Stock Code: 5533

Founding Construction Development Corp.

Parent Company Only Financial Statements and Independent Auditors' Report

For the Years Ended December 31, 2024 and 2023

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For the convenience of readers, the independent auditors’ report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors’ report and consolidated financial statements shall prevail.

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Independent Auditors' Report

Founding Construction Development Corp.

Audit Opinion

We have audited the accompanying parent company only financial statements of Founding Construction Development Corp., which comprise the parent company only balance sheets as of December 31, 2024 and 2023, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the accompanying parent company only financial position of Founding Construction Development Corp. as of December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of Founding Construction Development Corp. in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those that, in our professional judgment, were of most significance in our audit of Founding Construction Development Corp.'s parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for Founding Construction Development Corp.'s parent company only financial statements for the year ended December 31, 2024 are stated as follows:

<u>Key Audit Matters I: Inventory Valuation</u>

Inventories of Founding Construction Development Corp. represented 31% of the total parent company only assets as of December 31, 2024. The inventories are buildings and land held for sale and construction in progress. Because the situations of the domestic real estate supply, natural disasters, government policies, and economic conditions significantly impact the values of properties, the assessment of the properties inevitably contains uncertainty, and so the risk of individual assets being improperly evaluated exists. Therefore, inventories have been deemed as one of the key audit matters for the year. Please refer to Note 4(4) of the financial statements for relevant information on the inventories.

The main audit procedures performed on the specific levels in respect of the above-mentioned key audit matter for the audit of the year are as follows:

We obtain information on the evaluation of the market value of Founding Construction Development Corp.'s inventories, test and review samples of the sales contracts, obtain information adopted for the market value of the Founding Construction Development Corp.'s inventories, and obtain transaction quotes from the neighboring regions with reference to the price registration of the real estate to evaluate the signs of inventory impairment.

<u>Key Audit Matters II: Recognition of Income from Sales of Real Estate</u>

The sales of real estate are recognized after the construction projects were actually completed and handed over, and the registration of property right was finished. Whether sales revenue recognition meets the sales revenue recognition conditions is material to the consolidated financial statements for the year. Therefore, the occurrence of sales revenue is considered as a key audit matter. Please refer to Note 4 (12) of the financial statements for relevant information on the sales revenues.

The main audit procedures performed on the specific levels in respect of the above-mentioned key audit matter for the audit of the year are as follows:

1. We evaluate the designs of the relevant operating procedures for sales revenue recognition and the appropriateness of execution, and we select samples to test the situation of effectively ongoing operations during the year of its significant control operations.

2. For the details of the recognized real estate sales revenue for the year, we select samples and examine their corresponding evidences of the real estate handover and the registration of property right to verify the appropriateness of the classification under real estate sales revenue.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing Founding Construction Development Corp.'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Founding Construction Development Corp. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing Founding Construction Development Corp.'s financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the auditing standards in the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Founding Construction Development Corp.'s internal control.

3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Founding Construction Development Corp.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Founding Construction Development Corp. to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Founding Construction Development Corp. to express an opinion

on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our opinion to Founding Construction Development Corp.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of Founding Construction Development Corp.'s parent company only financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

LU I-CHEN, CPA	HSIEH MING-CHUNG, CPA
Financial Supervisory Commission Approval Document Number Jin-Guan-Zheng-Shen-Zi No. 1080321204	Financial Supervisory Commission Approval Document Number Jin-Guan-Zheng-Shen-Zi No. 1000028068

March 10, 2025

Founding Construction Development Corp.

Parent Company Only Balance Sheet
December 31, 2024 and 2023
Unit: NT$ thousands

Code	ASSETS	December 31, 2024 Amounts	%	December 31, 2023 Amounts	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Note 6)	$ 2,633,142	22	$ 2,800,070	24
1110	Financial assets at fair value through profit or loss - current (Note 28)	-	-	2,852	-
1150	Notes receivable (Notes 7 and 22)	5,000	-	11,000	-
1170	Accounts receivable (Notes 7 and 22)	11,291	-	-	-
130X	Inventories (Notes 8 and 30)	3,848,854	33	3,621,791	31
1410	Prepayments (Note 9)	4,967	-	5,379	-
1476	Other financial assets - current (Notes 10 and 30)	228,875	2	88,841	1
1479	Other current assets (Note 9)	4,033	-	4,507	-
11XX	Total current assets	6,736,162	57	6,534,440	56
	NON-CURRENT ASSETS				
1550	Investments accounted for using the equity method (Note 11)	675,103	6	601,595	5
1600	Property, plant and equipment (Notes 12 and 30)	82,896	1	84,359	1
1760	Investment properties, net (Notes 14 and 30)	4,246,907	36	4,364,333	38
1780	Intangible assets	225	-	393	-
1840	Deferred tax assets (Note 24)	12,094	-	6,253	-
1920	Refundable deposits	1,286	-	1,312	-
1975	Net defined benefit assets - non-current (Note 19)	8,883	-	4,803	-
15XX	Total non-current assets	5,027,394	43	5,063,048	44
1XXX	Total assets	$ 11,763,556	100	$ 11,597,488	100

Code	LIABILITIES AND EQUITY	December 31, 2024 Amounts	%	December 31, 2023 Amounts	%
	CURRENT LIABILITIES				
2100	Short-term borrowings (Notes 15 and 30)	$ 593,000	5	$ 593,000	5
2130	Contract liabilities (Note 22)	116,170	1	76,412	1
2150	Notes payable - non-related parties (Note 16)	46,798	-	1,323	-
2160	Notes payable - related parties (Note 16 and 29)	52,500	-	35,175	-
2170	Accounts payable - non-related parties (Note 16)	55,867	1	2,847	-
2180	Accounts payable - related parties (Notes 16 and 29)	64,950	1	36,750	-
2230	Current tax liabilities (Note 24)	69,383	1	64,709	1
2219	Other payables (Notes 17 and 29)	32,057	-	31,775	-
2250	Provisions - current (Note 18)	1,106	-	1,106	-
2320	Long-term borrowings due within one year (Notes 15 and 30)	116,559	1	119,462	1
2399	Other current liabilities	10,982	-	2,042	-
21XX	Total current liabilities	1,159,372	10	964,601	8
	NON-CURRENT LIABILITIES				
2540	Long-term borrowings (Notes 15 and 30)	889,237	8	1,005,798	9
2570	Deferred tax liabilities (Note 24)	3,571	-	2,852	-
2645	Guarantee deposits (Note 29)	11,847	-	11,281	-
25XX	Total non-current liabilities	904,655	8	1,019,931	9
2XXX	Total liabilities	2,064,027	18	1,984,532	17
	EQUITY (Note 21)				
	Capital stock				
3110	Ordinary shares	2,852,450	24	2,852,450	25
	Capital surplus				
3210	Shares premium	20,894	-	20,894	-
3220	Treasury shares transactions	236	-	236	-
3200	Total capital surplus	21,130	-	21,130	-
	Retained earnings				
3310	Legal reserve	1,270,509	11	1,180,904	10
3350	Unappropriated earnings	5,555,440	47	5,558,472	48
3300	Total retained earnings	6,825,949	58	6,739,376	58
3XXX	Total equity	9,699,529	82	9,612,956	83
	Total liabilities and equity	$ 11,763,556	100	$ 11,597,488	100

The accompanying notes are an integral part of the parent company only financial statements.

Chairman: Liu Hsin-Hsiung　　Manager: Cao Luo-Fang　　Accounting Officer: Cheng Yen-Fen

Founding Construction Development Corp.

Parent Company Only Statements of Comprehensive Income
For the years ended December 31, 2024 and 2023
Unit: NT$ thousands, except for earnings per share (in NT$)

Code		2024 Amounts	2024 %	2023 Amounts	2023 %
	OPERATING REVENUE (Notes 22 and 29)				
4300	Rental revenue	$ 82,585	4	$ 87,270	3
4500	Construction revenue	1,817,543	96	3,326,474	97
4000	Total operating revenue	1,900,128	100	3,413,744	100
	OPERATING COSTS (Notes 8, 23 and 29)				
5300	Rental costs	(51,559)	(3)	(53,464)	(2)
5500	Construction costs	(1,292,597)	(68)	(2,338,473)	(68)
5000	Total operating costs	(1,344,156)	(71)	(2,391,937)	(70)
5900	Gross Profit	555,972	29	1,021,807	30
6000	OPERATING EXPENSES (Notes 19, 23 and 29)	(144,942)	(7)	(147,301)	(4)
6900	Net Operating Income	411,030	22	874,506	26
	NON-OPERATING INCOME AND EXPENSES (Note 23)				
7100	Interest Income	16,206	1	15,251	-
7010	Other income	249	-	352	-
7020	Other gains and losses	532	-	391	-
7050	Finance costs	(4,609)	-	(170)	-
7070	Shares of profits of subsidiaries, associates and joint ventures accounted for using the equity method	83,231	4	157,420	5
7000	Total non-operating income and expenses	95,609	5	173,244	5

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Code		2024 Amounts	2024 %	2023 Amounts	2023 %
7900	Net income before tax for the year	$ 506,639	27	$ 1,047,750	31
7950	Income tax expense (Note 24)	(83,676)	(5)	(158,207)	(5)
8200	NET INCOME (LOSS) FOR THE YEAR	422,963	22	889,543	26
	OTHER COMPREHENSIVE INCOME (Note 24)				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurement of defined benefit plans	3,597	1	7,917	-
8330	Shares of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	3,026	-	176	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	(719)	-	(1,584)	-
8300	Other comprehensive income for the year, net of income tax	5,904	1	6,509	-
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 428,867	23	$ 896,052	26
	EARNINGS PER SHARE (Note 25)				
9710	Basic	$ 1.48		$ 3.12	
9810	Diluted	$ 1.48		$ 3.11	

The accompanying notes are an integral part of the parent company only financial statements.

Chairman: Liu Hsin-Hsiung Manager: Cao Luo-Fang Accounting Officer: Cheng Yen-Fen

Founding Construction Development Corp.

Parent Company Only Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

Unit: NT$ thousands

Code		Capital stock		Capital surplus		Retained earnings			
		Shares (In Thousands)	Ordinary shares	Shares premium	Treasury shares transactions	Legal reserve	Special reserve	Unappropriated earnings	Total equity
A1	Balance as of January 1, 2023	285,245	$ 2,852,450	$ 20,894	$ 236	$ 1,079,098	$ 966	$ 5,105,554	$ 9,059,198
	Appropriation and distribution of retained earnings for 2022								
B1	Legal reserve	-	-	-	-	101,806	-	(101,806)	-
B17	Special reserve	-	-	-	-	-	(966)	966	-
B5	Cash dividends to shareholders	-	-	-	-	-	-	(342,294)	(342,294)
D1	Net income for 2023	-	-	-	-	-	-	889,543	889,543
D3	After-tax other comprehensive income for 2023	-	-	-	-	-	-	6,509	6,509
D5	Total comprehensive income in 2023	-	-	-	-	-	-	896,052	896,052
Z1	Balance as of December 31, 2023	285,245	2,852,450	20,894	236	1,180,904	-	5,558,472	9,612,956
	Appropriation and distribution of retained earnings for 2023								
B1	Legal reserve	-	-	-	-	89,605	-	(89,605)	-
B5	Cash dividends to shareholders	-	-	-	-	-	-	(342,294)	(342,294)
D1	Net income for 2024	-	-	-	-	-	-	422,963	422,963
D3	After-tax other comprehensive income for 2024	-	-	-	-	-	-	5,904	5,904
D5	Total comprehensive income in 2024	-	-	-	-	-	-	428,867	428,867
Z1	Balance as of December 31, 2024	285,245	$ 2,852,450	$ 20,894	$ 236	$ 1,270,509	$ -	$ 5,555,440	$ 9,699,529

The accompanying notes are an integral part of the parent company only financial statements.

