

Founding Construction Development Corp. and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Report For the Years Ended December 31, 2025 and 2024

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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.

TABLE OF CONTENTS

ITEM	PAGE	NUMBER OF FINANCIAL STATEMENT NOTES
I. Cover	1	-
II. Table of Contents	2	-
III. Declaration of Consolidated Financial Statements of Affiliates	3	-
IV. Independent Auditors' Report	4-8	-
V. Consolidated Balance Sheets	9	-
VI. Consolidated Statements of Comprehensive Income	10-11	-
VII. Consolidated Statements of Changes in Equity	12	-
VIII. Consolidated Statements of Cash Flows	13-14	-
IX. Notes to the Consolidated Financial Statements		
1. Company History	15	1
2. Date and Procedures of Authorization of Financial Statements	15	2
3. Application of New and Amended Standards and Interpretations	15-18	3
4. Summary of Significant Accounting Policies	19-32	4
5. The Primary Sources of Uncertainties in Major Accounting Judgments, Estimates, and Assumptions	32-33	5
6. Details of Significant Accounts	33-64	6-30
7. Related Party Transactions	64	31
8. Pledged Assets	65	32
9. Significant Contingent Liabilities and Unrecognized Contract Commitments	65	33
10. Significant Disaster Loss	-	-
11. Significant Events after the Balance Sheet Date	-	-
12. Others	-	-
13. Supplementary Disclosures		
a. Information on Significant Transactions	65, 68-70	34
b. Information on Invested Companies	66, 71	34
c. Information on Investments in Mainland China	66	34
14. Segment Information	66-67	35

Declaration of Consolidated Financial Statements of Affiliates

The companies that are required to be included in the consolidated financial statements of affiliates as of and for the year ended December 31, 2025, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements of parent company and its subsidiary prepared in conformity with the International Financial Reporting Standard 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the consolidated financial statements of affiliates is included in the consolidated financial statements of the parent company and its subsidiary. Consequently, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

Company Name: Founding Construction Development Corp.

Responsible Person: Liu Hsin-Hsiung

March 11, 2026

Independent Auditors' Report

Founding Construction Development Corp.

Audit Opinion

We have audited the accompanying consolidated financial statements of Founding Construction Development Corp. and its subsidiaries (the "Founding Group"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the aforementioned consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Founding Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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 Consolidated Financial Statements section of our report. We are independent of the Founding Group 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 matters that, in our professional judgment, were of most significance in our audit of the Founding Group's consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Founding Group's consolidated financial statements for the year ended December 31, 2025 are stated as follows:

Key Audit Matters I: Inventory Valuation

Inventories of the Founding Group represented 41% of the consolidated total assets as of December 31, 2025. 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(6) 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 the Founding Group's inventories, test and review samples of the sales contracts, obtain information adopted for the market value of the Founding Group'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.

Key Audit Matters II: Recognition of Income from Sales of Real Estate

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. Please refer to Note 4 (14) of the financial statements for relevant information on whether sales revenue recognition is material to the consolidated financial statements for the year and 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. We also 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.

Others

We have also audited the parent company only financial statements of Founding Construction Development Corp. as of and for the years ended December 31, 2025 and 2024 on which we have issued an unqualified opinion for your reference.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Founding Group'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 the Founding Group 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 the Founding Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated 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 consolidated 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 the Founding Group'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 the Founding Group'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 consolidated 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 the Founding Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 the Founding Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinion to the Founding Group.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Founding Group's consolidated financial statements for the year ended December 31, 2025 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

