

**RUN LONG CONSTRUCTION CO., LTD.
AND SUBSIDIARIES
Consolidated Financial Statements
With Independent Auditors' Review Report
For the Six Months Ended June 30, 2024 and 2023**

**Address: 8F., No. 267, Lequn 2nd Rd., Zhongshan Dist., Taipei City
104, Taiwan (R.O.C.)**

TEL : (02)8501-5696

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 June 30, 2024 and 2023, the consolidated statements of comprehensive income for the three months and six months ended June 30, 2024 and 2023, the statements of changes in equity and cash flows for the six months ended June 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 June 30, 2024 and 2023, consolidated business performance for the three months and six months ended 2024 and 2023, and cash flow for six months ended June 30, 2024 and 2023.

KPMG

Taipei, Taiwan (Republic of China)

August 12, 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.

RUN LONG CONSTRUCTION CO., LTD. AND SUBSIDIARIES**Consolidated Balance Sheets****As of June 30, 2024, December 31, 2023, and June 30, 2023****(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)**

		June 30,		December 31,		June 30,				June 30,		December 31,		June 30,	
		2024		2023		2023				2024		2023		2023	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (note 6(a))	\$ 4,017,881	9	4,199,162	10	4,135,986	8	2100	Short-term borrowings (note 6(i))	\$ 11,128,838	24	9,098,688	21	21,280,774	41
1120	Current financial assets at fair value through other comprehensive income (notes 6(b) and 8)	836,351	2	643,717	2	616,789	1	2110	Short-term notes and bills payable (note 6(i))	1,655,734	4	1,623,524	4	1,512,614	3
1140	Current contract assets (note 6(s))	59	-	27,465	-	25,891	-	2130	Current contract liabilities (notes 6(s), 7 and 9)	3,091,574	7	2,536,109	6	6,134,336	12
1150	Notes receivable, net (notes 6(c) and 8)	590,592	1	629,541	1	240,559	-	2150	Notes payable	77	-	-	-	-	-
1170	Accounts receivable, net (note 6(c))	1,200,048	3	97,909	-	360,073	1	2170	Accounts payable	2,720,872	6	2,954,759	7	2,727,324	5
1180	Accounts receivable from related parties, net (notes 6(c) and 7)	-	-	-	-	14,049	-	2180	Accounts payable to related parties (note 7)	2,039	-	3,114	-	28,076	-
1200	Other receivables (note 6(v))	11,458	-	1,904	-	8,301	-	2200	Other payables (note 7)	2,439,928	5	843,805	2	1,064,788	2
1320	Inventories (for construction business) (notes 6(d), 7 and 8)	27,843,754	60	25,079,562	59	36,202,789	70	2230	Current tax liabilities (note 6(p))	280,342	1	1,419,784	3	409,767	1
1410	Prepayments	298,025	1	55,577	-	365,426	1	2250	Current provisions (notes 6(m) and (o))	82,650	-	80,656	-	76,319	-
1476	Other current financial assets (notes 6(h), 7 and 8)	5,563,642	12	8,288,142	20	5,857,848	11	2280	Current lease liabilities (note 6(l))	30,598	-	33,977	-	29,125	-
1479	Other current assets, others	40,594	-	48,804	-	49,523	-	2321	Bonds payable, current portion or putable bonds (note 6(k))	1,888,656	4	5,871,596	14	3,978,459	8
1480	Current assets recognized as incremental costs to obtain contract with customers (note 6(h))	1,185,465	2	929,954	2	1,412,789	3	2322	Long-term borrowings, current portion (note 6(j))	26,093	-	25,938	-	25,644	-
		<u>41,587,869</u>	<u>90</u>	<u>40,001,737</u>	<u>94</u>	<u>49,290,023</u>	<u>95</u>	2399	Other current liabilities, others	<u>143,469</u>	<u>-</u>	<u>223,440</u>	<u>1</u>	<u>576,016</u>	<u>1</u>
										<u>23,490,870</u>	<u>51</u>	<u>24,715,390</u>	<u>58</u>	<u>37,843,242</u>	<u>73</u>
Non-current assets:								Non-Current liabilities:							
1600	Property, plant and equipment (notes 6(5))	226,848	1	229,634	1	228,505	-	2530	Bonds payable (note 6(k))	7,970,785	17	3,996,868	9	5,884,690	11
1755	Right-of-use assets (note 6(f))	61,292	-	79,469	-	87,358	-	2541	Long-term borrowings (note 6(j))	254,560	1	267,576	1	280,619	1
1760	Investment property, net (notes 6(g) and 8)	1,065,315	2	1,054,818	2	900,894	2	2570	Deferred tax liabilities (note 6(p))	2,844	-	2,844	-	2,844	-
1780	Intangible assets	14,378	-	16,934	-	15,031	-	2580	Non-current lease liabilities (note 6(l))	<u>30,647</u>	<u>-</u>	<u>45,459</u>	<u>-</u>	<u>58,373</u>	<u>-</u>
1840	Deferred tax assets (note 6(p))	15,111	-	14,461	-	14,363	-			<u>8,258,836</u>	<u>18</u>	<u>4,312,747</u>	<u>10</u>	<u>6,226,526</u>	<u>12</u>
1984	Other non-current financial assets, others (notes 6(h) and 8)	2,912,372	6	1,092,216	3	1,481,194	3	Total liabilities		<u>31,749,706</u>	<u>69</u>	<u>29,028,137</u>	<u>68</u>	<u>44,069,768</u>	<u>85</u>
1990	Other non-current assets, others (Note 6(v))	<u>279,372</u>	<u>1</u>	<u>49,491</u>	<u>-</u>	<u>49,491</u>	<u>-</u>	Equity (note 6(q)):							
		4,574,688	10	2,537,023	6	2,776,836	5	3110	Ordinary shares	4,510,261	10	4,510,261	11	4,510,261	9
								3150	Stock dividends to be distributed	5,412,314	11	-	-	-	-
								3200	Capital surplus	24,737	-	23,854	-	23,853	-
								3300	Retained earnings	4,087,218	9	8,790,821	21	3,298,418	6
								3400	Other equity interest	<u>378,321</u>	<u>1</u>	<u>185,687</u>	<u>-</u>	<u>164,559</u>	<u>-</u>
								Total equity		<u>14,412,851</u>	<u>31</u>	<u>13,510,623</u>	<u>32</u>	<u>7,997,091</u>	<u>15</u>
Total assets		<u>\$ 46,162,557</u>	<u>100</u>	<u>42,538,760</u>	<u>100</u>	<u>52,066,859</u>	<u>100</u>	Total liabilities and equity		<u>\$ 46,162,557</u>	<u>100</u>	<u>42,538,760</u>	<u>100</u>	<u>52,066,859</u>	<u>100</u>