Chairman: Liu Hsin-Hsiung   Manager: Cao Luo-Fang   Accounting Officer: Cheng Yen-Fen

Founding Construction Development Corp.

Parent Company Only Statements of Cash Flows
For the years ended December 31, 2024 and 2023
Unit: NT$ thousands

Code		2024	2023
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Net income before tax for the year	$ 506,639	$ 1,047,750
A20010	Adjustments for:		
A20100	Depreciation expenses	53,344	55,648
A20200	Amortization expenses	168	149
A20400	Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	(452)	(1,638)
A20900	Finance costs	4,609	170
A21200	Interest Income	(16,206)	(15,251)
A22300	Shares of profits of subsidiaries, associates and joint ventures accounted for using the equity method	(83,231)	(157,420)
A22500	Gain on disposal of property, plant and equipment	(457)	-
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	6,000	(5,051)
A31150	Accounts receivable	(11,291)	25,631
A31200	Inventories	370,830	1,655,859
A31230	Prepayments	412	(1,233)
A31240	Other current assets	474	(1,846)
A31250	Other financial assets - current	(140,034)	84,716
A31990	Net defined benefit assets - non-current	(483)	(564)
A32125	Contract liabilities	39,758	(510,681)
A32130	Notes payable	45,475	(13,398)
A32140	Other receivables - related parties	17,325	5,513
A32150	Accounts payable	53,020	99
A32160	Accounts payable - related parties	28,200	(17,850)
A32180	Other payables	(1,909)	(11,957)
A32230	Other current liabilities	8,940	(20,350)
A33000	Cash generated from/(used in) operations	881,131	2,118,296
A33500	Income taxes paid	(84,843)	(188,902)
AAAA	Net cash generated from operating activities	796,288	1,929,394

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Code		2024	2023
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00200	Disposal of financial assets at fair value through profit or loss	$ 3,304	$ 5,168
B02700	Acquisition of property, plant and equipment	(322)	(376)
B02800	Proceeds from disposal of property, plant and equipment	457	-
B03800	Decrease in refundable deposits	26	538
B04500	Acquisition of intangible assets	-	(119)
B05400	Acquisition of investment properties	(532,026)	(729,263)
B06100	Decrease in net amount of receivables from financing leases	-	13
B07500	Interest received	16,206	15,238
B07600	Dividends received from subsidiaries	15,000	45,000
BBBB	Net cash used in investing activities	(497,355)	(663,801)
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase in short-term borrowings	-	36,000
C00200	Decrease in short-term borrowings	-	(581,000)
C01700	Repayments of long-term borrowings	(119,464)	(117,857)
C03100	Receipt of security deposits	566	(143)
C04020	Repayment of lease liability principal	-	(477)
C04500	Dividends paid to owners of the Company	(342,294)	(342,294)
C05600	Interest paid	(4,669)	(1,118)
CCCC	Net cash used in financing activities	(465,861)	(1,006,889)
EEEE	Net (decrease) increase in cash and cash equivalents for the year	(166,928)	258,704
E00100	CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,800,070	2,541,366
E00200	CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,633,142	$ 2,800,070

The accompanying notes are an integral part of the parent company only financial statements.

Chairman: Liu Hsin-Hsiung Manager: Cao Luo-Fang Accounting Officer: Cheng Yen-Fen

1. Company History

Founding Construction Development Corp. ("the Company") was incorporated in Taipei City in April 1991, mainly engaged in appointments and management of contractors to build public housing developments and commercial buildings for leasing and selling, trading of construction materials and machines, designs and constructions of interior decoration, etc.

The Company's shares were listed on the Taiwan Stock Exchange (TWSE) in April, 2008.

The parent company only financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. Date and Procedures of Authorization of Financial Statements

The accompanying parent company only financial statements were approved and authorized for issue by the Board of Directors on March 10, 2025.

3. Application of New and Amended Standards and Interpretations

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The application of the amendments to the IFRSs endorsed and issued into effect by the FSC will not have a significant effect on the Company's accounting policies.

b. The IFRSs in 2025 endorsed by the FSC

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendment to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 1)
Amendment to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" – Revisions to the Application Guidance on the Classification of Financial Assets	January 1, 2026 (Note 2)

Note 1: Effective for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, comparative periods shall not be restated. Instead, the impact shall be recognized in retained earnings or the cumulative translation adjustment of foreign operations (as applicable) and the relevant affected assets and liabilities as of the date of initial application.

Note 2: Effective for annual reporting periods beginning on or after January 1, 2026, with early adoption permitted from January 1, 2025. Upon initial application of the amendments, retrospective application is required; however, comparative periods do not need to be restated. The impact of the initial application shall be recognized on the date of initial application. However, if an entity can restate comparative periods without the use of hindsight, it may choose to do so.

As of the date of approval and issuance of these financial statements, the Company has assessed that amendments to other standards and interpretations will not have a material impact on its financial position or financial performance.

c. The IFRSs issued by IASB but not yet endorsed and issued into effect by the FSC

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB (Note 1)
"Annual Improvements to IFRS Accounting Standards - Volume 11"	January 1, 2026
Amendment to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" – Revisions to the Application Guidance on the Derecognition of Financial Liabilities	January 1, 2026
Amendment to IFRS 9 and IFRS 7 "Contracts Involving Physically Settled Renewable Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendment to IFRS 17	January 1, 2023
Amendment to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note 1: Unless stated otherwise, the aforementioned New, Revised or Amended Standards and Interpretations are effective for annual periods beginning on or after their respective effective dates.

<u>IFRS 18 "Presentation and Disclosure in Financial Statements"</u>

IFRS 18 will replace IAS 1, "Presentation of Financial Statements," with the following major changes:

- The income statement should categorize revenue and expense items into operating, investing, financing, income tax, and discontinued operations.

- The income statement should report operating income, pre-financing profit before tax, as well as subtotals and totals of profit or loss.

- Guidance is provided to enhance the aggregation and disaggregation requirements: The Company must identify assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other events and classify and aggregate them based on common characteristics. This ensures that each line item in the primary financial statements possesses at least one similar characteristic. Items with dissimilar characteristics should be disaggregated in the primary financial statements and notes. The Company should only label such items as "Other" when no more informative label can be identified.

- Additional disclosure of performance measures defined by management: When the Company engages in public communications outside the financial statements and conveys management's perspective on a specific aspect of the Company's overall financial performance to financial statement users, it should disclose relevant information about management-defined performance measures in a single note to the financial statements. This disclosure should include a description of the measure, its calculation method, a reconciliation to the IFRS-defined subtotal or total, and the impact of related reconciling items on income taxes and non-controlling interests.

Beyond the above impacts, as of the approval date of this financial report, the Company continues to assess other impacts of amendments to standards and interpretations on the financial position and performance. Relevant impacts will be disclosed upon completion of the assessment.

4. Summary of Significant Accounting Policies

a. Statement of Compliance

The accompanying parent company only financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of Preparation

The accompanying parent company only financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, and net defined benefit assets/liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the related inputs are observable and based on the significance of the related inputs, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities on the measurement date.

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

When preparing parent company only financial statements, the Company applies the equity method for investments in subsidiaries. To ensure that the profit or loss, other comprehensive income, and equity of the current year in the parent company only financial statements are consistent with those attributable to the owners of the Company in the consolidated financial statements, certain accounting differences between the parent company only and consolidated bases are adjusted under the items “Investments accounted for using the equity method,” “Share of profit or loss of subsidiaries, associates, and joint ventures accounted for using the equity method,” “Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using the equity method,” and related equity items.

c. Standards for Classification of Current and Noncurrent Assets and Liabilities

Current assets include:

1) Assets held for trading purposes,

2) Assets expected to be realized within 12 months after the balance sheet date; and

3) Cash and cash equivalents, excluding those that are restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Obligations incurred for trading purposes,

2) Liabilities due for settlement within 12 months after the balance sheet date (even if long-term refinancing or rescheduling agreements are completed after the balance sheet date but before the issuance of the financial report, such liabilities are still classified as current liabilities); and

3) Liabilities for which the entity does not have a substantive right, as of the balance sheet date, to defer settlement for at least 12 months beyond the balance sheet date.

Current assets and liabilities that are not listed above are classified as non-current.

The Company is engaged in the construction business, which has an operating cycle of over 1 year. The normal operating cycle applies when considering the classification of the construction-related assets and liabilities.

d. Inventories

Inventories comprise properties under construction and properties held for sale. Properties under construction and properties held for sale are initially recorded at acquisition cost. Costs of properties under construction include costs of construction land of unfinished construction, construction costs and related borrowing costs. Upon completion of construction, the costs of the portion sold are then recognized as operating costs for the proportion of the selling price when revenue is recognized for the sales of real estate.

Properties held for sale is stated at the lower of cost or net realizable value. Comparing costs with net realizable value is based on individual item.

e. Investment in Subsidiaries

The Company's investments in subsidiaries accounted for using the equity method.

Subsidiaries refer to the entities over which the Company has control.

Under the equity method, the investment is initially recognized at cost, and the carrying value after the acquisition date will increase or decrease with the Company's share of the subsidiary's profit and loss and other comprehensive income/(loss), and profit distribution. Besides, changes in other equity of subsidiaries that the Company can be entitled are recognized based on the percentage of ownership.

When the Company’s share of loss of a subsidiary equals or exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company’s net investment in the subsidiary), the Company continues to recognize losses based on shareholding.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss in profit; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization) had no impairment loss recognized in prior years.

Unrealized profit or loss resulting from downstream transactions between the Company and subsidiaries is eliminated in full in the parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between the Company and subsidiaries are recognized in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

f. Property, Plant and Equipment

Property, plant and equipment are recognized at cost, and then measured at cost less accumulated depreciation and accumulated impairment.

Property, plant and equipment in the course of construction are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are classified to the appropriate categories of property, plant and equipment and subject to depreciation when completed and ready for intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is separately calculated using the straight-line method over the useful life of each significant part. The Company at least reviews the estimated useful lives, residual values and depreciation method at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

Upon disposal of property, plant and equipment, the difference between the net sales proceeds and the carrying amount of the asset is recognized in profit or loss.

g. Investment Properties

Investment property is properties held to earn rental and/or for capital appreciation, including properties qualified to the definition of investment property and is under progress in construction. Investment property also includes land held for future use that is currently undetermined.

Self-owned investment property is initially measured at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation of investment properties is recognized using the straight-line method.

Investment property is recognized as inventories at its carrying amount at the date when it is ready for sale.

Property, plant and equipment are reclassified to investment properties at their carrying amounts when they cease to be used for owner-occupancy.

Property recorded as inventory is recognized as investment property at its carrying amount when it was rented under an operating lease.

Upon disposal of investment properties, the difference between the net sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Intangible assets

1) Individually Acquired

Individually acquired intangible assets with finite useful lives are initially measured at cost, and then measured at cost less accumulated amortization and accumulated impairment loss. Intangible assets are amortized on a straight-line basis over the useful lives. The Company at least reviews the estimated useful lives, residual values and amortization method at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

2) Derecognition

When an intangible asset is derecognized, the difference between the net disposal price and the carrying amount of the asset is recognized in current profit or loss.

i. Impairment of Property, Plant and Equipment, Right-of-use Assets, Investment Properties and Intangible Assets

On each balance sheet date, the Company assesses whether there is any indication that the property, plant and equipment, right-of-use assets, investment properties and intangible assets might have suffered an impairment loss. If any such indication exists, the Company estimates the recoverable amount of the asset. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

An impairment loss on inventories and property, plant and equipment related to the contracts with customers shall be recognized in accordance with the applicable standards of inventory impairment and the above-mentioned principles. Then, the impairment loss is recognized to the extent that the carrying amount of the assets related to contract costs exceeds the remaining amount of consideration that the Company expects to receive in exchange for related goods or services less the direct costs related to providing those goods or services. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount, less any amount of amortization or depreciation, that would have been determined had no impairment loss been recognized on the asset in prior years. A reversal of an impairment loss is recognized in profit or loss.

j. Financial Instruments

Financial assets and liabilities shall be recognized in the parent company only balance sheet when the Company becomes a party to the contractual provisions of the instruments.

