Parent Company	Endorsements/Guarantees to Third Parties on Behalf of Companies in Mainland China
		Company Name	Nature of Relationship										
0	The Company	Jin Jyun Construction Co., Ltd.	2	14,816,104	1,100,000	1,100,000	700,000	1,000,000	7.42%	29,632,208	Y	N	N
1	Jin Jyun Construction Co., Ltd.	The Company	3	3,581,645	1,000,000	1,000,000	-	-	55.84%	7,163,290	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 200% of current 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 100% of current 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 September 30, 2024 (excluding investment in subsidiaries, associates and joint ventures):

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

Name of Holder	Category and Name of Security	Relationship with Company	Accounted Name	Ending Balance				Note
				Shares/ Unit	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	17,658,081	796,379	0.85%	796,379	

- (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				Pricing Reference	Purpose of Acquisition and Usage	Other Terms and Conditions
							References for Determining Price	Purpose of Acquisition and Current Condition	Others	Amount			
The Company	Jincheng Section, Anping District, Tainan City	February 26, 2024	591,881	Amount has been fully paid	A party of 10 including Yeh	Not related parties	-	-	-	-	Appraisal	Construction	-
Jin Jyun Construction Co., Ltd.	Guonan Section, Annan District, Tainan City	March 29, 2024	2,265,750	Amount has been fully paid	Taipang Shoufu Construction Co., Ltd.	Not related parties	-	-	-	-	Appraisal	Construction	Note 1
The Company	Chenggong Section, Lingya District, Kaohsiung City	July 10, 2024	1,311,842	196,776	King's Town Construction Co., Ltd.	Not related parties	-	-	-	-	Appraisal	Construction	-
The Company	Jincheng Section, Anping District, Tainan City	July 23, 2024 to August 9, 2024	436,568	103,314	Yan Jun Co., Ltd. and a Party of 4 including Liu	Not related parties	-	-	-	-	Appraisal	Construction	Note 2
Jin Jyun Construction Co., Ltd.	Chenggong Section, Lingya District, Kaohsiung City	July 26, 2024	1,027,347	154,102	King's Town Construction Co., Ltd. and Chen	Not related parties	-	-	-	-	Appraisal	Construction	-

Note 1: Includes floor area transfer expenses of \$125,470 thousand (including tax).

Note 2: Includes above-ground construction of \$20,000 thousand (including tax).

- (vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.

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

(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	3,776,531	59.76%		-	-	(675,269)	(42.08)%	Note 2, Note 3
Jin Jyun Construction Co., Ltd.	The Company	Parent company	Contracted project management responsibility	(3,064,000)	(99.15)%		-	-	675,269	99.68%	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.

(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	Related Party Receivables Balance	Turnover Rate	Overdue Receivables from Related Parties		Amounts Received from Related Parties in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Jin Jyun Construction Co., Ltd.	The Company	Parent company	675,269	6.47	-	-	353,388	-

(ix) Trading in derivative instruments: None.

(x) Business relationships and significant intercompany transactions:

No.	Name of Company	Name of Counter-Party	Relationship with the Transaction Counterparty	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	\$ 675,269	Same with peer terms	1.37%
			1	Operating cost	3,064,000	Same with peer terms	35.66%
1	Jin Jyun Construction Co., Ltd.	The Company	2	Accounts receivable	675,269	Same with peer terms	1.37%
			2	Operating revenue	3,064,000	Same with peer terms	35.66%

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

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

(b) Information on investees:

The following is the information on investees for the nine months ended September 30, 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	Primary Business Activities	Amount of Initial Investment		End-of-Period Holding Position			Current Period Profit or Loss of Investee	Investment Gains or Losses Recognized in the Current Period	Note
				End of Current Period	Previous Year	Shares/ Unit	Percentage	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	100.0%	1,584,910	36,150	29,456	

Note: Reconciliated in the preparation of consolidated report.

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

(d) Major shareholders:

(Expressed in shares)

Shareholder's Name	Shareholding	Shares	Percentage
Ching Shr Ban Investment Co., Ltd.		44,419,740	9.84%
Shing Ri Sheng Investment Co., Ltd.		32,574,642	7.22%
Guang Yang Investment Co., Ltd.		26,244,103	5.81%
Wan Sheng Fa Investment Co., Ltd.		25,873,040	5.73%
Highwealth Construction Corp.		23,698,288	5.25%

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

**(14) Segment information**

Information on the Group's segments and reconciliation:

	<u>Developing Segment</u>	<u>Constructing Segment</u>	<u>Reconciliation and Elimination</u>	<u>Total</u>
<b>For the three months ended September 30, 2024</b>				
Revenue:				
Revenue from External Customers	\$ 1,980,361	53	-	1,980,414
Intersegment	-	1,168,779	( 1,168,779)	-
Total Revenue	<u>\$ 1,980,361</u>	<u>1,168,832</u>	<u>( 1,168,779)</u>	<u>1,980,414</u>
Reportable Segment Profit or Loss	<u>\$ 524,967</u>	<u>4,699</u>	<u>( 3,518)</u>	<u>526,148</u>
<b>For the three months ended September 30, 2023</b>				
Revenue:				
Revenue from External Customers	\$ 16,925,712	16,786	-	16,942,498
Intersegment	-	822,899	( 822,899)	-
Total Revenue	<u>\$ 16,925,712</u>	<u>839,685</u>	<u>( 822,899)</u>	<u>16,942,498</u>
Reportable Segment Profit or Loss	<u>\$ 4,958,813</u>	<u>( 11,897)</u>	<u>11,028</u>	<u>4,957,944</u>
<b>For the nine months ended September 30, 2024</b>				
Revenue:				
Revenue from External Customers	\$ 8,564,782	26,403	-	8,591,185
Intersegment	-	3,064,000	( 3,064,000)	-
Total Revenue	<u>\$ 8,564,782</u>	<u>3,090,403</u>	<u>( 3,064,000)</u>	<u>8,591,185</u>
Reportable Segment Profit or Loss	<u>\$ 3,013,978</u>	<u>45,024</u>	<u>( 36,150)</u>	<u>3,022,852</u>
<b>For the nine months ended September 30, 2023</b>				
Revenue:				
Revenue from External Customers	\$ 24,407,715	59,200	-	24,466,915
Intersegment	-	3,431,813	( 3,431,813)	-
Total Revenue	<u>\$ 24,407,715</u>	<u>3,491,013</u>	<u>( 3,431,813)</u>	<u>24,466,915</u>
Reportable Segment Profit or Loss	<u>\$ 7,729,067</u>	<u>59,018</u>	<u>( 45,991)</u>	<u>7,742,094</u>
Reportable Segment Assets				
September 30, 2024	<u>\$ 46,826,813</u>	<u>5,208,238</u>	<u>( 2,570,097)</u>	<u>49,464,954</u>
December 31, 2023	<u>\$ 40,800,707</u>	<u>4,233,342</u>	<u>( 2,495,289)</u>	<u>42,538,760</u>
September 30, 2023	<u>\$ 45,533,465</u>	<u>4,103,945</u>	<u>( 2,807,788)</u>	<u>46,829,622</u>