(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 Six Months Ended June 30, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		For the three months ended June 30				For the six months ended June 30			
		2024		2023		2024		2023	
		Amount	%	Amount	%	Amount	%	Amount	%
Operating Revenues (notes 6(n), (s) and 7):									
4511	Construction revenue	\$ 5,256,629	100	4,434,235	100	6,572,863	100	7,473,124	99
4521	Engineering service revenue	299	-	19,867	-	26,350	-	42,414	1
4800	Other operating revenue	5,724	-	4,443	-	11,558	-	8,879	-
		<u>5,262,652</u>	<u>100</u>	<u>4,458,545</u>	<u>100</u>	<u>6,610,771</u>	<u>100</u>	<u>7,524,417</u>	<u>100</u>
5000	Operating costs (note 7)	<u>2,755,900</u>	<u>52</u>	<u>2,311,398</u>	<u>52</u>	<u>3,477,141</u>	<u>53</u>	<u>3,950,492</u>	<u>53</u>
	Gross profit from operations	<u>2,506,752</u>	<u>48</u>	<u>2,147,147</u>	<u>48</u>	<u>3,133,630</u>	<u>47</u>	<u>3,573,925</u>	<u>47</u>
Operating expenses:									
6100	Selling expenses (notes 6(h), (t) and 7)	391,855	8	338,637	8	497,073	8	596,503	8
6200	Administrative expenses (note 6(t))	92,861	2	72,813	2	163,063	2	136,751	2
		<u>484,716</u>	<u>10</u>	<u>411,450</u>	<u>10</u>	<u>660,136</u>	<u>10</u>	<u>733,254</u>	<u>10</u>
	Operating income	<u>2,022,036</u>	<u>38</u>	<u>1,735,697</u>	<u>38</u>	<u>2,473,494</u>	<u>37</u>	<u>2,840,671</u>	<u>37</u>
Non-operating income and expenses (notes 6(u) and 7):									
7100	Interest income	31,044	1	18,431	1	36,503	1	18,819	-
7010	Other income	4,471	-	9,901	-	19,693	1	12,395	-
7020	Other gains and losses	10,517	-	13,627	-	18,350	-	21,794	-
7050	Finance costs	(24,827)	-	(61,561)	(1)	(51,336)	(1)	(109,529)	(1)
		<u>21,205</u>	<u>1</u>	<u>(19,602)</u>	<u>-</u>	<u>23,210</u>	<u>1</u>	<u>(56,521)</u>	<u>(1)</u>
	Profit from continuing operations before tax	<u>2,043,241</u>	<u>39</u>	<u>1,716,095</u>	<u>38</u>	<u>2,496,704</u>	<u>38</u>	<u>2,784,150</u>	<u>36</u>
7950	Less: Income tax expenses (note 6(p))	<u>319,150</u>	<u>6</u>	<u>361,637</u>	<u>8</u>	<u>434,915</u>	<u>7</u>	<u>575,007</u>	<u>7</u>
	Profit	<u>1,724,091</u>	<u>33</u>	<u>1,354,458</u>	<u>30</u>	<u>2,061,789</u>	<u>31</u>	<u>2,209,143</u>	<u>29</u>
8300	Other comprehensive income:								
8310	Components of other comprehensive income that will not be reclassified to profit or loss								
8316	Unrealized gains from (losses on) investments in equity instruments measured at fair value through other comprehensive income	<u>191,832</u>	<u>3</u>	<u>21,693</u>	<u>1</u>	<u>192,634</u>	<u>3</u>	<u>33,985</u>	<u>1</u>
8300	Other comprehensive income (net after tax)	<u>191,832</u>	<u>3</u>	<u>21,693</u>	<u>1</u>	<u>192,634</u>	<u>3</u>	<u>33,985</u>	<u>1</u>
8500	Total comprehensive income	<u>\$ 1,915,923</u>	<u>36</u>	<u>1,376,151</u>	<u>31</u>	<u>2,254,423</u>	<u>34</u>	<u>2,243,128</u>	<u>30</u>
Earnings per share (note 6(r))									
9750	Basic earnings per share (NT dollars)	<u>\$ 3.82</u>		<u>3.00</u>		<u>4.57</u>		<u>4.90</u>	
9850	Diluted earnings per share (NT dollars)	<u>\$ 3.82</u>		<u>3.00</u>		<u>4.57</u>		<u>4.90</u>	

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

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

RUN LONG CONSTRUCTION CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the Six Months Ended June 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			Total	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 retained earnings			
Balance on January 1, 2023	\$ 4,510,261	-	22,601	1,068,459	291,432	1,359,891	130,574	6,023,327
Profit	-	-	-	-	2,209,143	2,209,143	-	2,209,143
Other comprehensive income	-	-	-	-	-	-	33,985	33,985
Total comprehensive income	-	-	-	-	2,209,143	2,209,143	33,985	2,243,128
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
Balance on June 30, 2023	\$ 4,510,261	-	23,853	1,084,122	2,214,296	3,298,418	164,559	7,997,091
Balance on January 1, 2024	\$ 4,510,261	-	23,854	1,084,122	7,706,699	8,790,821	185,687	13,510,623
Profit	-	-	-	-	2,061,789	2,061,789	-	2,061,789
Other comprehensive income	-	-	-	-	-	-	192,634	192,634
Total comprehensive income	-	-	-	-	2,061,789	2,061,789	192,634	2,254,423
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
Balance on June 30, 2024	\$ 4,510,261	5,412,314	24,737	1,854,277	2,232,941	4,087,218	378,321	14,412,851

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

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

	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Cash flows from (used in) operating activities:		
Profit before tax	\$ 2,496,704	2,784,150
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation	28,533	26,103
Amortization	2,590	2,270
Interest expenses	51,336	109,529
Interest income	(36,503)	(18,819)
Dividend income	(8,026)	(7,231)
Gain on disposal of property, plant and equipment	(4)	(768)
Gain on disposal of investment property	(7,128)	-
Gain on lease modification	(8)	(1)
Total adjustments to reconcile profit (loss)	<u>30,790</u>	<u>111,083</u>
Changes in operating assets and liabilities:		
Decrease in contract assets	27,406	23,222
Decrease (increase) in notes receivable	38,949	(45,939)
Decrease (increase) in accounts receivable	(1,102,139)	802,404
Increase in accounts receivable from related parties	-	(14,049)
Increase in other receivables	(1,302)	(231)
Increase in inventories (construction)	(2,590,303)	(331,451)
Decrease (increase) in prepayments	(250,639)	213,553
Decrease in other current assets	8,210	11,174
Increase in other financial assets - current	(383,196)	(823,148)
Decrease (increase) in assets recognized as incremental costs to obtain contract with customers	(255,511)	151,282
Decrease (increase) in other financial assets - non-current	(1,458)	59
Increase in other non-current assets	(229,881)	-
Increase in contract liabilities	555,465	479,880
Increase in notes payable	77	-
Increase (decrease) in accounts payable	(233,887)	509,843
Decrease in accounts payable to related parties	(1,075)	(34,298)
Increase in other payables	247,503	144,140
Increase in provisions	1,994	25,775
Increase (decrease) in other current liabilities	(79,971)	208,842
Total adjustments	<u>(4,218,968)</u>	<u>1,432,141</u>
Cash inflow (outflow) generated from operations	(1,722,264)	4,216,291
Income taxes paid	(1,575,007)	(191,247)
Net cash flows from (used in) operating activities	<u>(3,297,271)</u>	<u>4,025,044</u>

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

RUN LONG CONSTRUCTION CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows (continued)