While financial assets and liabilities are initially recognized, transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities are added to or deducted from the fair value of those financial assets and financial liabilities that are not measured at fair value through profit or loss. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities measured at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

Regular way transactions of financial assets are recognized and derecognized on a settlement date basis.

a) Category of measurement

Financial assets held by the Company are classified into the following categories: financial assets at fair value through profit or loss (FVTPL) and financial assets at amortized cost.

i. Financial asset at FVTPL

Financial asset at FVTPL includes the financial assets mandatorily required to be measured at FVTPL. Financial assets mandatorily required to be measured at FVTPL include investments in equity instruments that are not designated as FVTOCI, and investments in debt instruments that do not meet the criteria of amortized cost or FVTOCI.

Financial asset at FVTPL is measured at fair value, and any dividends or interests from such financial assets are recognized in other revenues. Any remeasurement gain or loss on such financial assets is recognized in other gain or loss. Fair value is determined in the manner described in Note 28.

ii. Financial asset measured at amortized cost

The Company's investments in financial assets that meet the following two conditions are subsequently measured at amortized cost:

(a) Within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(b) The contractual terms give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets measured at amortized cost, including cash and cash equivalents, notes receivable measured at amortized cost, accounts receivable, other financial assets, and refundable deposits, are equals to the carrying amount determined by the effective interest method less any impairment loss. Any foreign exchange gain/loss is recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

(a) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

(b) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Credit-impaired financial assets are those where the issuer or debtor has experienced major financial difficulties, defaults, the debtor is likely to file for bankruptcy or other financial restructuring, or disappearance of an active market for the financial assets due to financial difficulties.

b) Impairment of financial assets

On each date of balance sheets, the Company evaluates a loss allowance for financial assets at amortized cost (including accounts receivable) and lease payments receivable based on expected credit loss.

The loss allowances for accounts receivable and lease payments receivable are recognized at an amount equal to lifetime expected credit losses. Other financial assets are first evaluated whether or not the credit risk has increased significantly since initial recognition. If it has not increased significantly, a loss allowance is recognized at an amount equal to expected credit loss within 12 months. If it has increased significantly, a loss allowance is recognized at an amount equal to expected credit loss over the expected life.

Expected credit losses are the weighted average credit losses resulting from a risk of default events as the weight. Expected credit losses within 12 months represent the expected credit losses resulting from possible default events of a financial instrument within 12 months after the reporting date. Expected credit loss over the expected life represent the expected credit losses resulting from all possible default events of a financial instrument over the expected life.

An impairment loss of all financial assets is recognized with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset are extinguished, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset to another entity.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

2) Financial liabilities

a) Subsequent measurement

All financial liabilities are subsequently measured at amortized cost using effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including liabilities of any transferred non-cash asset or afforded liabilities, is recognized in profit or loss.

k. Provisions

Provisions are measured at the best estimate of the expenditures required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are measured at the discounted cash flows of the consideration required to settle the present obligation.

l. Revenue Recognition

The Company identifies performance obligations in customer contracts contracts, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Revenue from sale of goods

Revenue from sale of goods comes from the sales of real estate. The Company recognizes the revenue when the customer has the right to set the price and use of the commodities respectively and is mainly responsible for resale once the property is handed over, and the registration of property right is finished.

2) Rental revenue

Revenue from lease is recognized when a property is actually used in lease, provided that it is probable the economic benefits will flow to the Company and the amount of revenue can be measured reliably.

m. Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

1) The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Company subleases the right-of-use asset, it determines the classification of the sublease based on the right-of-use asset (rather than the underlying asset). However, if the head lease is a short-term lease for which the Company is subject to the recognition exemption, the sublease is classified as an operating lease.

Under a finance lease, lease payments include fixed payments. The net lease investment is measured as the sum of the present value of the lease payments receivable and the non-guaranteed residual value, plus the original direct cost; it is expressed as a finance lease receivable. Financing income is allocated to each accounting period to reflect the fixed rate of return available in each period on the unexpired net lease investment of the Company.

After lease-related incentives are deducted, the rental income from operating lease is recognized on a straight-line basis over the term of the lease. The initial direct costs arising from acquisition of operating leases is added to the carrying amount of the underlying assets; and an expense is recognized for the lease on a straight line basis over the lease term. The lease negotiations processed with lessees are treated as new leases from the effective date of the lease modification.

When a lease includes both land and building elements, the Company assesses the classification of each element separately as a financial or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. If the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements meet the standards of operating leases; in which case, the entire lease is classified as an operating lease.

2) The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are measured initially at cost, which comprises the initial measurement of lease liabilities. Subsequent measurement is calculated as cost less accumulated depreciation and accumulated impairment loss and adjusted for changes in lease liabilities as a result of remeasurement. Right-of-use assets are presented on a separate line in the parent company only balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee’s incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense allocated over the lease terms. When there is a change in future lease payments resulting from a change in a lease term, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line item in the parent company only balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

n. Borrowing Costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

o. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for service rendered by employees.

2) Post-retirement benefits

Payments of defined contribution retirement benefit plans are recognized as an expense when the employees have rendered service entitling them to the contribution.

Defined benefit costs (including service costs, net interest and remeasurements) under the defined benefit retirement plans are determined using the Projected Unit Credit Method. Service costs (including current service costs), and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Remeasurement, including actuarial gain or loss and the return on plan assets (less interest), is recognized in other comprehensive income and other equity in the period in which they occur, and will not be subsequently reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company’s defined benefit retirement plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

p. Income Tax

Income tax expense is the sum of current income tax and deferred income tax.

1) Current income tax

According to the Income Tax Law of the ROC, an additional income tax on unappropriated earnings was surcharged in the year approved by the shareholders' meeting.

Adjustments of prior years’ tax liabilities are added to or deducted from the current year’s tax provision.

2) Deferred income tax

Deferred income tax is calculated on temporary differences between the carrying amounts of the recorded assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences while deferred tax assets are recognized as it is very likely that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the timing of the reversal of the temporary difference and it is very likely that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investment and equity are only recognized to the extent that it is very likely that there will be sufficient taxable profit against which to utilize the benefit of the temporary differences that are expected to reverse in the foreseeable future.

The carrying amount of deferred tax asset is reviewed on each date of balance sheets and it is reduced to the extent that it is no longer very likely that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered. The deferred tax assets not originally recognized are also reviewed on each date of balance sheets, and their carrying amount is increased to the extent that it is very likely that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset is realized, and this tax rate is based on the tax rates and tax laws that have been enacted or substantively enacted on the date of balance sheet. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects to recover or settle the carrying amount of its assets and liabilities on the date of balance sheet.

3) Current and deferred income tax

Current and deferred income taxes are recognized in profit or loss, unless when they relate to items that are recognized in other comprehensive income or directly recorded in equity, the current and deferred income tax are separately recognized in other comprehensive income or directly recorded in equity.

5. The Primary Sources of Uncertainties in Major Accounting Judgements, Estimates, and Assumptions

In the application of the Company’s accounting policies, the management is required to make judgments, estimates and assumptions based on historical experience and other relevant factors for the items that are not readily apparent from other sources. Actual results may differ from these estimates.

The Company's management will continuously review estimates and underlying assumptions. If revisions to estimates affect only the current period, they are recognized in the period of adjustment. If revisions to accounting estimates affect both the current and future periods, they are recognized in the period of adjustment as well as in future periods.

Significant Accounting Judgments

None.

Key Sources of Estimation and Assumption Uncertainty

Impairment loss of inventory

Inventory is stated at the lower of cost or net realizable value so the Company must use judgments and estimates to determine their net realizable value at the end of each reporting period. This valuation is based on the sales contracts signed or the transaction prices in the neighboring areas obtained with reference to the actual price registration of real estate, and are therefore subject to significant changes.

Please refer to Note 8 for the carrying amounts of land, property, and building of inventory as of December 31, 2024 and 2023.

6. Cash and Cash Equivalents

	December 31, 2024	December 31, 2023
Cash on hand and working capital	$ 151	$ 235
Bank checks and demand deposits	2,232,991	2,799,835
Bank time deposits	400,000	-
	$ 2,633,142	$ 2,800,070

7. Notes Receivable and Accounts Receivable

	December 31, 2024	December 31, 2023
Notes receivable		
From operating businesses	$ 5,000	$ 11,000
Less: Allowance for losses	-	-
	$ 5,000	$ 11,000
Accounts receivable		
From operating businesses	$ 11,291	$ -
Less: Allowance for losses	-	-
	$ 11,291	$ -

Accounts receivable

The payment terms granted by the Company for their customers are generally 60 days. When determining the collectability of accounts receivable, the Company takes any change of credit quality from the invoice date of account receivables to the balance sheet date into consideration. Because past experiences show that overdue accounts receivable for over one year are unable to be recovered, the Company recognizes 100% of the accounts receivable overdue for over one year as allowance for losses. The accounts receivable overdue between 181 days and one year shall be estimated as the uncollectible amounts by referring to the previous payment delay records of the counterparty and analyzing its finance condition.

The Company writes off accounts receivable when there is information indicating that the debtor is experiencing in severe financial difficulty and there is no realistic prospect of recovery. The Company continues to engage in enforcement activity to attempt to recover the receivables due. Recoveries made from such activities are recognized in profit or loss.

The Company's loss allowance for accounts receivable based on the provision matrix are as follows:

December 31, 2024

	1 - 180 days	181 - 365 days	Over one year	Total
Expected credit loss rate	0%	0%	100%	
Total carrying amount	$ 11,291	$ -	$ -	$ 11,291
Allowance for loss (lifetime expected credit losses)	-	-	-	-
Costs after amortization	$ 11,291	$ -	$ -	$ 11,291

December 31, 2023

	1 - 180 days	181 - 365 days	Over one year	Total
Expected credit loss rate	0%	0%	100%	
Total carrying amount	$ -	$ -	$ -	$ -
Allowance for loss (lifetime expected credit losses)	-	-	-	-
Costs after amortization	$ -	$ -	$ -	$ -

No accounts receivable are pledged by the Company as collateral for borrowings.

8. Inventories

a. Details of inventories are as follows:

	December 31, 2024	December 31, 2023
Buildings and land held for sale	$ 1,374,590	$ 205,665
Construction in progress	2,474,264	3,416,126
	$ 3,848,854	$ 3,621,791

Cost of goods sold related to inventories amounted to $1,297,597 thousand and $2,338,473 thousand, respectively, was recognized for the years ended December 31, 2024 and 2023.

As of December 31, 2024 and 2023, inventories of $2,474,264 thousand and $3,416,126 thousand, respectively, are expected to be recovered after more than 12 months.