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March 16, 2026

Founding Construction Development Corp. and Subsidiaries

Consolidated Balance Sheets

December 31, 2025 and 2024

Unit: NT\$ thousands

Code	ASSETS	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Note 6)	\$ 2,428,022	21	\$ 3,258,287	27
1110	Financial assets at fair value through profit or loss - current (Notes 7 and 30)	31,047	-	35,221	-
1150	Notes receivable (Notes 9 and 24)	-	-	5,000	-
1170	Accounts receivable (Notes 9 and 24)	8,382	-	18,599	-
1197	Finance lease receivables, net - current	432	-	5,141	-
1220	Current tax assets (Note 26)	17,782	-	217	-
130X	Inventories (Notes 10 and 32)	4,830,328	41	3,747,345	32
1410	Prepayments (Note 12)	46,085	1	14,918	-
1476	Other financial assets - current (Notes 13 and 32)	511,019	4	238,067	2
1479	Other current assets (Note 12)	3,473	-	4,360	-
1480	Incremental costs of obtaining a contract - current (Note 24)	119,259	1	-	-
11XX	Total current assets	<u>7,995,829</u>	<u>68</u>	<u>7,327,155</u>	<u>61</u>
	NON-CURRENT ASSETS				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 30)	4,104	-	4,104	-
1600	Property, plant and equipment (Notes 14 and 32)	2,083,432	18	2,127,473	18
1755	Right-of-use assets (Note 15)	13,326	-	24,229	-
1760	Investment properties, net (Notes 16 and 32)	1,612,911	14	2,413,639	21
1801	Computer software, net	286	-	511	-
1840	Deferred tax assets (Note 26)	12,520	-	12,120	-
194D	Long-term finance lease receivables, net	-	-	432	-
1920	Refundable deposits	4,114	-	3,948	-
1975	Net defined benefit assets (Note 21)	16,996	-	13,882	-
15XX	Total non-current assets	<u>3,747,689</u>	<u>32</u>	<u>4,600,338</u>	<u>39</u>
1XXX	Total assets	<u>\$ 11,743,518</u>	<u>100</u>	<u>\$ 11,927,493</u>	<u>100</u>
	LIABILITIES AND EQUITY				
	CURRENT LIABILITIES				
2100	Short-term borrowings (Notes 17 and 32)	\$ 544,000	5	\$ 593,000	5
2130	Contractual Liabilities (Note 24)	401,763	3	139,820	1
2150	Notes payable (Note 18)	33,922	-	51,068	-
2170	Accounts payable (Note 18)	133,033	1	132,503	1
2219	Other payables (Note 19)	67,529	1	73,303	1
2230	Current tax liabilities (Note 26)	2,633	-	70,221	1
2250	Provisions - current (Note 20)	2,977	-	2,977	-
2280	Lease liabilities - current (Note 15)	18,669	-	25,171	-
2320	Current portion of long-term borrowings (Notes 17 and 32)	90,805	1	122,403	1
2399	Other current liabilities	2,511	-	11,470	-
21XX	Total current liabilities	<u>1,297,842</u>	<u>11</u>	<u>1,221,936</u>	<u>10</u>
	NON-CURRENT LIABILITIES				
2540	Long-term borrowings (Notes 17 and 32)	856,866	7	968,639	8
2570	Deferred tax liabilities (Note 26)	5,077	-	4,597	-
2580	Lease liabilities - non-current (Note 15)	5,545	-	24,215	1
2645	Guarantee deposits	3,530	-	8,577	-
25XX	Total non-current liabilities	<u>871,018</u>	<u>7</u>	<u>1,006,028</u>	<u>9</u>
2XXX	Total liabilities	<u>2,168,860</u>	<u>18</u>	<u>2,227,964</u>	<u>19</u>
	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)				
	Capital stock				
3110	Ordinary shares	<u>2,852,450</u>	<u>25</u>	<u>2,852,450</u>	<u>24</u>
	Capital surplus				
3210	Shares premium	20,894	-	20,894	-
3220	Treasury shares transactions	236	-	236	-
3200	Total capital surplus	<u>21,130</u>	<u>-</u>	<u>21,130</u>	<u>-</u>
	Retained earnings				
3310	Legal reserve	1,313,396	11	1,270,509	11
3350	Unappropriated earnings	5,387,682	46	5,555,440	46
3300	Total retained earnings	<u>6,701,078</u>	<u>57</u>	<u>6,825,949</u>	<u>57</u>
31XX	Total equity attributable to owners of the company	<u>9,574,658</u>	<u>82</u>	<u>9,699,529</u>	<u>81</u>
3XXX	Total equity	<u>9,574,658</u>	<u>82</u>	<u>9,699,529</u>	<u>81</u>
	Total liabilities and equity	<u>\$ 11,743,518</u>	<u>100</u>	<u>\$ 11,927,493</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

Chairman: Liu Hsin-Hsiung

Manager: Cao Luo-Fang

Accounting Officer: Cheng Yen-Fen

Founding Construction Development Corp. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

Unit: NT\$ thousands, except for earnings per share (in NT\$)

Code		2025		2024	
		Amount	%	Amount	%
	OPERATING REVENUE				
	(Notes 24 and 35)				
4300	Rental revenue	\$ 11,338	1	\$ 28,987	1
4410	Hospitality service revenue	392,611	34	389,263	18
4500	Construction contract revenue	<u>760,558</u>	<u>65</u>	<u>1,817,543</u>	<u>81</u>
4000	Total operating revenue	<u>1,164,507</u>	<u>100</u>	<u>2,235,793</u>	<u>100</u>
	OPERATING COSTS (Notes 10 and 25)				
5300	Lease costs	(1,587)	-	(6,982)	-
5410	Hospitality service cost	(267,565)	(23)	(264,541)	(12)
5500	Construction costs	(<u>546,231</u>)	(<u>47</u>)	(<u>1,264,507</u>)	(<u>56</u>)
5000	Total operating costs	(<u>815,383</u>)	(<u>70</u>)	(<u>1,536,030</u>)	(<u>68</u>)
5900	Gross Profit	349,124	30	699,763	32
6000	OPERATING EXPENSES (Note 25)	(<u>185,553</u>)	(<u>16</u>)	(<u>221,526</u>)	(<u>10</u>)
6900	Net Operating Income	<u>163,571</u>	<u>14</u>	<u>478,237</u>	<u>22</u>
	NON-OPERATING INCOME AND EXPENSES (Note 25)				
7100	Interest Income	24,176	2	19,629	1
7010	Other income	3,511	1	3,207	-
7020	Other gains and losses	1,753	-	15,298	1
7050	Finance costs	(<u>2,647</u>)	-	(<u>7,765</u>)	(<u>1</u>)
7000	Total non-operating income and expenses	<u>26,793</u>	<u>3</u>	<u>30,369</u>	<u>1</u>
7900	Net income before tax	190,364	17	508,606	23
7950	Income tax expense (Note 26)	(<u>31,897</u>)	(<u>3</u>)	(<u>85,643</u>)	(<u>4</u>)
8200	NET PROFIT/(LOSS) FOR THE YEAR	<u>158,467</u>	<u>14</u>	<u>422,963</u>	<u>19</u>