For the Six Months Ended June 30, 2024 and 2023

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

	January to June, 2024	January to June, 2023
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(581)	(527)
Proceeds from disposal of property, plant and equipment	4	1,143
Acquisition of intangible assets	(34)	(1,083)
Proceeds from disposal of investment property	21,922	-
Interest received	<u>36,277</u>	<u>18,737</u>
Net cash flows from investing activities	<u>57,588</u>	<u>18,270</u>
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	3,280,900	4,208,000
Decrease in short-term borrowings	(1,251,582)	(5,553,016)
Increase in short-term notes and bills payable	5,820,800	4,943,900
Decrease in short-term notes and bills payable	(5,788,800)	(4,279,100)
Proceeds from issuing bonds	4,000,000	-
Repayment of corporate bond	(4,000,000)	-
Repayments of long-term borrowings	(12,861)	(12,661)
Payment of lease liabilities	(16,129)	(13,656)
Other financial assets - current	3,116,859	(930,493)
Other financial assets - non-current	(1,827,861)	(107,330)
Interest paid	<u>(262,924)</u>	<u>(415,542)</u>
Net cash flows from (used in) financing activities	<u>3,058,402</u>	<u>(2,159,898)</u>
Net (decrease) increase in cash and cash equivalents	(181,281)	1,883,416
Cash and cash equivalents at beginning of period	<u>4,199,162</u>	<u>2,252,570</u>
Cash and cash equivalents at end of period	<u>\$ 4,017,881</u>	<u>4,135,986</u>

(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 Six Months Ended June 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 June 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 August 12, 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"

- (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:

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

Standards or Interpretations	Content of amendments	Effective date per IASB
IFRS 18 - "Presentation and Disclosure in Financial Statements"	<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"> • More structured income statement: The existing standards allow companies to present business outcomes using different formats, which makes it difficult for investors to compare financial performance across companies. The new standards introduce a more structured income statement along with a newly defined subtotal of "operating profit" and the need to classify all income, expenses, and losses into three different categories based on the company's main business activities. • Management-defined performance measure (MPM): The new standards define the concept of MPM and require companies to explain in a financial statement footnote how each MPM provides useful information, how it is calculated, and how it can be reconciled with the amounts recognized according to IFRS/IAS. • More detailed classification: The new standards provide guidelines on how companies can improve the grouping of information in financial statements. These guidelines also address whether information should be included in the main statements or presented in footnotes. 	January 1, 2027

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.

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

List of subsidiaries in the consolidated financial statements:

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

Name of investor	Subsidiaries	Principal activity	Shareholding			Description
			June 30, 2024	December 31, 2023	June 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.

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.

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

(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

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand and petty cash	\$ 838	1,165	805
Demand deposits (including foreign currency)	3,985,179	4,167,987	4,135,103
Check deposits	1,864	10	78
Time deposits	30,000	30,000	-
Cash and cash equivalents	<u><u>\$ 4,017,881</u></u>	<u><u>4,199,162</u></u>	<u><u>4,135,986</u></u>

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

	June 30, 2024	December 31, 2023	June 30, 2023
Equity investments at fair value through other comprehensive income:			
Stocks listed on domestic market	<u><u>\$ 836,351</u></u>	<u><u>643,717</u></u>	<u><u>616,789</u></u>

- (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.

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

During the six months ended June 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 six months ended June 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

	June 30, 2024	December 31, 2023	June 30, 2023
Notes receivable	\$ 590,592	629,541	240,559
Trade receivables - measured at amortized cost	1,200,048	97,909	374,122
Total	<u><u>\$ 1,790,640</u></u>	<u><u>727,450</u></u>	<u><u>614,681</u></u>

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

June 30, 2024			
	Gross carrying amount	Weighted average loss rate	Loss allowance Provision
Current	<u><u>\$ 1,790,640</u></u>	-	<u><u>-</u></u>
December 31, 2023			
	Gross carrying amount	Weighted average loss rate	Loss allowance Provision
Current	<u><u>\$ 727,450</u></u>	-	<u><u>-</u></u>
June 30, 2023			
	Gross carrying amount	Weighted average loss rate	Loss allowance Provision
Current	<u><u>\$ 614,681</u></u>	-	<u><u>-</u></u>

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

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

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

(d) Inventories

	June 30, 2024	December 31, 2023	June 30, 2023
Prepaid for land purchase	\$ 30,962	-	676,380
Land held for construction sites	3,397,608	701,934	701,934
Construction in progress	21,248,240	22,344,932	20,143,210
Properties and land held for sale	3,166,944	2,032,696	14,681,265
Total	<u><u>\$ 27,843,754</u></u>	<u><u>25,079,562</u></u>	<u><u>36,202,789</u></u>

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

For the six months ended June 30, 2024 and 2023, the cost of inventory recognized as cost of goods sold and expense were \$3,444,111 thousand and \$3,903,096 thousand, respectively.

For the six months ended June 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 six months ended June 30, 2024 and 2023, construction in progress of the Group were calculated using a capitalization rate 2.36% and 2.39%, respectively. Please see note 6(u) for the amounts of interest capitalized.

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

(e) Property, plant and equipment

	Land (including improvements)	Buildings and construction	Machinery and equipment	Other equipment (Including transportation, office, leased improvements and other equipment)	Construction in progress	Total
Carrying amounts:						
January 1, 2024	<u>\$ 208,180</u>	<u>3,008</u>	<u>425</u>	<u>15,301</u>	<u>2,720</u>	<u>229,634</u>
June 30, 2024	<u>\$ 208,085</u>	<u>2,373</u>	<u>354</u>	<u>13,316</u>	<u>2,720</u>	<u>226,848</u>
January 1, 2023	<u>\$ 208,323</u>	<u>4,035</u>	<u>672</u>	<u>19,057</u>	<u>-</u>	<u>232,087</u>
June 30, 2023	<u>\$ 208,180</u>	<u>3,340</u>	<u>460</u>	<u>16,525</u>	<u>-</u>	<u>228,505</u>

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

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

	<u>Land</u>	<u>Buildings and construction</u>	<u>Total</u>
Carrying amounts:			
January 1, 2024	\$ 8,686	70,783	79,469
June 30, 2024	\$ 4,373	56,919	61,292
January 1, 2023	\$ 2,885	98,511	101,396
June 30, 2023	\$ 2,711	84,647	87,358

There was no significant addition, disposal, impairment, or impairment reversal of the Group's right-of-use assets for the six months ended June 30, 2024 and 2023. Please refer to note 12(a) for depreciation in the current period, and note 6(f) of the 2023 consolidated financial statements for other relevant information.

(g) Investment property

The information of investment properties of the Group were 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	(8,832)	(6,021)	-	(14,853)
Balance on June 30, 2024	\$ 614,249	504,345	-	1,118,594
Balance on January 1, 2023	\$ 501,764	434,920	73	936,757
Lease modification	-	-	11	11
Others	-	-	(15)	(15)
Balance on June 30, 2023	\$ 501,764	434,920	69	936,753

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

	<u>Land and improvement</u>	<u>Buildings and construction</u>	<u>Right-of-use assets – Land</u>	<u>Total</u>
Depreciation and Impairment:				
Balance on January 1, 2024	\$ -	44,295	-	44,295
Depreciation for the period	-	9,043	-	9,043
Disposals	-	(59)	-	(59)
Balance on June 30, 2024	<u>\$ -</u>	<u>53,279</u>	<u>-</u>	<u>53,279</u>
Balance on January 1, 2023	\$ -	27,525	18	27,543
Depreciation for the period	-	8,324	7	8,331
Others	-	-	(15)	(15)
Balance on June 30, 2023	<u>\$ -</u>	<u>35,849</u>	<u>10</u>	<u>35,859</u>
Carrying amounts:				
January 1, 2024	<u>\$ 602,663</u>	<u>452,155</u>	<u>-</u>	<u>1,054,818</u>
June 30, 2024	<u>\$ 614,249</u>	<u>451,066</u>	<u>-</u>	<u>1,065,315</u>
January 1, 2023	<u>\$ 501,764</u>	<u>407,395</u>	<u>55</u>	<u>909,214</u>
June 30, 2023	<u>\$ 501,764</u>	<u>399,071</u>	<u>59</u>	<u>900,894</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.