Please refer to Note 30 for information about the amount of inventories pledged by the Company as collateral for borrowings.

b. Buildings and land held for sale

	December 31, 2024	December 31, 2023
Cosmos Technology	$ 88,992	$ 88,801
Founding Li Garden	287,754	-
Star Technology	987,350	-
Fu Gui Ming Di	-	16,025
Founding Yi Pin	-	90,345
Others	10,494	10,494
	$ 1,374,590	$ 205,665

c. Construction in progress

	December 31, 2024	December 31, 2023
Star Technology	$ -	$ 879,990
Founding Li Garden	-	1,351,242
Founding Forest Cottage (originally Chief Li Garden)	392,272	307,204
Meditation Garden	510,231	428,212
Li Ren Ming Di	360,318	255,664
Tai Tung Smart Technology Park	265,019	28,031
Founding Xin Zhuang	131,154	11,603
Asia-Pacific Technology Center	643,425	15,791
Others	171,845	138,389
	$ 2,474,264	$ 3,416,126

Information on the capitalization of interest is as follows:

	2024	2023
Total amount of interest expense	$ 41,607	$ 48,217
Current capitalized construction interest	$ 36,998	$ 48,047
Capitalization interest rate	2.37%~2.55%	2.14%~2.44%
Year-end accumulated amount of capitalized construction interest	$ 48,366	$ 113,364

9. Other Assets

	December 31, 2024	December 31, 2023
Current		
Prepayments		
Prepayments	$ 3,321	$ 859
Prepaid construction expenses	1,646	3,238
Prepaid commission	-	1,282
	$ 4,967	$ 5,379
Other current assets		
Other receivables	$ 437	$ 245
Suspense payments	3,596	4,262
	$ 4,033	$ 4,507

10. Other Financial Assets—Current

	December 31, 2024	December 31, 2023
Restricted assets (Note 30) (1)	$ 76,984	$ -
Other deposits (2)	151,891	88,841
	$ 228,875	$ 88,841

a. Restricted assets refer to the balances in trust accounts for pre-sale property payment trusts.

b. Other deposits include green building guarantee deposits and co-construction guarantee deposits.

11. Investments Accounted for Using the Equity Method

Investment in Subsidiaries

	December 31, 2024	December 31, 2023
Chien-Chiao Construction Co., Ltd.	$ 150,158	$ 143,556
FUSHIN Hotel Co., Ltd.	208,129	158,400
Hsin-Long-Hsing Investment Co., Ltd.	316,816	299,639
	$ 675,103	$ 601,595

As of the balance sheet date, the Company's ownership equity and percentage of voting rights in its subsidiaries are as follows:

Name of Subsidiary	December 31, 2024	December 31, 2023
Chien-Chiao Construction Co., Ltd.	100%	100%
FUSHIN Hotel Co., Ltd.	94.375%	94.375%
Hsin-Long-Hsing Investment Co., Ltd.	100%	100%

Please refer to Appendix four for the Company's details of indirectly invested subsidiaries.

12. Property, Plant and Equipment

	Land	Buildings and Property	Transportation Equipment	Office Equipment	Other Equipment	Total
Cost						
Balance as of January 1, 2024	$ 71,102	$ 21,724	$ 12,911	$ 3,804	$ 1,169	$ 110,710
Addition	-	322	-	-	-	322
Disposal	-	-	(5,680)	-	-	(5,680)
Balance as of December 31, 2024	$ 71,102	$ 22,046	$ 7,231	$ 3,804	$ 1,169	$ 105,352

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	Land	Buildings and Property	Transportation Equipment	Office Equipment	Other Equipment	Total
Accumulated depreciation and impairment						
Balance as of January 1, 2024	$ -	$ 11,704	$ 10,188	$ 3,441	$ 1,018	$ 26,351
Depreciation expenses	-	414	1,210	75	86	1,785
Disposal	-	-	(5,680)	-	-	(5,680)
Balance as of December 31, 2024	$ -	$ 12,118	$ 5,718	$ 3,516	$ 1,104	$ 22,456
Net carrying amount as of December 31, 2024	$ 71,102	$ 9,928	$ 1,513	$ 288	$ 65	$ 82,896
Cost						
Balance as of January 1, 2023	$ 104,583	$ 23,535	$ 12,911	$ 3,428	$ 1,169	$ 145,626
Addition	-	-	-	376	-	376
Reclassified to investment properties	(33,481)	(1,811)	-	-	-	(35,292)
Balance as of December 31, 2023	$ 71,102	$ 21,724	$ 12,911	$ 3,804	$ 1,169	$ 110,710
Accumulated depreciation and impairment						
Balance as of January 1, 2023	$ -	$ 12,127	$ 8,978	$ 3,428	$ 932	$ 25,465
Depreciation expenses	-	413	1,210	13	86	1,722
Reclassified to investment properties	-	(836)	-	-	-	(836)
Balance as of December 31, 2023	$ -	$ 11,704	$ 10,188	$ 3,441	$ 1,018	$ 26,351
Net carrying amount as of December 31, 2023	$ 71,102	$ 10,020	$ 2,723	$ 363	$ 151	$ 84,359

Depreciation expenses are depreciated by straight-light method using the estimated useful lives as follows:

Buildings and Property	
Main property	3-50 years
Decoration and partitioning project	3-11 years
Transportation Equipment	5-6 years
Office Equipment	
Computer peripherals and communication equipment	4-6 years
Others	6 years
Other Equipment	5-6 years

Please refer to Note 30 for information about the amount of property, plant and equipment pledged by the Company as collateral for borrowings.

13. Lease Arrangements

a. Right-of-use assets

	2024	2023
Depreciation expense of right-of-use assets	$ -	$ 462

b. Other lease information

	2024	2023
Expenses relating to short-term leases	$ 375	$ 377
Expenses relating to low-value asset leases	$ 93	$ 123
Total cash (outflow) for leases	($ 468)	($ 980)

The Company has elected to apply the recognition exemption to venue rental which qualify as short-term leases and certain assets which qualify as low-value asset lease, and thus, did not recognize right-of-use assets and lease liabilities for these leases.

14. Investment Properties

	Investment property - land	Investment property - property	Total
Cost			
Balance as of January 1, 2024	$ 2,903,666	$ 1,862,156	$ 4,765,822
Addition	530,869	1,157	532,026
Reclassified to inventory	(593,087)	(9,467)	(602,554)
Balance as of December 31, 2024	$ 2,841,448	$ 1,853,846	$ 4,695,294
Accumulated depreciation and impairment			
Balance as of January 1, 2024	$ -	$ 401,489	$ 401,489
Depreciation expenses	-	51,559	51,559
Reclassified to inventory	-	(4,660)	(4,660)
Balance as of December 31, 2024	$ -	$ 448,388	$ 448,388
Net carrying amount as of December 31, 2024	$ 2,841,448	$ 1,405,458	$ 4,246,906
Cost			
Balance as of January 1, 2023	$ 2,180,700	$ 1,937,521	$ 4,118,221
Addition	724,737	4,526	729,263
Reclassified from property, plant and equipment	33,481	1,811	35,292
Transferred from inventory	12,898	3,502	16,400
Reclassified to inventory	(48,150)	(85,204)	(133,354)
Balance as of December 31, 2023	$ 2,903,666	$ 1,862,156	$ 4,765,822
Accumulated depreciation and impairment			
Balance as of January 1, 2023	$ -	$ 350,671	$ 350,671
Depreciation expenses	-	53,464	53,464
Reclassified from property, plant and equipment	-	836	836
Reclassified to inventory	-	(3,482)	(3,482)
Balance as of December 31, 2023	$ -	$ 401,489	$ 401,489
Net carrying amount as of December 31, 2023	$ 2,903,666	$ 1,460,667	$ 4,364,333

The fair value of the Company's investment properties as of December 31, 2024 and 2023, was $5,232,145 thousand and $5,250,652 thousand, respectively. The fair value as of December 31, 2024 and 2023, was appraised by the independent valuation firm Chen's Real Estate Appraiser Firm, using market evidence from comparable property transactions on the respective balance sheet dates.

The investment properties are depreciated by straight-light method using the estimated useful lives as follows:

Investment property - property	
Main property	5-51 years
Decoration and partitioning project	5-26 years

The maturity analysis of operating lease payments receivable from the investment properties for the years ended December 31, 2024 and 2023 is as follows:

	December 31, 2024	December 31, 2023
Year 1	$ 60,509	$ 71,294
Year 2	58,400	59,263
Year 3	57,657	58,067
Year 4	52,724	57,657
Year 5	41,905	52,724
Over 5 years	34,285	76,191
	$ 305,480	$ 375,196

Please refer to Note 30 for the amount of investment properties pledged by the Company as collateral for borrowings.

15. Borrowings

a. Short-term borrowings

	December 31, 2024	December 31, 2023
Secured borrowings (Note 30)		
－ Bank loans	$ 593,000	$ 593,000
Interest rate range		
－ Secured loans	2.55%~2.4758%	2.42%~2.57%
Loan maturity date	2025.02.25~ 2025.11.18	2025.02.25~ 2025.11.18

Please refer to Note 30 for information about the construction inventories pledged by the Company as collateral for short-term borrowings.

b. Long-term borrowings

	December 31, 2024	December 31, 2023
Secured borrowings (Note 30)		
Bank loans (1)	$ 1,005,796	$ 1,125,260
Less: Current portion matured in 1 year	(116,559)	(119,462)
Long-term borrowings	$ 889,237	$ 1,005,798

1) The Company's borrowings include:

	Initial loan principal		December 31, 2024	December 31, 2023
Hua Nan Bank Nan-Neihu – secured loans	Total loan amount: Borrowing period: Interest rate range: Repayment method:	$150,000 thousand 2020.09.30~2025.09.30 2.43% Evenly split into a total of 60 installments on a monthly basis.	$ 26,035	$ 56,599
Hua Nan Bank Nan-Neihu – secured loans	Total loan amount: Borrowing period: Interest rate range: Repayment method:	$368,000 thousand 2018.02.26~2033.02.26 2.56% Interests paid monthly in the first 12 months; starting the 13th month, a total of 168 installments on a monthly basis.	229,459	254,163
Hua Nan Bank Nan-Neihu – secured loans	Total loan amount: Borrowing period: Interest rate range: Repayment method:	$100,000 thousand 2018.07.27~2033.07.27 2.56% Evenly split principal and interest into a total of 180 installments on a monthly basis.	61,422	67,683
First Bank Ren-Ai – secured loans	Total loan amount: Borrowing period: Interest rate range: Repayment method:	$80,000 thousand 2010.11.23~2025.11.23 2.425% Interests paid monthly in the first 36 months; starting the 37th month, evenly split into a total of 144 installments on a monthly basis.	7,397	14,656
Chang Hwa Bank Yung-Chun – secured loans	Total loan amount: Borrowing period: Interest rate range: Repayment method:	$960,000 thousand 2016.05.23~2036.05.23 2.425% Interests paid monthly in the first 3 years; annuity method applied 3 years later, evenly split principal into a total of 204 installments on a monthly basis.	681,483	732,159
			$ 1,005,796	$ 1,125,260

Please refer to Note 30 for information about the property, plant and equipment and investment properties pledged by the Company as collateral for long-term borrowings.

16. Notes Payable and Accounts Payable

The average payment term of accounts payable is 30 days ~ 60 days. The Company has conducted financial risk management policies to ensure that all payables are paid within the pre-agreed credit terms.

Accounts payable classified as construction retainage payable for construction contracts were $2,500 thousand as of December 31, 2024 and 2023. Construction retainage, which is interest free, will be paid for each construction contract at the end of the construction retainage period. This retainage period is the Company's normal operating cycle, which generally exceeds one year.

17. Other Liabilities

	December 31, 2024	December 31, 2023
Current		
Other payables		
Payable for salary and bonus	$ 11,220	$ 11,772
Payable for remuneration of directors	3,240	3,240
Payable for employees' compensation	3,100	6,350
Interest payable	3,411	3,470
House tax payment	6,990	5,068
Business tax payable	840	311
Others	3,256	1,564
	$ 32,057	$ 31,775

18. Provisions

	December 31, 2024	December 31, 2023
Current		
Employee benefits	$ 1,106	$ 1,106

Provisions for employee benefits are accrued for short-term compensated absences to which employees are entitled. The Company shall measure the expected cost of accumulating compensated absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period, and it shall recognize such cost when the employees render service that increases their entitlement to future compensated absences.

19. Post-Retirement Benefit Plans

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act, which is a government-managed defined contribution plan. The Company has made monthly contributions equal to 6% of each employee's monthly salary to employees' individual pension accounts of Bureau of Labor Insurance.

b. Defined benefit plans

The Company adopted the government-managed defined benefit plan under the "Labor Standards Act". Pension of an employee is paid based on an employee's length of service and average monthly salary for the six-month period prior to retirement. The Company contributes an amount equal to 2% of total monthly salaries of the employees to their respective pension funds (the Funds), which are deposited at the Bank of Taiwan by the Labor Pension Fund Supervisory Committee in their name. Before the end of each year, if the assessed amount of the balance in the Funds is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, these companies are required to fund the differences in one appropriation before the end of March of the next year. The Funds are administered by the Bureau of Labor Funds, Ministry of Labor; as such, the Company does not have any right to intervene in the investments of the Funds.

The amounts of the defined benefit plans recorded in the parent company only balance sheet were as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligation	$ 22,411	$ 26,679
Fair value of plan assets	(31,294)	(31,482)
Allocation of surplus	(8,883)	(4,803)
Net defined benefit assets	($ 8,883)	($ 4,803)

Movements in the net defined benefit liability were as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Defined benefit liability (asset), net
January 1, 2024	$ 26,679	($ 31,482)	$ 4,803
Service cost			
Current service cost	144	-	144
Interest expense (revenue)	267	(318)	(51)
Recognized in profit and loss	411	(318)	93
Remeasurement			
Return on plan assets (excluding amounts included in net interest expense)	-	(2,842)	(2,842)
Actuarial loss (gain) - changes in financial assumptions	(420)	-	(420)
Actuarial loss (gain) - experience adjustment	(335)	-	(335)
Recognized in other comprehensive income	(755)	(2,842)	(3,597)
Contributions from employer	-	(576)	(576)
Benefits paid	(3,924)	3,924	-
December 31, 2024	$ 22,411	($ 31,294)	$ 8,883
January 1, 2023	$ 33,775	($ 30,097)	$ 3,678
Service cost			
Current service cost	150	-	150
Interest expense (revenue)	380	(342)	38
Recognized in profit and loss	530	(342)	188
Remeasurement			
Return on plan assets (excluding amounts included in net interest expense)	-	(291)	(291)

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	Present value of defined benefit obligation	Fair value of plan assets	Defined benefit liability (asset), net
Actuarial loss (gain) - changes in financial assumptions	$ 150	$ -	$ 150
Actuarial loss (gain) - experience adjustment	(7,776)	-	(7,776)
Recognized in other comprehensive income	(7,626)	(291)	(7,917)
Contributions from employer	-	(752)	(752)
December 31, 2023	$ 26,679	($ 31,482)	($ 4,803)

The amount of the defined benefit plans were recognized in profit or loss by functions as follows:

	2024	2023
Operating expenses	$ 93	$ 188

Through the pension plan under the R.O.C. Labor Standards Act, the Company is exposed to the following risks:

1) Investment risk: The Bureau of Labor Funds, Ministry of Labor, invests the pension funds in domestic and foreign equity and debt securities, bank deposits, etc through self-operation and entrusted operation. The investment is conducted at the discretion of or under the mandated management. However, the return generated by plan assets of the Company shall not be less than the proceeds calculated by the interest rate on a two-year term deposit at the local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the debt investments of the plan assets.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the Company's present value of the defined benefit obligation were carried out by qualified actuaries. The material assumptions of the measurement date were as follows:

	December 31, 2024	December 31, 2023
Discount rate	1.375%	1%
Expected growth rate of salary	2%	2%

Assuming reasonable and probable changes were incurred to each material actuarial assumption and all other assumptions were held constant, the present value of the defined benefit obligation would increase (decrease) for the amounts as follows:

	December 31, 2024	December 31, 2023
Discount rate		
Increased by 0.25%	($ 272)	($ 299)
Decreased by 0.25%	$ 278	$ 306
Expected growth rate of salary		
Increased by 0.25%	$ 273	$ 298
Decreased by 0.25%	($ 268)	($ 292)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31, 2024	December 31, 2023
Expected contribution amount in 1 year	$ 567	$ 588
Average maturity period of the defined benefit obligation	4.9 years	4.5 years

20. Maturity Analysis of Assets and Liabilities

The Company classified the assets and liabilities of its construction operations as current and non-current in accordance with the length of the operating cycle of these constructions. The amounts that are expected to be recovered or settled within one year and beyond one year from the balance sheet date are listed as follows:

December 31, 2024	Within 1 Year	Beyond 1 Year	Total
ASSETS			
Cash and cash equivalents	$ 2,633,142	$ -	$ 2,633,142
Notes receivable	5,000	-	5,000
Accounts receivable	11,291	-	11,291
Inventory - Buildings and land held for sale	1,374,590	-	1,374,590
Inventory - Construction in progress	-	2,474,264	2,474,264
Prepayments	4,967	-	4,967
Other Financial Assets—Current	228,875	-	228,875
Other current assets	4,033	-	4,033
	$ 4,261,898	$ 2,474,264	$ 6,736,162
Liabilities			
Short-term borrowings	$ 593,000	$ -	$ 593,000
Contract liabilities	116,170	-	116,170
Notes payable - non-related parties	46,798	-	46,798
Notes payable - related parties	52,500	-	52,500
Accounts payable - non-related parties	53,367	2,500	55,867
Accounts payable - related parties	64,950	-	64,950
Current tax liabilities	69,383	-	69,383
Other payables	32,057	-	32,057
Provisions - current	1,106	-	1,106
Long-term borrowings matured in one year	116,559	-	116,559
Other current liabilities	10,982	-	10,982
	$ 1,156,872	$ 2,500	$ 1,159,372

December 31, 2023	Within 1 Year	Beyond 1 Year	Total
ASSETS			
Cash and cash equivalents	$ 2,800,070	$ -	$ 2,800,070
Financial assets at fair value through profit or loss - current	2,852	-	2,852
Notes receivable	11,000	-	11,000
Inventory - buildings and land held for sale	205,665	-	205,665
Inventory - construction in progress	-	3,416,126	3,416,126
Prepayments	5,379	-	5,379
Other financial assets—current	88,841	-	88,841
Other current assets	4,507	-	4,507
	$ 3,118,314	$ 3,416,126	$ 6,534,440

Liabilities			
Short-term borrowings	$ -	$ 593,000	$ 593,000
Contract liabilities	76,412	-	76,412
Notes payable - non-related parties	1,323	-	1,323
Notes payable - related parties	35,175	-	35,175
Accounts payable - non-related parties	347	2,500	2,847
Accounts payable - related parties	36,750	-	36,750
Current tax liabilities	64,709	-	64,709
Other payables	31,775	-	31,775
Provisions - current	1,106	-	1,106
Long-term borrowings matured in one year	119,462	-	119,462
Other current liabilities	2,042	-	2,042
	$ 369,101	$ 595,500	$ 964,601

21. **Equity**

a. Capital stock

Ordinary shares

	December 31, 2024	December 31, 2023
Authorized shares (in thousands)	360,000	360,000
Authorized capital stock	$ 3,600,000	$ 3,600,000
Issued and fully paid shares (in thousands)	285,245	285,245
Issued capital stock	$ 2,852,450	$ 2,852,450

b. Capital surplus

	December 31, 2024	December 31, 2023
To offset a deficit, to be distributed as cash dividends or stock dividends		
Additional paid-in capital	$ 20,894	$ 20,894
Treasury shares transactions	236	236
	$ 21,130	$ 21,130

Such capital surplus may be used to offset a deficit or to be distributed as cash dividends or stock dividends; however, the stock dividends have a limitation up to a certain percentage of the paid-in capital per year.

c. Retained earnings and dividend policy

According to the Company’s earnings distribution policy in Articles of Incorporation, the Company shall make appropriations from its net income (less any deficit), if any, to pay the taxes in compliance with the laws, offset its accumulated losses, set aside a legal reserve at 10% of the remaining earnings, and then set aside or reverse a special reserve in accordance with the relevant laws or regulations. The balance remaining, if any, together with any unappropriated earnings of prior years, shall be proposed by the Board of Directors as a plan for the distribution of the remaining undistributed earnings, and the shareholders shall resolve such plan in the shareholders’ meeting in the form of stock dividends. A special resolution of the Board of Directors shall be reported to the shareholders' meeting in the form of cash dividends. Cash dividends of the Company shall not be lower than 30% of total dividends. For the policies on employees’ compensation and remuneration of directors, which is stipulated in the Company's Articles of Incorporation, please refer to Note 23(8).

The legal reserve should be appropriated until the remaining balance reaches the Company's total paid-in capital. Legal reserve may be used to offset deficit. If the company has no deficit and the legal reserve has exceeded 25% of the company’s paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings of the Company for the years ended December 31, 2023 and December 31, 2022 were as follows:

	2023	2022
Legal reserve	$ 89,605	$ 101,806
Reversal of special reserve surplus	$ -	($ 966)
Cash dividends	$ 342,294	$ 342,294
Cash dividend per share ($)	$ 1.2	$ 1.2

The above cash dividends were resolved to be distributed by the Board of Directors on March 14, 2024, and March 9, 2023, respectively. Other surplus allocation items were approved during the shareholders' meetings on June 20, 2024, and June 9, 2023.

The appropriations of earnings and dividends per share for the year ended December 31, 2024 had been proposed by the Founding Co.’s board of directors on March 10, 2025, and they were as follows:

	2024
Legal reserve	$ 42,887
Cash dividends	$ 285,244
Cash dividend per share ($)	$ 1

The aforementioned cash dividends have been resolved for distribution by the Board of Directors, while the remaining items are expected to be approved at the shareholders' meeting scheduled for June 10, 2025.

22. Revenue

	2024	2023
Rental revenue	$ 82,585	$ 87,270
Construction revenue	1,817,543	3,326,474
	$ 1,900,128	$ 3,413,744

a. Explanation of customer contracts

Construction revenue

Penalties for delay of construction are specified in the real estate construction contracts, and the Company considers previous contracts with similar terms and scales to estimate the transaction price based on the most likely amount.

b. Contract balances

	December 31, 2024	December 31, 2023	January 1, 2023
Accounts receivable	$ 16,291	$ 11,000	$ 31,580
Contract liabilities	$ 116,170	$ 76,412	$ 587,093

The changes in the contract asset and liability balances primarily result from the timing difference between the satisfaction of performance obligation and the customer's payment without other significant changes.

The amount of contract liabilities from the beginning of the year recognized as income in the current year was as follows:

	2024	2023
Sales of goods – Construction in progress	$ 74,438	$ 578,772

23. Net Income (Loss) for the Year

Components of profit/(loss) from continuing operation are as follows:

a. Interest Income

	2024	2023
Bank Deposits	$ 16,206	$ 15,229
Others	-	22
	$ 16,206	$ 15,251

b. Other income

	2024	2023
Remuneration of directors	$ 110	$ 130
Others	139	222
	$ 249	$ 352

c. Other gains and losses

	2024	2023
Gain (loss) on fair value changes of financial assets at FVTPL	$ 452	$ 1,638
Gain on disposal of property, plant and equipment	457	-
Others	(377)	(1,247)
	$ 532	$ 391

d. Finance costs

	2024	2023
Interest on bank loans	($ 41,441)	($ 48,047)
Interest calculation for deposits	(166)	(167)
Interest on lease liabilities	-	(3)
Less:Amounts included in the cost of required assets	36,998	48,047
	($ 4,609)	($ 170)

Please refer to Note 8(3) for information about capitalized interest.

e. Depreciation and amortization

	2024	2023
Depreciation expenses by function		
Operating costs	$ 51,559	$ 53,464
Operating expenses	1,785	2,184
	$ 53,344	$ 55,648
Amortization expenses by function		
Operating expenses	$ 168	$ 149

f. Operating expenses directly related to investment property

	2024	2023
Incurring lease costs	$ 51,559	$ 53,464

g. Employee benefits expense

	2024	2023
Post-retirement benefits (Note 19)		
Defined contribution plans	$ 1,527	$ 9,558
Defined benefit plans	93	188
	1,620	9,746
Short-term employee benefits expense (salary, incentive, bonus, etc.)	53,225	57,419
Total employee benefit expenses	$ 54,845	$ 67,165
By function		
Operating costs	$ 3,248	$ 4,236
Operating expenses	51,597	62,929
	$ 54,845	$ 67,165

h. Employees’ compensation and remuneration of directors

The Company accrued employees’ compensation and remuneration of directors at the rates of no less than 0.6% and no higher than 3% for employees’ compensation and no higher than 2% for remuneration of directors of net profit before tax. The employees’ compensation and remuneration of directors for the years ended December 31, 2024 and 2023, which were approved by the Company’s board of directors on March 10, 2025 and March 14, 2024, respectively, were as follows:

Accrual rates

	2024	2023
Employees' compensation	0.60%	0.60%
Remuneration of directors	0.63%	0.31%

Amounts

	2024	2023
	Cash	Cash
Employees' compensation	$ 3,210	$ 6,350
Remuneration of directors	3,240	3,240

If there is a change in the amounts after the parent company only financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate and adjusted in the accounts in the following year.