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

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

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Other current and non-current financial assets	\$ 8,476,014	9,380,358	7,339,042
Current incremental costs of obtaining a contract	1,185,465	929,954	1,412,789
Total	<u>\$ 9,661,479</u>	<u>10,310,312</u>	<u>8,751,831</u>

(i) Other financial assets

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

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

(ii) Current incremental costs of obtaining a contract

The Group expects that incremental commission fees paid to intermediaries, and the bonus for the internal sales department are recoverable. The Group has therefore capitalized them as contract costs. Capitalized commission fees are amortized when the related revenues are recognized. For the six months ended June 30, 2024 and 2023, the Group recognized \$408,074 thousand and \$487,084 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:

June 30, 2024				
	Currency	Interest rate	Maturity	Amount
Secured bank loans	NTD	2.25%~3.14%	2025~2029	\$ 10,419,838
Unsecured bank loans	NTD	2.38%~2.92%	2024~2027	709,000
Short-term notes and bills payable	NTD	1.73%~2.86%	2024	1,655,734
Total				<u>\$ 12,784,572</u>

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

June 30, 2023				
	Currency	Interest rate	Maturity	Amount
Secured bank loans	NTD	2.01%~3.27%	2023~2027	\$ 19,827,274
Unsecured bank loans	NTD	2.05%~3.00%	2023~2027	1,453,500
Short-term notes and bills payable	NTD	1.48%~2.74%	2023	1,512,614
Total				<u>\$ 22,793,388</u>

(i) Issue of bank loan and repayment

For the six months ended June 30, 2024 and 2023, the incremental amounts were \$9,101,700 thousand and \$9,151,900 thousand, respectively; the repayment amounts were \$7,040,382 thousand and \$9,832,116 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:

June 30, 2024				
	Currency	Interest rate	Maturity	Amount
Secured bank loans	NTD	2.42%	2034	\$ 280,653
Less: current portion				(26,093)
Total				<u><u>\$ 254,560</u></u>

December 31, 2023				
	Currency	Interest rate	Maturity	Amount
Secured bank loans	NTD	2.29%	2034	\$ 293,514
Less: current portion				(25,938)
Total				<u><u>\$ 267,576</u></u>

June 30, 2023				
	Currency	Interest rate	Maturity	Amount
Secured bank loans	NTD	2.29%	2034	\$ 306,263
Less: current portion				(25,644)
Total				<u><u>\$ 280,619</u></u>

(i) Issue of bank loan and repayment

There was no addition for the six months ended June 30, 2024 and 2023, whereas the amounts of repayment were \$12,861 thousand and \$12,661 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 putable bonds

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

	June 30, 2024	December 31, 2023	June 30, 2023
Secured ordinary bonds	\$ 9,900,000	9,900,000	9,900,000
Discount on bonds payable - unamortized amount	(40,559)	(31,536)	(36,851)
Ending balance: bonds payable	<u><u>\$ 9,859,441</u></u>	<u><u>9,868,464</u></u>	<u><u>9,863,149</u></u>
Secured ordinary corporate bond - current	\$ 1,888,656	5,871,596	3,978,459
Secured ordinary corporate bond - non-current	7,970,785	3,996,868	5,884,690
Total	<u><u>\$ 9,859,441</u></u>	<u><u>9,868,464</u></u>	<u><u>9,863,149</u></u>

(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 corporate bonds above both was 5 years. The Group repaid the \$4,000,000 thousand corporate bond issued back in 2019 during the six months ended 2024; no issuance, recall, or early repayment of corporate bonds payable had occurred for the six months ended June 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

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

0.85%, 0.57%, and 0.78%-0.85% in April 2022, November 2021, and 2019, respectively. The tenor for corporate bonds above both was 5 years.

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

(1) Lease liabilities

The carrying amount of lease liabilities were as follows :

	June 30, 2024	December 31, 2023	June 30, 2023
Current	<u>\$ 30,598</u>	<u>33,977</u>	<u>29,125</u>
Non-current	<u>\$ 30,647</u>	<u>45,459</u>	<u>58,373</u>

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

The amounts recognized in profit or loss were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Interest on lease liabilities	<u>\$ 309</u>	<u>422</u>	<u>686</u>	<u>893</u>
Expenses relating to short-term leases	<u>\$ 736</u>	<u>3,147</u>	<u>2,481</u>	<u>8,526</u>

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

	For the six months ended June 30	
	2024	2023
Total cash outflow for leases	<u>\$ 19,296</u>	<u>23,075</u>

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) Provisions

	Warranty
Balance on January 1, 2024	\$ 72,308
Provisions made at current period	5,929
Provisions reversed at current period	(2,683)
Balance on June 30, 2024	<u>\$ 75,554</u>
Balance on January 1, 2023	\$ 43,015
Provisions made at current period	33,515
Provisions reversed at current period	(4,718)
Balance on June 30, 2023	<u>\$ 71,812</u>

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

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

(n) Operating lease

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

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

	June 30, 2024	December 31, 2023	June 30, 2023
Less than one year	\$ 23,633	23,828	15,186
One to two years	17,416	21,452	11,692
Two to three years	15,600	16,480	5,427
Three to four years	15,229	15,663	4,131
Four to five years	5,876	13,852	4,131
More than five years	-	-	969
Total undiscounted lease payments	<u>\$ 77,754</u>	<u>91,275</u>	<u>41,536</u>

For the three months and six months ended June 30, 2024 and 2023, the Group's rental income from investment properties were \$5,724 thousand and \$4,443 thousand, \$11,558 thousand and \$8,879 thousand, respectively.

(o) Employee benefits

(i) Defined benefit plans

The Group's employee benefit liabilities were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Short-term paid leave liability	<u>\$ 7,096</u>	<u>8,348</u>	<u>4,507</u>

(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:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Operating cost	\$ 477	889	1,078	1,767
Selling expenses	309	348	615	679
Administrative expenses	1,505	1,249	2,966	2,428
Total	<u>\$ 2,291</u>	<u>2,486</u>	<u>4,659</u>	<u>4,874</u>

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

(p) Income tax

(i) Components of income tax expense:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Current tax expense				
Current period	\$ 222,775	254,892	275,611	411,585
Land value increment tax	84,949	110,455	148,941	169,015
Adjustment to previous year's income tax expense	2,713	167	2,713	167
Additional tax on unappropriated earnings	<u>8,300</u>	<u>-</u>	<u>8,300</u>	<u>-</u>
	<u>318,737</u>	<u>365,514</u>	<u>435,565</u>	<u>580,767</u>
Deferred tax expense				
Origination and reversal of temporary differences	<u>413</u>	<u>(3,877)</u>	<u>(650)</u>	<u>(5,760)</u>
Tax expense	<u>\$ 319,150</u>	<u>361,637</u>	<u>434,915</u>	<u>575,007</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 six months ended June 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) Capital surplus

The components of the capital surplus were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
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>
	<u>\$ 24,737</u>	<u>23,854</u>	<u>23,853</u>

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

**Notes to Consolidated Financial Statements of Run Long Construction Co., Ltd. and
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dividends that remain uncollected by shareholders past the deadline.

(ii) Retained earnings

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

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

1) Legal reserve

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

2) Special reserve

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

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

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:

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

(iii) Other equity items (net after tax)

	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income
Balance on January 1, 2024	\$ 185,687
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	192,634
Balance on June 30, 2024	<u>\$ 378,321</u>
	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income
Balance on January 1, 2023	\$ 130,574
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	33,985
Balance on June 30, 2023	<u>\$ 164,559</u>

(r) Earnings per share

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

(i) Basic earnings per share

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
1) Profit attributable to ordinary shareholders of the Company	<u>\$ 1,724,091</u>	<u>1,354,458</u>	<u>2,061,789</u>	<u>2,209,143</u>
2) Weighted-average number of ordinary shares	<u>451,026</u>	<u>451,026</u>	<u>451,026</u>	<u>451,026</u>

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

(ii) Diluted earnings per share

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
1) Profit attributable to ordinary shareholders of the Company (diluted)	<u>\$ 1,724,091</u>	<u>1,354,458</u>	<u>2,061,789</u>	<u>2,209,143</u>
2) Weighted-average number of ordinary shares(basic)	451,026	451,026	451,026	451,026
Effect of restricted employee shares unvested	<u>225</u>	<u>90</u>	<u>314</u>	<u>112</u>
Weighted-average number of ordinary shares (after adjusting for dilutive effect of potential common shares)	<u>451,251</u>	<u>451,116</u>	<u>451,340</u>	<u>451,138</u>

A resolution was decided by the annual general meeting of shareholders held on June 13, 2024 to distribute stock dividends, and the baseline date for stock dividend was set at October 2, 2024. If the stock dividend occurs before official approval and release of financial statements, the pro-forma retrospective adjustment to earnings per share would be as follows:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Basic earnings per share	<u>\$ 1.74</u>	<u>1.37</u>	<u>2.08</u>	<u>2.23</u>
Diluted earnings per share	<u>\$ 1.74</u>	<u>1.36</u>	<u>2.08</u>	<u>2.23</u>

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

(s) Revenue from contracts with customers

(i) Disaggregation of revenue

For the three months ended June 30, 2024			
	Sales Of Real Estate Department	Construction Contractor Department	Total
Primary geographical markets:			
Taiwan	<u>\$ 5,262,353</u>	<u>299</u>	<u>5,262,652</u>
Major products/services lines:			
Sales revenue (sales of real estate)	\$ 5,256,629	-	5,256,629
Construction contracts	-	299	299
Other revenue	<u>5,724</u>	<u>-</u>	<u>5,724</u>
	<u>\$ 5,262,353</u>	<u>299</u>	<u>5,262,652</u>
Timing of revenue recognition:			
Revenue transferred over time	\$ 5,724	299	6,023
Products and services transferred at a point in time	<u>5,256,629</u>	<u>-</u>	<u>5,256,629</u>
Total	<u>\$ 5,262,353</u>	<u>299</u>	<u>5,262,652</u>
For the three months ended June 30, 2023			
	Sales Of Real Estate Department	Construction Contractor Department	Total
Primary geographical markets:			
Taiwan	<u>\$ 4,438,678</u>	<u>19,867</u>	<u>4,458,545</u>
Major products/services lines:			
Sales revenue (sales of real estate)	\$ 4,434,235	-	4,434,235
Construction contracts	-	19,867	19,867
Other revenue	<u>4,443</u>	<u>-</u>	<u>4,443</u>
	<u>\$ 4,438,678</u>	<u>19,867</u>	<u>4,458,545</u>
Timing of revenue recognition:			
Revenue transferred over time	\$ 4,443	19,867	24,310
Products and services transferred at a point in time	<u>4,434,235</u>	<u>-</u>	<u>4,434,235</u>
Total	<u>\$ 4,438,678</u>	<u>19,867</u>	<u>4,458,545</u>

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

For the six months ended June 30, 2024			
	Sales Of Real Estate Department	Construction Contractor Department	Total
Primary geographical markets:			
Taiwan	<u>\$ 6,584,421</u>	<u>26,350</u>	<u>6,610,771</u>
Major products/services lines:			
Sales revenue (sales of real estate)	\$ 6,572,863	-	6,572,863
Construction contracts	-	26,350	26,350
Other revenue	11,558	-	11,558
	<u>\$ 6,584,421</u>	<u>26,350</u>	<u>6,610,771</u>
Timing of revenue recognition:			
Revenue transferred over time	\$ 11,558	26,350	37,908
Products and services transferred at a point in time	6,572,863	-	6,572,863
Total	<u>\$ 6,584,421</u>	<u>26,350</u>	<u>6,610,771</u>
For the six months ended June 30, 2023			
	Sales Of Real Estate Department	Construction Contractor Department	Total
Primary geographical markets:			
Taiwan	<u>\$ 7,482,003</u>	<u>42,414</u>	<u>7,524,417</u>
Major products/services lines:			
Sales revenue (sales of real estate)	\$ 7,473,124	-	7,473,124
Construction contracts	-	42,414	42,414
Other revenue	8,879	-	8,879
Total	<u>\$ 7,482,003</u>	<u>42,414</u>	<u>7,524,417</u>
Timing of revenue recognition:			
Revenue transferred over time	\$ 8,879	42,414	51,293
Products and services transferred at a point in time	7,473,124	-	7,473,124
Total	<u>\$ 7,482,003</u>	<u>42,414</u>	<u>7,524,417</u>

(ii) Contract balances

	June 30, 2024	December 31, 2023	June 30, 2023
Contract assets - Construction	\$ 59	27,465	25,891
Less: Allowance for impairment	-	-	-
Total	<u>\$ 59</u>	<u>27,465</u>	<u>25,891</u>
Contract liabilities - Sales of real estate	\$ 3,090,826	2,535,438	6,134,065
Contract liabilities - Advance receipt	748	671	271
Total	<u>\$ 3,091,574</u>	<u>2,536,109</u>	<u>6,134,336</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 six months ended June 30, 2024 and 2023 that was included in the contract liability - Sales of real estate balance at the beginning of the period were \$815,147 thousand and \$1,381,146 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 six months ended June 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 \$20,700 thousand, \$4,283 thousand, \$25,269 thousand, and \$6,953 thousand, and director remuneration at \$10,350 thousand, \$2,570 thousand, \$12,635 thousand, and \$4,172 thousand, for the three months and six months ended June 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:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Interest income from construction refundable deposit	\$ 2	1	3	2
Interest income from bank deposit and bills	31,042	18,430	36,490	18,811
Others	-	-	10	6
	<u>\$ 31,044</u>	<u>18,431</u>	<u>36,503</u>	<u>18,819</u>