There was no difference between the actual amount paid of employees' compensation and remuneration of directors and the amount recognized in the parent company only financial statements for the years ended December 31, 2023 and 2022.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors for the years ended December 31, 2024 and 2023 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

24. Income Tax

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	2024	2023
Current income tax		
In respect of the current year	$ 9,224	$ 20,273
Land value increment tax	948	28,852
Land and building consolidated tax	76,674	76,541
Surcharges on unappropriated earnings	23,208	28,746
Adjustments for prior years	(20,537)	(1,925)
Deferred income tax		
In respect of the current year	(5,841)	5,720
Income tax expenses recognized in profit or loss	$ 83,676	$ 158,207

A reconciliation of accounting profit and current income tax expense is as follows:

	2024	2023
Profit/(loss) before income tax from continuing operations	$ 506,639	$ 1,047,750
Income tax expenses from profit/(loss) before income tax calculated at the statutory rate	$ 101,328	$ 209,550
Non-taxable income		
Gain on land sold exempt from income tax	(4,531)	(73,955)
Other non-taxable income	(16,896)	(33,237)

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	2024	2023
Non-deductible expenses for tax purposes	$ 156	$ 176
Land value increment tax	948	28,852
Surcharges on unappropriated earnings	23,208	28,746
Income tax expenses from previous years adjusted for current period	(20,537)	(1,925)
Income tax expenses recognized in profit or loss	$ 83,676	$ 158,207

b. Income tax recognized in other comprehensive income

	2024	2023
Deferred income tax		
In respect of the current year		
─ Remeasurement of defined benefit plans	$ 719	$ 1,584

c. Current tax assets and liabilities

	December 31, 2024	December 31, 2023
Current tax liabilities		
Income tax payable	$ 69,383	$ 64,709

d. Deferred Tax Assets and Liabilities

The movements of deferred tax assets and liabilities were as follows:

2024

Deferred tax assets	Opening Balance	Recognized in profit and loss	Recognized in other comprehensive income	Closing Balance
Temporary differences				
Defined benefit retirement plans	$ 1,891	($ 97)	$ -	$ 1,794
Impairment of idle assets	3,173	-	-	3,173
Deferred selling and marketing expenses	1,189	5,938	-	7,127
	$ 6,253	$ 5,841	$ -	$ 12,094

Deferred income tax liabilities	Opening Balance	Recognized in profit and loss	Recognized in other comprehensive income	Closing Balance
Temporary differences				
Defined benefit retirement plans	($ 2,852)	$ -	($ 719)	($ 3,571)

2023

Deferred tax assets	Opening Balance	Recognized in profit and loss	Recognized in other comprehensive income	Closing Balance
Temporary differences				
Defined benefit retirement plans	$ 2,004	($ 113)	$ -	$ 1,891
Impairment of idle assets	3,173	-	-	3,173
Deferred selling and marketing expenses	6,796	(5,607)	-	1,189
	$ 11,973	($ 5,720)	$ -	$ 6,253

Deferred income tax liabilities	Opening Balance	Recognized in profit and loss	Recognized in other comprehensive income	Closing Balance
Temporary differences				
Defined benefit retirement plans	($ 1,268)	$ -	($ 1,584)	($ 2,852)

e. Amount of deductible temporary differences not recognized as deferred tax assets in the parent company only balance sheet

	December 31, 2024	December 31, 2023
Deductible temporary differences		
losses on impairment	$ 3,822	$ 3,822
Non-leaving pay	1,106	1,106
	$ 4,928	$ 4,928

f. Income tax assessments

The Company's business income tax filings for the years up to 2022 have been assessed and approved by the tax authorities.

25. Earnings Per Share

Unit: NT$ per share

	2024	2023
Basic EPS	$ 1.48	$ 3.12
Diluted EPS	$ 1.48	$ 3.11

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share from continuing operations are as follows:

NET INCOME (LOSS) FOR THE YEAR

	2024	2023
Net income used to calculate basic and diluted earnings per share	$ 422,963	$ 889,543

Shares

Unit: In Thousands of Shares

	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	285,245	285,245
Effect of dilutive potential ordinary share:		
Employees' compensation	207	341
Weighted average number of ordinary shares outstanding used in the computation of dilutive earnings per share	285,452	285,586

If the company offered to settle the employees' compensation in cash or shares, the Company presumes that the entire amount of the employees' compensation would be settled in shares and includes the potential shares that bear dilutive effect in the weighted average number of shares outstanding to calculate the diluted earnings per share. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

26. Cash Flow Information

a. Non-cash transactions

For the years ended December 31, 2024 and 2023, the Company conducted the following non-cash transactions investments and financing activities.

1) In 2023, the Company reclassified inventories as investment properties, resulting in a decrease in inventories and an increase in investment properties by $16,400 thousand.

2) In both 2023 and 2024, the Company reclassified investment properties as inventories, leading to a decrease in investment properties and an increase in inventories by $597,894 thousand and $129,872 thousand, respectively.

3) In 2023, the Company reclassified properties, plants and equipment as investment properties, resulting in a decrease in properties, plants, and equipment, and an increase in inventories by $34,456 thousand.

b. Liabilities changes from financing activities

2024

			Non-cash changes		
	January 1, 2024	Cash flows	Additions to leases	Others	December 31, 2024
Short-term borrowings	$ 593,000	$ -	$ -	$ -	$ 593,000
Long-term borrowings	1,125,260	(119,464)	-	-	1,005,796
Guarantee deposits	11,281	566	-	-	11,847
	$ 1,729,541	($ 118,898)	$ -	$ -	$ 1,610,643

2023

			Non-cash changes		
	January 1, 2023	Cash flows	Additions to leases	Others	December 31, 2023
Short-term borrowings	$ 1,138,000	($ 545,000)	$ -	$ -	$ 593,000
Long-term borrowings	1,243,117	(117,857)	-	-	1,125,260
Guarantee deposits	11,424	(143)	-	-	11,281
Lease liabilities	477	(477)	-	-	-
	$ 2,393,018	($ 663,477)	$ -	$ -	$ 1,729,541

27. Capital Risk Management

The Company conducts capital management to ensure its ability to operate as a going concern, optimizing the balance of debt and equity to maximize shareholder returns.

The Company's capital structure consists of the Company's net debt (which is borrowings less cash and cash equivalents) and equity (which are share capital, capital surplus, retained earnings, and other equity items).

The Company is not subject to any other external capital requirements.

The key management of the Company reviews the capital structure and considers the costs and risks involved in different capital structures when there are new construction projects and operational fund needs. The Company, based on recommendations from key management, adopts financing methods to balance its overall capital structure. Generally, the group implements a prudent risk management strategy.

28. Financial Instruments

a. Information on Fair value - Financial Instruments not Measured at Fair Value

Except for long-term borrowings as below, management of the Company believes the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values.

Fair value hierarchy of the above-mentioned fair value measurement was as follows:

December 31, 2024

	Carrying Value	Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities measured at amortized cost:					
─ Long-term borrowings	$ 889,237	$ -	$ 868,199	$ -	$ 868,199

December 31, 2023

	Carrying Value	Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities measured at amortized cost:					
─ Long-term borrowings	$ 1,005,798	$ -	$ 983,253	$ -	$ 983,253

The above mentioned fair value measurements of Level 2 are determined using discounted cash flow analysis by the borrowing rate.

b. Categories of financial instruments

	December 31, 2024	December 31, 2023
Financial assets		
Financial asset at FVTPL		
Mandatorily classified as at FVTPL	$ -	$ 2,852
Financial assets at amortized cost (Note 1)	2,879,594	2,901,223
Financial liabilities		
Financial liabilities at amortized cost (Note 2)	1,845,141	1,815,920

Note 1: The balance includes financial assets measured at amortized cost, such as cash and cash equivalents, notes receivable, accounts receivable, other financial assets, and refundable deposits.

Note 2: The balance also includes financial liabilities measured at amortized cost, such as short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, and guarantee deposits received.

c. Financial risk management objectives and policies

The Company's primary financial instruments include equity investments, accounts receivable, accounts payable, lease liabilities, and borrowings. The Company's financial management department provides services to various business units, coordinating operations within the domestic financial markets. Through internal risk reports that analyze the extent and scope of exposure, it supervises and manages financial risks related to the Company's operations. These risks include market risks (such as exchange rate risk, interest rate risk, and other price risks), credit risks, and liquidity risks.

1) Market risk

The Company's operating activities exposed it primarily to the financial risks of changes in interest rates (see paragraph (1) below).

The Company's management methods and assessment methods of the risk exposure to market risks of financial instruments remain unchanged.

a) Interest rate risk

As entities within the Company borrow funds using both fixed and floating interest rates, interest rate risk arises. The carrying amounts of financial assets and financial liabilities exposed to interest rate risk as of the balance sheet date are as follows:

	December 31, 2024	December 31, 2023
Cash flow interest rate risk		
－ Financial assets	$ 2,632,991	$ 2,799,835
－ Financial liabilities	1,598,796	1,718,260

Sensitivity analysis

The sensitivity analysis below was determined based on the Company's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

If the interest rate increases by 0.1%, with all other variables remaining constant, the Company's pre-tax net profit for 2024 and 2023 would increase by $1,034 thousand and $1,082 thousand, respectively. This is primarily due to the exposure of the Company's floating-rate borrowings and floating-rate assets.

2) Credit risk

Credit risk refers to the risk of financial loss resulting from a counterparty's failure to fulfill contractual obligations. As of the balance sheet date, the Company's primary exposure to the risk of counterparties defaulting on their obligations arises from:

a) The carrying amount of the respective recognized financial assets as stated in the parent company only balance sheet.

b) The amount of contingent liabilities generated from financial guarantees that the Company provided.

The Company reviews the recoverable amount of each individual account receivable on the balance sheet date to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes that the Company’s credit risk has been significantly reduced.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

Bank loans are an important source of liquidity for the Company. Please refer to (2) financing facilities as described below for the Company's unused financing facilities.

a) Liquidity and interest rate risk table for non-derivative financial liabilities

The analysis of the Company’s remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods was drawn up based on the undiscounted cash flows (including principal and estimated interest) of financial liabilities from the earliest date on which the Company can be required to repay. Therefore, bank borrowings that the Company may be required to repay immediately are listed in the table below at the earliest term disregard the probability of instantly exercising such right by the bank. The analysis of the maturities of other non-derivative financial liabilities is prepared in accordance with the agreed repayment date.