**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 June 30		For the six months ended June 30	
	2024	2023	2024	2023
Dividend income	\$ -	7,231	8,026	7,231
Rent income	4,471	2,670	11,667	5,164
	<u>\$ 4,471</u>	<u>9,901</u>	<u>19,693</u>	<u>12,395</u>

(iii) Other gains and losses

The details of other gains and losses:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Gain on disposal of investment property	\$ 7,128	-	7,128	-
Gain on disposal of property, plant and equipment	-	768	4	768
Foreign exchange income	1	2	3	3
Gain on lease modification	-	1	8	1
Other income	3,938	12,948	12,310	21,123
Other expenses	(550)	(92)	(1,103)	(101)
	<u>\$ 10,517</u>	<u>13,627</u>	<u>18,350</u>	<u>21,794</u>

(iv) Finance costs

The details of finance costs:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Interest expenses				
Bank loans and collateral	\$ 80,847	149,605	152,848	296,344
Guarantee fees	3,065	2,939	6,608	4,981
Interest on corporate bond (including fees)	51,855	48,125	99,417	95,316
Other financial expenses	309	422	686	893
Less: capitalized interest	(111,249)	(139,530)	(208,223)	(288,005)
	<u>\$ 24,827</u>	<u>61,561</u>	<u>51,336</u>	<u>109,529</u>

(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

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

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.

	Carrying Amount	Contractual Cash Flows	Within 1 Year	1-3 years	3-5 years	Over 5 Years
June 30, 2024						
Non derivative financial liabilities:						
Secured bank loans	\$ 10,700,491	11,475,843	335,032	8,446,512	2,542,249	152,050
Unsecured bank loans	709,000	739,582	366,631	372,951	-	-
Short-term notes and bills payable	1,655,734	1,659,000	1,659,000	-	-	-
Ordinary corporate bonds(including current portion)	9,859,441	10,343,020	2,011,820	4,194,000	4,137,200	-
Notes payable, accounts payable and other payables	5,162,916	5,162,916	5,162,916	-	-	-
Lease liabilities	61,245	62,585	30,611	31,060	145	769
	<u>\$ 28,148,827</u>	<u>29,442,946</u>	<u>9,566,010</u>	<u>13,044,523</u>	<u>6,679,594</u>	<u>152,819</u>
December 31, 2023						
Non derivative financial liabilities:						
Secured bank loans	\$ 8,805,202	9,258,752	3,002,023	5,087,064	1,002,326	167,339
Unsecured bank loans	587,000	607,539	427,181	8,689	171,669	-
Short-term notes and bills payable	1,623,524	1,627,000	1,627,000	-	-	-
Ordinary corporate bonds(including current portion)	9,868,464	10,051,020	5,977,220	2,056,800	2,017,000	-
Notes payable, accounts payable and other payables	3,801,678	3,801,678	3,801,678	-	-	-
Lease liabilities	79,436	81,491	34,076	46,555	137	723
	<u>\$ 24,765,304</u>	<u>25,427,480</u>	<u>14,869,178</u>	<u>7,199,108</u>	<u>3,191,132</u>	<u>168,062</u>
June 30, 2023						
Non derivative financial liabilities:						
Secured bank loans	\$ 20,133,537	21,007,347	10,013,624	7,020,138	3,790,052	183,533
Unsecured bank loans	1,453,500	1,481,146	1,298,614	8,689	173,843	-
Short-term notes and bills payable	1,512,614	1,516,500	1,516,500	-	-	-
Ordinary corporate bonds(including current portion)	9,863,149	10,077,240	4,077,220	1,971,620	4,028,400	-
Notes payable, accounts payable and other payables	3,820,188	3,820,188	3,820,188	-	-	-
Lease liabilities	87,498	90,191	29,165	58,590	1,712	724
	<u>\$ 36,870,486</u>	<u>37,992,612</u>	<u>20,755,311</u>	<u>9,059,037</u>	<u>7,994,007</u>	<u>184,257</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

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

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 \$28,526 thousand and \$53,975 thousand, respectively, for the six months ended June 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 \$5,642 thousand and \$14,871 thousand, respectively. This is mainly due to the Group's borrowing at variable rates.

2) Other market price risk

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

	For the six months ended June 30	
	2024	2023
	Other Comprehensive Income After Tax	Other Comprehensive Income After Tax
Price Of Securities At Reporting Date		
10% increase	<u>\$ 83,635</u>	<u>61,679</u>
10% decrease	<u>(\$ 83,635)</u>	<u>(61,679)</u>

(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:

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

June 30, 2024

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	\$ 836,351	836,351	-	-	836,351
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 4,017,881	-	-	-	-
Notes and accounts receivable	1,790,640	-	-	-	-
Other receivables	11,458	-	-	-	-
Other financial assets - current	5,563,642	-	-	-	-
Other financial assets - non-current	2,912,372	-	-	-	-
Other non-current assets	231,676	-	-	-	-
Subtotal	14,527,669	-	-	-	-
Total	\$ 15,364,020	836,351	-	-	836,351
Financial liabilities measured at amortized cost					
Short-term loans	\$ 11,128,838	-	-	-	-
Short-term notes and bills payable	1,655,734	-	-	-	-
Notes payable, accounts payable and other payables	5,162,916	-	-	-	-
Lease liabilities	61,245	-	-	-	-
Corporate bonds payable (including current portion)	9,859,441	-	-	-	-
Long-term loans (including current portion)	280,653	-	-	-	-
Total	\$ 28,148,827	-	-	-	-

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)

	June 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	\$ 616,789	616,789	-	-	616,789
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 4,135,986	-	-	-	-
Notes and accounts receivable	614,681	-	-	-	-
Other receivables	8,301	-	-	-	-
Other financial assets - current	5,857,848	-	-	-	-
Other financial assets - non-current	1,481,194	-	-	-	-
Subtotal	12,098,010	-	-	-	-
Total	<u>\$ 12,714,799</u>	<u>616,789</u>	<u>-</u>	<u>-</u>	<u>616,789</u>
Financial liabilities measured at amortized cost					
Short-term loans	\$ 21,280,774	-	-	-	-
Short-term notes and bills payable	1,512,614	-	-	-	-
Notes payable, accounts payable and other payables	3,820,188	-	-	-	-
Lease liabilities	87,498	-	-	-	-
Corporate bonds payable(including current portion)	9,863,149	-	-	-	-
Long-term loans (including current portion)	306,263	-	-	-	-
Total	<u>\$ 36,870,486</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

2) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

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

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

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

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

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

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 six months ended June 30, 2024 and 2023. There was no transfer between levels of fair value input for the six months ended June 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.

(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 six months ended June 30, 2024 and 2023, were as follows:

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

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

(7) Related-party transactions

(a) Parent company and ultimate controlling company

On June 30, 2024, December 31, 2023, and June 30, 2023, Guang Yang Investment Co., Ltd. (Guang Yang) was the parent company of the Group and it owned 5.95%, 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 related party during the periods covered in the consolidated financial statements.