December 31, 2024

	Less than 1 year	2-3 years	4-5 years	6+ years	Total
Non-derivative financial liabilities					
Non-interest-bearing liabilities	$ 224,168	$ -	$ 2,500	$ -	$ 226,668
Floating interest rate instruments	727,627	185,944	206,095	622,186	1,741,852
	$ 951,795	$ 185,944	$ 208,595	$ 622,186	$ 1,968,520

December 31, 2023

	Less than 1 year	2-3 years	4-5 years	6+ years	Total
Non-derivative financial liabilities					
Non-interest-bearing liabilities	$ 78,500	$ -	$ 2,500	$ -	$ 81,000
Floating interest rate instruments	122,339	854,277	200,083	721,731	1,898,430
	$ 200,839	$ 854,277	$ 202,583	$ 721,731	$ 1,979,430

b) Financing facilities

	December 31, 2024	December 31, 2023
Unsecured bank loan facility (reviewed annually)		
— Amount used	$ -	$ -
— Amount unused	126,000	156,000
	$ 126,000	$ 156,000
Secured bank loan facility		
— Amount used	$ 1,598,796	$ 1,718,260
— Amount unused	1,544,204	1,424,740
	$ 3,143,000	$ 3,143,000

29. Related Party Transactions

a. Names and relationships of related parties

Name of related party	Relationship with the Company
Chien-Chiao Construction Co., Ltd. (the "Chien-Chiao Co.")	Investee companies evaluated using the equity method
FUSHIN Hotel Co., Ltd. (the "FUSHIN Hotel Co.")	〃
Hsin-Long-Hsing Investment Co., Ltd. (the "Hsin-Long-Hsing Co.")	〃
Liu Hua-Hsing	Director of the Company

b. Operating revenue

Line Items	Name of related party	2024	2023
Rental revenue	Chien-Chiao Co.	$ 57	$ 57
	FUSHIN Hotel Co.	57,600	57,600
		$ 57,657	$ 57,657

In 2024 and 2023, the related party, FUSHIN Hotel Co., leased a building from the Company for hotel and accommodation operations. The rental payment was based on the rental levels of similar assets and was collected monthly according to the lease agreement. As of December 31, 2024, the lease contract expiration dates ranged from May 31, 2028, to March 31, 2031.

c. Contracting out of construction

The total contract value for construction projects awarded by the Company to the related party, Chien-Chiao Co., in 2024 amounted to $4,168,500 thousand. As of December 31, 2024 and 2023, the amounts invoiced after acceptance totaled $1,762,000 thousand and $1,188,500 thousand, respectively.

The payment method for outsourced construction projects is based on the actual completed quantities of work inspected and estimated for each project phase. Payments are made for the construction costs completed during the period. The remaining balance is settled upon full completion of the project, following formal and satisfactory acceptance. Of the total payment, 50% is paid via sight drafts, while the other 50% is issued as one-month term drafts.

The transaction terms for outsourcing construction projects to related parties do not involve any significant anomalies.

d. Purchase (including investment in properties)

Name of related party	2024	2023
Chien-Chiao Co.	$ 589,000	$ 529,500

e. Amounts payable to related party

Line Items	Category / Name of related party	December 31, 2024	December 31, 2023
Notes payable	Chien-Chiao Co.	$ 52,500	$ 35,175
Accounts payable	Chien-Chiao Co.	$ 64,950	$ 36,750
Other payables	FUSHIN Hotel Co.	$ 103	$ 119

The outstanding amount of payables - related parties is not collateralized.

f. Guarantee deposits

Name of related party	December 31, 2024	December 31, 2023
FUSHIN Hotel Co.	$ 5,100	$ 5,100

g. Others

Accounts	Name of related party	2024	2023
Operating expenses	FUSHIN Hotel Co.	$ 1,464	$ 1,563
	Liu Hua-Hsing	1,500	750
		$ 2,964	$ 2,313

h. Compensation of key management personnel

The remuneration of directors and other members of key management personnel for the years ended December 31, 2024 and 2023 was as follows:

	2024	2023
Short-term employee benefits	$ 25,146	$ 26,150
Post-retirement benefits	772	8,663
	$ 25,918	$ 34,813

The remuneration of directors and other members of key management personnel, as determined by the remuneration committee, was based on the individual performance and market trends.

30. Pledged Assets

The following assets were provided for financial institution or vendor payments as collateral, and each of their carrying amounts is as follows:

	December 31, 2024	December 31, 2023
Inventory - Buildings and land held for sale	$ 1,275,104	$ -
Inventory - Construction in progress	2,037,400	3,249,706
Property, Plant and Equipment	64,213	81,122
Investment Properties	2,810,826	3,454,272
Other Financial Assets—Current	76,984	-
	$ 6,264,527	$ 6,785,100

31. Significant Contingent Liabilities and Unrecognized Contract Commitments

Except for those described in other notes, significant commitments and contingencies of the Company on the date of balance sheet were as follows:

The Company has signed construction contracts with various contractors for a total contract amount of approximately $4,168,500 thousand. As of December 31, 2024, payments totaling $1,762,000 thousand have been made.

32. Supplementary Disclosures

a. Information on Significant Transactions:

1) Financing provided to others. (None)

2) Endorsements/guarantees provided. (None)

3) Marketable securities held at year end. (Table 1)

4) Marketable securities acquired or disposed of at costs or prices accumulated at least NT$300 million or 20% or greater of the paid-in capital. (None)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% or greater of the paid-in capital. (Table 2)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% or greater of the paid-in capital. (None)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% or greater of the paid-in capital. (Table 3)

8) Receivables from related parties amounting to at least NT$100 million or 20% or greater of the paid-in capital. (None)

9) Trading in derivative instruments. (None)

b. Information on Invested Companies (Table 4)

c. Information on Investments in Mainland China:

1) Information on any investee in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (None)

2) Significant transactions directly or indirectly through third region with investee companies in mainland China, and their prices, terms of payment, unrealized gain or loss. (None)

a) Purchase amount and percentage, and the ending balance and percentage of the related payables.

b) Sales amount and percentage, and the ending balance and percentage of the related receivables.

c) Property transaction amounts and the resulting gain or loss.

d) Ending balances and the purposes of endorsements/guarantees or collateral provided.

e) The maximum remaining balance, ending balance, range of interest rate and total amount of current interest of financing facilities.

f) Other transactions having a significant impact on profit or loss or financial position for the period, such as provision or receipt of service.

d. Information on Major Shareholders:

List of all shareholders with ownership of 5 % or greater showing the names and the number of shares and percentage of ownership held by each shareholder: (Table 5)

33. <u>Segment Information</u>

Founding Construction Development Corp. has provided the operating segments disclosure in the consolidated financial statements for the year ended December 31, 2024.

Table 1.

Founding Construction Development Corp.

MARKETABLE SECURITIES HELD AT YEAR END
December 31, 2024
Unit: NT$ thousands

Name of Holding Company	Type and Name of Marketable Security	Relationship with the Issuer of Marketable Security	Name of Account	Ending Balance				Remarks
				Shares (unit)	Carrying Value	Percentage of ownership (%)	Market Value, Net	
Chien-Chiao Construction Co., Ltd.	Stock							
	Chao-Teng Hydropower Engineering Co., Ltd.	No	Financial assets measured at fair value through other comprehensive income - non-current	-	$ 4,104	19	$ 4,104	Non-listed (non-OTC) company
Hsin-Long-Hsing Investment Co., Ltd.	Stock							
	Yuanta Financial Holdings Co., Ltd.	No	Financial assets at fair value through profit or loss - current	55,630	$ 1,891	-	$ 1,891	Listed (OTC) company
	Yang Ming Marine Transport Corporation	No	〃	100,000	7,570	-	7,570	〃
	Taishin Financial Holding Co., Ltd.	No	〃	518,960	9,030	-	9,030	〃
	Taiwan Semiconductor Manufacturing Company Limited	No	〃	10,000	10,750	-	10,750	〃
	Nan Ya Plastics Corporation	No	〃	200,000	5,980	-	5,980	〃
					$ 35,221		$ 35,221	

Table 2.

Founding Construction Development Corp.

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT$300 MILLION OR 20% OR GREATER OF THE PAID-IN CAPITAL
For the year ended December 31, 2024
Unit: NT$ thousands unless otherwise specified

Name of company acquiring the real estate property	Name of property	Date of occurrence	Transaction amount	Consideration received	Counterparty	Relationship	If the counterparty is a related party, disclose the previous transfer information				Reference for pricing	Acquisition objectives and usage	Other contractual matters
							Owner	Relationship with the Company	Transfer date	Amounts			
Founding Construction Development Corp.	Land Serial No. 721, Section 5, Taoyuan Section, Beitou District, Taipei City	2024.03.19	$ 529,890	Received in full	Taiwan Shilin District Court	—	—	—	—	$ -	Court public auction	Operational needs	No

Table 3.

Founding Construction Development Corp.

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OR GREATER OF THE PAID-IN CAPITAL
For the Year Ended December 31, 2024
Unit: NT$ thousands

Buyer/Seller	Counterparty	Relationship	Transaction Details				Terms and Reasons of Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remarks
			Purchase/ Sales	Amounts	% to Total Purchases or Sales	Payment Terms	Unit Price	Payment Terms	Balance	% to Total Notes/Accounts Receivable (Payable)	
Founding Co.	Chien-Chiao Co.	Subsidiary	Purchases (undertaking contracted projects amounted to $4,168,500 thousand)	$ 589,000	41	In compliance with the payment term of the contracts	No abnormality	In compliance with the payment term of the contracts	Notes payable $ 52,500	53	
									Accounts payable 64,950	54	
Chien-Chiao Co.	Founding Co.	Parent company	Sales (undertaking contracted projects amounted to $4,168,500 thousand)	448,024	100	In compliance with the payment term of the contracts	No abnormality	In compliance with the payment term of the contracts	Notes receivable 52,500	100	
									Accounts receivable 64,950	100	

Note: The above transactions were eliminated in preparing the consolidated financial statements.

Table 4.

Founding Construction Development Corp.

RELEVANT INFORMATION OF INVESTEE COMPANY (NAME, LOCATION, ETC)
For the Year Ended December 31, 2024
Unit: NT$ thousands

Investor company	Investee company	Location	Main businesses	Initial investment amount		Held as of the end of the period			Current profit or loss of the investee company	Investment gain (loss) recognized in the current period	Remarks
				Ending Balance of the Current Period	Ending Balance of the Previous Period	Shares	Ratio (%)	Carrying Value			
Founding Co.	Chien-Chiao Co.	5F-5 No. 294, Sec. 1, Dunhua S. Rd., Da'an Dist., Taipei City	Business of buildings and civil construction	$ 51,800	$ 51,800	15,000,000	100	$ 150,158	$ 8,851	$ 16,325	Note 1
Founding Co.	FUSHIN Hotel Co.	No. 152, Sec. 1, Datong Rd., Xizhi Dist., New Taipei City	Food and beverage industry - general hotel businesses	151,000	151,000	15,100,000	94.375	208,129	49,830	49,729	Note 2
Founding Co.	Hsin-Long-Hsing Co.	5F-8 No. 294, Sec. 1, Dunhua S. Rd., Da'an Dist., Taipei City	General investment business	300,000	300,000	30,000,000	100	316,816	17,177	17,177	
Chien-Chiao Co.	FUSHIN Hotel Co.	No. 152, Sec. 1, Datong Rd., Xizhi Dist., New Taipei City	Food and beverage industry - general hotel businesses	9,000	9,000	900,000	5.625	11,481	49,830	2,815	Note 3

Note 1: From January 1 to December 31, 2024, Founding Co. recognized revenue from Chien-Chiao Construction Co., Ltd. amounting to $8,851 thousand, plus realized gross profit on sales of $7,471 thousand, and an IFRS 16 lease impact of $3 thousand.

Note 2: From January 1 to December 31, 2024, Founding Co. recognized revenue from FUSHIN Hotel Co., Ltd. amounting to $47,027 thousand, plus an IFRS 16 lease impact of $2,702 thousand.

Note 3: From January 1 to December 31, 2024, Chien-Chiao Co. recognized revenue from FUSHIN Hotel Co., Ltd. amounting to $2,803 thousand, plus an IFRS 16 lease impact of $12 thousand.

Table 5.

Founding Construction Development Corp.

Information on Major Shareholders
December 31, 2024

Shareholder's name	Shares	
	Number of Shares	Percentage of Shares
Mei-Hsiung Investment Co., Ltd.	53,813,212	18.86%
Syntain Co., Ltd.	22,918,571	8.03%
Fu-Hsiung Investment Co., Ltd.	16,187,416	5.67%

Note 1: Information on major shareholders in this table is provided by Taiwan Depository & Clearing Corporation according to information on shareholders holding at least 5% or greater of ordinary shares and preferred shares (including treasury shares) that have been issued and delivered without physical registration by the Company on the last business day at the end of the current quarter. Share capital indicated in the Company's consolidated financial statements may differ from the actual number of shares that have been issued and delivered without physical registration as a result of different basis of preparation.

Note 2: If a shareholder delivers its shareholding information to the trust, the aforesaid information shall be disclosed by the individual trustee who opened the trust account. For a shareholder who declares its shareholdings as an insider holding more than 10% of shares in accordance with the Securities and Exchange Act, such shareholding information shall include shares held by the shareholder and those delivered to the trust over which the shareholder has the right to determine the use of trust property. For information on declaration of shareholdings by insiders, please visit the Market Observation Post System.

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Statement 1

Founding Construction Development Corp.

Statement of Construction Inventory
December 31, 2024
Unit: NT$ thousands

	Amounts		
		Valuation at the lower of cost or net realizable value	
Item	Cost	Cost	Net realizable value
Buildings and land held for sale (Note 8)	$ 1,374,590	$ 1,374,590	$ 2,454,966
Construction in progress (Statement 4)	2,474,264	2,474,264	2,674,262
	$ 3,848,854	$ 3,848,854	$ 5,129,228

Statement 2

Founding Construction Development Corp.

Statement of Construction Inventory - Construction in progress
For the Year Ended December 31, 2024
Unit: NT$ thousands unless otherwise specified

	Opening Balance	Costs incurred during this period	Reclassification during this period	Closing Balance	Collateral or pledge
Li Ren Ming Di	$ 255,664	$ 104,654	$ -	$ 360,318	See Note 30
Founding Li Garden	1,351,242	122,594	(1,473,836)	-	See Note 30
Star Technology	879,990	107,360	(987,350)	-	See Note 30
Meditation Garden	428,212	82,019	-	510,231	See Note 30
Founding Forest Cottage (originally Chief Li Garden)	307,204	85,068	-	392,272	See Note 30
Tai Tung Smart Technology Park	28,031	236,988	-	265,019	
Founding Xin Zhuang	11,603	119,551	-	131,154	See Note 30
Asia-Pacific Technology Center	15,791	29,740	597,894	643,425	See Note 30
Others (Note)	138,389	33,456	-	171,845	
	$3,416,126	$ 921,430	($1,863,292)	$2,474,264	

Note: The balance of each item does not exceed 5% of the account balance.

Statement 3

Founding Construction Development Corp.

Statement of Changes in Investments
For the Year Ended December 31, 2024
Unit: NT$ thousands, Except for Earnings Per Share (in Dollars)

	Opening Balance		Increase in the Period		Decrease in the Period				Closing Balance			Market Value or Equity, Net			
	Shares	Amounts	Shares	Amounts	Shares	Amounts	Gain (loss) on investment	Other comprehensive income/(loss)	Shares	Ownership (%)	Amounts	Unit Price	Gross price	Valuation basis	Collateral or pledge
Measured by using equity method															
Non-listed (non-OTC) company															
Chien-Chiao Construction Co., Ltd. (Notes 1 and 2)	15,000,000	$ 143,556	-	$ 2,251	-	$ 15,000	$ 16,325	$ 3,026	15,000,000	100	$ 150,158	18.58	$ 278,744	Equity method	No
FUSHIN Hotel Co., Ltd. (Note 1)	15,100,000	158,400	-	-	-	-	49,729	-	15,100,000	94.375	208,129	12.72	192,054	〃	〃
Hsin-Long-Hsing Investment Co., Ltd. (Note 1)	30,000,000	299,639	-	-	-	-	17,177	-	30,000,000	100	316,816	10.56	316,816	〃	〃
		$ 601,595		$ 2,251		$ 15,000	$ 83,231	$ 3,026			$ 675,103		$ 787,614		

Note 1: It was recognized according to the financial statements for the year ended December 31, 2024 audited by a Certified Public Accountant.

Note 2: This year, Chien-Chiao Construction Co., Ltd. increased by $2,251 thousand due to employee remuneration paid by the parent company. Additionally, it decreased by $15,000 thousand due to dividend payments.

Founding Construction Development Corp.

Statement of Short-term Borrowings
December 31, 2024
Unit: NT$ thousands

Creditor	Category of borrowings	Ending balance	Terms of contract	Interest rate range (%)	Financing facilities	Pledge or guarantee
CTBC Corporate Banking	Land finance	$ 345,000	2021.11.18 - 2025.11.18	2.7458	$ 500,000	Founding Xin Zhuang
Chang Hwa Bank Yung-Chun	Land finance	100,000	2021.07.01 - 2025.07.01	2.625	204,000	Meditation Garden
〃	Secured loan	-	-	-	70,000	FUSHIN Taipei 2
First Bank Ren-Ai	Land finance	72,000	2019.04.01 - 2025.06.01	2.625	72,000	Li Ren Ming Di
〃	Secured loan	-	-	-	20,000	Tainan Fuward
〃	Land finance	-	-	-	143,000	Founding Forest Cottage (originally Chief Li Garden)
Hua Nan Nan-Neihu	Credit loans	-	-	-	30,000	-
Bank of Taiwan Wan-Hua	Credit loans	-	-	-	36,000	-
Taichung Bank Nei-Hu	Credit loans	-	-	-	30,000	-
Cathay United Bank	Land finance	76,000	2022.03.21 - 2025.02.25	2.55	476,000	Asia Pacific Technology
〃	Credit loans	-	-	-	30,000	-
		$ 593,000			$ 1,611,000	

Statement 5

Founding Construction Development Corp.

Statement of Notes Payable
December 31, 2024
Unit: NT$ thousands

Name of Customer	Memo	Amounts
Non-related parties:		
Supplier A		$ 13,749
Supplier B		30,000
Others (Note)		3,049
		$ 46,798
Related parties:		
Chien-Chiao Construction Co., Ltd.	Payments for construction contracts	$ 52,500

The balance of each item does not exceed 5% of the account balance.

Founding Construction Development Corp.

Statement of Accounts Payable
December 31, 2024
Unit: NT$ thousands

Name of Customer	Memo	Amounts
Non-related parties:		
Supplier C		$ 23,159
Supplier D		13,244
Supplier E		15,032
Others (Note)		4,432
		$ 55,867
Related parties:		
Chien-Chiao Construction Co., Ltd.	Payments for construction contracts	$ 64,950

The balance of each item does not exceed 5% of the account balance.

Statement 7

Founding Construction Development Corp.

Statement of Contract Liabilities
December 31, 2024
Unit: NT$ thousands

Item	Memo	Amounts
Contract liabilities	Founding Li Garden	$ 44,944
	Founding Forest Cottage (originally Chief Li Garden)	65,648
	Others (Note)	5,578
		$116,170

The balance of each item does not exceed 5% of the account balance.

Founding Construction Development Corp.

Statement of Long-term Borrowings
December 31, 2024
Unit: NT$ thousands

Creditor	Terms of contract	Repayment method	Annual interest rate (%)	Amounts: Due in one year	Amounts: Matured over one year	Amounts: Total	Pledge or guarantee
Hua Nan Nan-Neihu	2020.09.30～2025.09.30	Evenly split into a total of 60 installments on a monthly basis.	2.43	$ 26,035	$ -	$ 26,035	3/F, White House Tower
〃	2018.02.26～2033.02.26	Interests paid monthly in the first twelve months; starting the 13th month, a total of 168 installments on a monthly basis.	2.56	25,159	204,300	229,459	FUSHIN Tainan
〃	2018.07.27～2033.07.27	Evenly split principal and interest into a total of 180 installments on a monthly basis.	2.56	6,394	55,028	61,422	FUSHIN Tainan
First Bank Ren-Ai	2010.11.23～2025.11.23	Interests paid monthly in the first thirty-six months; starting the 37th month, evenly split into a total of 144 installments on a monthly basis.	2.425	7,397	-	7,397	Tainan Fuward
Chang Hwa Bank Yung-Chun	2016.05.23～2036.05.23	Interests paid monthly in the first three years; annuity method applied three years later, evenly split principal into a total of 204 installments on a monthly basis.	2.425	51,574	629,909	681,483	FUSHIN Taipei 2
				$ 116,559	$ 889,237	$ 1,005,796	

Statement 9

Founding Construction Development Corp.

Statement of Operating Revenue
December 31, 2024
Unit: NT$ thousands

Name	Amounts
Land revenue	$ 1,055,740
Housing revenue	761,803
Rental revenue	82,585
	$ 1,900,128

Statement 10

Founding Construction Development Corp.

Statement of Operating Costs
For the Year Ended December 31, 2024
Unit: NT$ thousands

Item	Amounts
Land costs	$ 597,387
Housing costs	695,210
Rental costs	51,559
Operating costs	$ 1,344,156

Statement 11

Founding Construction Development Corp.

Statement of Operating Expenses
For the Year Ended December 31, 2024
Unit: NT$ thousands

Item	Memo	Amounts
Operating expenses	Salary expenditures	$ 37,232
	Commission expenditures	28,221
	Taxation	26,550
	Advertising fees	15,777
	Other operating expenses (Note)	37,162
		$ 144,942

Note: Balance for each item does not exceed 5% of the total account balance.

Statement 12

Founding Construction Development Corp.

Statement of Current Employee Benefits, Depreciation, and Amortization Expenses
For the years ended December 31, 2024 and 2023
Unit: NT$ thousands

	2024			2023		
	Recorded under operating costs	Recorded under operating expenses	Total	Recorded under operating costs	Recorded under operating expenses	Total
Employee benefits expense						
Salary expenses	$ 2,981	$ 37,232	$ 40,213	$ 3,740	$ 38,033	$ 41,773
Labor and health insurance expenses	267	3,432	3,699	496	3,528	4,024
Retirement benefits expenses	-	1,620	1,620	-	9,746	9,746
Remuneration of directors	-	3,240	3,240	-	3,240	3,240
Other employee benefits expenses	-	6,073	6,073	-	8,382	8,382
Total	$ 3,248	$ 51,597	$ 54,845	$ 4,236	$ 62,929	$ 67,165
Depreciation expenses	$ 51,559	$ 1,785	$ 53,344	$ 53,464	$ 2,184	$ 55,648
Amortization expenses	$ -	$ 169	$ 169	$ -	$ 149	$ 149

Note:

1. As of December 31, 2024 and 2023, the Company's employee count was 46 and 48, respectively. There were 9 directors, 5 of whom were individuals, and 5 of whom were non-employee directors for both years.
2. The average employee benefit expenses (excluding directors' remuneration) for 2024 and 2023 were $1,259 thousand and $1,487 thousand, respectively.
3. The average employee salary expenses for 2024 and 2023 were $981 thousand and $971 thousand, respectively, reflecting a 1.03% increase in average employee salary expenses over the two years.
4. The Company has no supervisor so there is no remuneration of supervisors.
5. Remuneration of directors and officers' compensation of the Company shall be determined based on the position held, education and experience, years of working performance and responsibilities assumed, with reference to the industry standards; In addition, no more than 2% of the Company's surplus at the end of the year, if any, is set aside as directors’ remuneration in accordance with the Company's Articles of Incorporation.
6. Employees' compensation of the Company are evaluated according to their abilities from academic and working experiences and their positions; In addition, no less than 0.6% and no more than 3% of the Company's surplus at the end of the year, if any, is set aside as employee compensation in accordance with the Company's Articles of Incorporation.