Name Of Related Party	Relationship With The Group
GuangYang Investment Construction Co., Ltd.	Parent company of the Group
Chyi Yuh Construction Co., Ltd.	Parent company of GuangYang Investment Construction 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 5 including Chiu, ○○	Relatives by blood within the second degree of relationship of key management personnel of the Group
Chen, ○	Relatives by blood within the second degree of relationship of key management personnel of the Group's ultimate parent

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

(c) Significant transactions with related parties

(i) Operating revenue

For the six months ended June 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 \$16,627 thousand being recognized as sales revenue, and advance real estate receipts of \$3,770 thousand, \$0, and \$2,260 thousand being recognized as contract liabilities on June 30, 2024, December 31, 2023, and June 30, 2023, respectively. The values of the above transactions were \$46,290 thousand, \$32,077 thousand, and \$32,077 thousand (all tax-inclusive), respectively. The collection terms were indifferent from non-related party transactions.

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

(ii) Purchase

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

	Purchase (Charged)			
	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Other related parties:				
BoYuan Construction Co., Ltd.	\$ 16	46,553	16	46,553
Other related parties	920	1,210	1,840	1,210
	<u>\$ 936</u>	<u>47,763</u>	<u>1,856</u>	<u>47,763</u>

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 (tax-inclusive).

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

	Expense paid			
	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Parent company - Highwealth Construction Corp.	\$ -	4,762	371	5,133
Other related parties	-	-	-	559
	<u>\$ -</u>	<u>4,762</u>	<u>371</u>	<u>5,692</u>

(iii) Receivables from related parties

The receivables from related parties were as follows:

Accounted Items	Categories	June 30, 2024	December 31, 2023	June 30, 2023
Accounts receivable	Other related parties	\$ -	-	14,049
Other receivables	Parent company - Highwealth Construction Corp.	8,026	-	7,231
"	Parent company - Chyi Yuh Construction Co., Ltd.	-	449	-
"	Other related parties	1,166	-	381
		<u>\$ 9,192</u>	<u>449</u>	<u>21,661</u>

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

(iv) Payables to related parties

The payables to related parties were as follows:

Accounted Items	Categories	June 30, 2024	December 31, 2023	June 30, 2023
Accounts payable	Parent company - Highwealth Construction Corp.	\$ -	-	4,762
"	Parent company - Chyi Yuh Construction Co., Ltd.	-	-	18,637
"	Other related party - Well Rich International Co., Ltd.	1,067	2,887	3,467
"	Other related parties	971	227	1,210
Other payables	Parent company	1,152	18	18
"	Other related party - Ju Feng Hotel Management Consultant Co., Ltd.	43,529	19,468	26,716
"	Other related parties	822	591	1,527
		<u>\$ 47,541</u>	<u>23,191</u>	<u>56,337</u>

(v) Leases

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

1) Rent income

	Guarantee deposits			Rent income			
	June 30, 2024	December 31, 2023	June 30, 2023	For the three months ended June 30		For the six months ended June 30	
				2024	2023	2024	2023
Parent company	\$ -	-	-	15	15	29	29
Other related parties:							
BoYuan Construction Co., Ltd.	1,378	1,378	1,378	1,975	1,975	3,970	3,951
Highwealth Real Estate Co., Ltd.	200	200	-	1,395	-	6,121	-
Other related parties	-	-	-	11	296	21	402
	<u>\$ 1,578</u>	<u>1,578</u>	<u>1,378</u>	<u>3,396</u>	<u>2,286</u>	<u>10,141</u>	<u>4,382</u>

2) Rent expense

	Refundable deposits			Rent expense			
	June 30, 2024	December 31, 2023	June 30, 2023	For the three months ended June 30		For the six months ended June 30	
				2024	2023	2024	2023
Parent company	\$ 215	215	215	449	791	898	2,269
Other related parties	140	140	140	195	195	389	389
	<u>\$ 355</u>	<u>355</u>	<u>355</u>	<u>644</u>	<u>986</u>	<u>1,287</u>	<u>2,658</u>

(vi) Others

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

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

Property	Land Owner /Investor	Type	Portion	Construction Deposits
June 30, 2024				
Shicheng Aiyue (Huei An section)	Parent company – Highwealth Construction Corp.	Redistribution under cooperative construction	57%	Refundable deposits \$100,000 Refundable notes \$100,000
December 31, 2023				
Shicheng Aiyue (Huei An section)	Parent company – Highwealth Construction Corp.	Redistribution under cooperative construction	57%	Refundable deposits \$100,000 Refundable notes \$200,000
June 30, 2023				
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 June 30, 2024, December 31, 2023, and June 30, 2023, the Group received guarantee notes of \$0, \$0, and \$20,951 thousand, respectively, from Chyi Yuh Construction Co., Ltd. for construction contracts.
- 3) As of June 30, 2024, December 31, 2023, and June 30, 2023, the Group issued guarantee notes of \$0, \$0, and 49,281 thousand, respectively, to Highwealth Construction Corp. for contracting project.
- 4) The Group commissioned related parties to sell real estate and administer the construction sites. Related consulting fees and commission and sales expense were as follows:

	Expense paid			
	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Parent company: Chyi Yuh Construction Co., Ltd.	\$ 2,857	2,857	5,714	5,714
Other related parties: Other related parties	28,803	18,691	29,337	33,311
	<u>\$ 31,660</u>	<u>21,548</u>	<u>35,051</u>	<u>39,025</u>

(d) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
	2024	2023	2024	2023
Short-term employee benefits	<u>\$ 18,629</u>	<u>6,878</u>	<u>25,004</u>	<u>12,447</u>

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

(8) Pledged assets

The carrying values of pledged assets were as follows:

Pledged Assets	Object	June 30, 2024	December 31, 2023	June 30, 2023
Financial assets at fair value through other comprehensive income - current	Bank loans	\$ 684,855	527,115	560,634
Notes receivable	Bank loans, short-term notes and bonds	821,448	627,831	233,605
Other financial assets - current and non-current	Trust account, performance guarantee, bank loan, short-term bills payable, guarantees and endorsements, and bonds	7,436,586	8,392,288	6,547,613
Inventories (construction)	Bank loans, short-term notes and long-term borrowings	22,701,654	19,787,143	30,387,026
Investment property	Long-term borrowings and short-term bills payable	1,062,648	1,052,151	900,835
		<u>\$ 32,707,191</u>	<u>30,386,528</u>	<u>38,629,713</u>

As of June 30, 2024, December 31, 2023, and June 30, 2023, the book value of the above assets pledged for undrawn loan limits were \$2,395,773 thousand, \$4,598,488 thousand, and \$0, respectively. As of June 30, 2024, December 31, 2023, and June 30, 2023, the Group provided notes receivable on presale cases totaling \$1,556,005 thousand, \$1,525,139 thousand, and \$2,351,912 thousand, respectively, as collateral for bank loans.

(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:

	June 30, 2024	December 31, 2023	June 30, 2023
Amounts of signed contracts	<u>\$ 41,579,134</u>	<u>32,463,218</u>	<u>50,010,359</u>
Received amount from contracts	<u>\$ 3,090,826</u>	<u>2,535,437</u>	<u>6,134,065</u>
Outstanding checks received from presale cases	<u>\$ 2,824,713</u>	<u>2,782,497</u>	<u>2,721,679</u>

- (ii) As of June 30, 2024, December 31, 2023, and June 30, 2023, the amount of refundable deposits placed for joint construction with land owners amounted to \$4,005,000 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.

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

(iii) As of June 30, 2024, December 31, 2023, and June 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:

	June 30, 2024	December 31, 2023	June 30, 2023
Inventory acquisition (construction)	<u>\$ 64,101</u>	<u>-</u>	<u>1,589,270</u>

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

	June 30, 2024	December 31, 2023	June 30, 2023
Amount of signed contracts	<u>\$ 457</u>	<u>188,992</u>	<u>154,678</u>
Received amount from contracts	<u>\$ 457</u>	<u>143,128</u>	<u>96,093</u>
Guarantee notes issued (Note 1)	<u>\$ 4,135</u>	<u>2,458</u>	<u>55,948</u>

Note 1. Includes guarantee notes issued to related parties, which amounted to \$0, \$0, and \$49,281 thousand as of June 30, 2024, December 31, 2023, and June 30, 2023, respectively.

(10) Losses due to major disasters: None

(11) Subsequent events: None

(12) Others

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

Item \ Function	For the three months ended June 30, 2024			For the three months ended June 30, 2023		
	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits						
Salary	18,679	58,625	77,304	22,906	31,428	54,334
Labor and health insurance	2,074	3,654	5,728	2,479	3,458	5,937
Pension	477	1,814	2,291	889	1,597	2,486
Others	359	4,743	5,102	661	4,624	5,285
Depreciation	4,725	9,252	13,977	4,310	8,533	12,843
Amortization	-	1,284	1,284	-	1,139	1,139

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

Item \ Function	For the six months ended June 30, 2024			For the six months ended June 30, 2023		
	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits						
Salary	38,594	88,857	127,451	49,366	65,651	115,017
Labor and health insurance	4,166	8,144	12,310	4,662	7,793	12,455
Pension	1,078	3,581	4,659	1,767	3,107	4,874
Others	768	7,122	7,890	1,301	7,851	9,152
Depreciation	9,631	18,902	28,533	8,782	17,321	26,103
Amortization	-	2,590	2,590	-	2,270	2,270

(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.

(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 six months ended June 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	14,412,851	100,000	100,000	-	-	0.69%	28,825,702	Y	N	N
1	Jin Jyun Construction Co., Ltd.	The Company	3	3,574,610	1,000,000	1,000,000	-	-	55.95%	7,149,219	N	Y	N

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

- 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.

(iii) Securities held as of June 30, 2024 (excluding investment in subsidiaries, associates and joint ventures):

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

Name Of Holder	Category And Name Of Security	Relationship With Company	Account Name	Ending Balance				Note
				Shares/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	16,052,801	836,351	0.85 %	836,351	

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

(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	Condition	Purpose Of Acquisition And Current	Others	Amount		
The Company	Jincheng Section, Anping District, Tainan City	February 26, 2024	591,881	533,666	A party of 10 including Yeh	Not related parties	-	-	-	-	-	Appraisal	Construction
Jin Jyun Construction Co., Ltd.	Guoan 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

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

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

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

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

Name Of Company	Counter-Party	Nature Of Relationship	Transaction Details				Transactions With Terms Different From Others		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	Percentage Of Total Purchases/ Sales	Payment Terms	Unit Price	Payment Terms	Ending Balance	Percentage Of Total Notes/Accounts Receivable (Payable)	
The Company	Jin Jyun Construction Co., Ltd.	Subsidiary of the Company	Contracting project management fee	2,646,610	57.95%		-	-	(623,929)	(38.45)%	Note 2, Note 3
Jin Jyun Construction Co., Ltd.	The Company	Parent company	Contracted project management responsibility	(1,895,221)	98.63%		-	-	623,929	98.37%	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		
The Company	Jin Jyun Construction Co., Ltd.	Subsidiary of the Company	100,210	Note	-	-	-	-
Jin Jyun Construction Co., Ltd.	The Company	Parent company	623,929	6.25	-	-	366,198	-

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

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

(ix) Trading in derivative instruments: None.

(x) Business relationships and significant intercompany transactions:

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

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	\$ 623,929	Same with peer terms	1.35%
			1	Operating cost	1,895,221	Same with peer terms	28.67%
1	Jin Jyun Construction Co., Ltd.	The Company	2	Accounts receivable	623,929	Same with peer terms	1.35%
			2	Operating revenue	1,895,221	Same with peer terms	28.67%

Note 1. The numbering is as follows:

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

Note 2. Relation between related parties are as follows:

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

(b) Information on investees:

The following is the information on investees for the six months ended June 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	100.00%	1,591,556	32,632	36,103	

Note: Eliminated during preparation of consolidated financial statements.

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

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

(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%
GuangYang Investment Construction Co., Ltd.		26,864,103	5.95%
Wan Sheng Fa Investment Co., Ltd.		25,873,040	5.73%
Highwealth Construction Corp.		23,698,288	5.25%

(14) Segment information

Information on the Group's segments and reconciliation:

	Developing Segment	Constructing Segment	Reconciliation And Elimination	Total
For the three months ended June 30, 2024				
Revenue:				
Revenue From External				
Customers	\$ 5,262,353	299	-	5,262,652
Intersegment	-	1,242,485	(1,242,485)	-
Total Revenue	<u>\$ 5,262,353</u>	<u>1,242,784</u>	<u>(1,242,485)</u>	<u>5,262,652</u>
Reportable Segment Profit Or Loss	<u>\$ 2,038,939</u>	<u>20,912</u>	<u>(16,610)</u>	<u>2,043,241</u>
	Developing Segment	Constructing Segment	Reconciliation And Elimination	Total
For the three months ended June 30, 2023				
Revenues:				
Revenue From External				
Customers	\$ 4,438,678	19,867	-	4,458,545
Intersegment	-	1,940,170	(1,940,170)	-
Total Revenue	<u>\$ 4,438,678</u>	<u>1,960,037</u>	<u>(1,940,170)</u>	<u>4,458,545</u>
Reportable Segment Profit Or Loss	<u>\$ 1,706,364</u>	<u>48,316</u>	<u>(38,585)</u>	<u>1,716,095</u>

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

	Developing Segment	Constructing Segment	Reconciliation And Elimination	Total
For the six months ended June 30, 2024				
Revenue:				
Revenue From External Customers	\$ 6,584,421	26,350	-	6,610,771
Intersegment	-	1,895,221 (1,895,221)	-
Total Revenue	\$ 6,584,421	1,921,571 (1,895,221)	6,610,771
Reportable Segment Profit Or Loss	\$ 2,489,011	40,325 (32,632)	2,496,704
	Developing Segment	Constructing Segment	Reconciliation And Elimination	Total
For the six months ended June 30, 2023				
Revenue:				
Revenue From External Customers	\$ 7,482,003	42,414	-	7,524,417
Intersegment	-	2,608,914 (2,608,914)	-
Total Revenue	\$ 7,482,003	2,651,328 (2,608,914)	7,524,417
Reportable Segment Profit Or Loss	\$ 2,770,254	70,915 (57,019)	2,784,150
Reportable Segment Assets				
June 30, 2024	\$ 44,071,691	4,695,486 (2,604,620)	46,162,557
December 31, 2023	\$ 40,800,707	4,233,342 (2,495,289)	42,538,760
June 30, 2023	\$ 51,114,984	3,190,592 (2,238,717)	52,066,859