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Code		2025		2024	
		Amount	%	Amount	%
	OTHER COMPREHENSIVE INCOME (LOSS) (Notes 21 and 26)				
	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurement of defined benefit plans	\$ 2,382	-	\$ 7,380	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	(476)	-	(1,476)	-
8300	Other comprehensive income for the year, net of income tax	1,906	-	5,904	-
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 160,373</u>	<u>14</u>	<u>\$ 428,867</u>	<u>19</u>
	EARNINGS PER SHARE (Note 27)				
	From continuing operations				
9710	Basic	<u>\$ 0.56</u>		<u>\$ 1.48</u>	
9810	Diluted	<u>\$ 0.56</u>		<u>\$ 1.48</u>	

The accompanying notes are an integral part of the consolidated financial statements.

Chairman: Liu Hsin-Hsiung

Manager: Cao Luo-Fang

Accounting Officer: Cheng Yen-Fen

Founding Construction Development Corp. and Subsidiaries

Consolidated Statements of Changes in Equity

For the years ended December 31, 2025 and 2024

Unit: NT\$ thousands

Code		Capital stock		Capital surplus		Retained earnings		Total equity
		Shares (in thousands)	Ordinary shares	Shares premium	Treasury shares transactions	Legal reserve	Unappropriated earnings	
A1	Balance as of January 1, 2024	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
	Appropriation and distribution of retained earnings for 2024							
B1	Legal reserve	-	-	-	-	42,887	(42,887)	-
B5	Cash dividends to shareholders	-	-	-	-	-	(285,244)	(285,244)
D1	Net income for 2025	-	-	-	-	-	158,467	158,467
D3	AFTER-TAX OTHER COMPREHENSIVE INCOME for 2025	-	-	-	-	-	1,906	1,906
D5	Total comprehensive income in 2025	-	-	-	-	-	160,373	160,373
Z1	Balance as of December 31, 2025	<u>285,245</u>	<u>\$ 2,852,450</u>	<u>\$ 20,894</u>	<u>\$ 236</u>	<u>\$ 1,313,396</u>	<u>\$ 5,387,682</u>	<u>\$ 9,574,658</u>

The accompanying notes are an integral part of the consolidated financial statements.

Chairman: Liu Hsin-Hsiung

Manager: Cao Luo-Fang

Accounting Officer: Cheng Yen-Fen

Founding Construction Development Corp. and Subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2025 and 2024

Unit: NT\$ thousands

Code		2025	2024
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Net income before tax for the year	\$ 190,364	\$ 508,606
A20010	Adjustments for:		
A20100	Depreciation expenses	65,001	69,114
A20200	Amortization expenses	311	304
A20400	Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	(4,804)	(15,379)
A20900	Finance costs	2,647	7,765
A21200	Interest Income	(24,176)	(19,629)
A21300	Dividend income	(2,734)	(2,265)
A22500	Loss (gain) on disposal of property, plant and equipment	4	(527)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	5,000	6,058
A31150	Accounts receivable	10,217	(6,673)
A31200	Inventories	(284,933)	510,793
A31230	Prepayments	(31,167)	9,252
A31240	Other current assets	887	613
A31250	Other financial assets - current	(272,952)	(140,079)
A31270	Incremental costs of obtaining a contract - current	(119,259)	-
A31990	Net defined benefit assets	(733)	(483)
A32125	Contract liabilities	261,943	42,198
A32130	Notes payable	(17,146)	43,954
A32150	Accounts payable	530	20,866
A32180	Other payables	(5,442)	(2,473)
A32230	Other current liabilities	(8,959)	9,164
A33000	Cash generated from operations	(235,401)	1,041,179
A33500	Income taxes paid	(117,447)	(86,923)
AAAA	Net cash (outflow) inflow from operating activities	(352,848)	954,256

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Code		2025	2024
	CASH FLOWS FROM INVESTING ACTIVITIES		
B09900	Capital reduction refunds from financial assets measured at fair value through profit or loss	\$ -	\$ 619
B00100	Acquisition of financial assets at fair value through profit or loss	(106,446)	(184,016)
B00200	Disposal of financial assets at fair value through profit or loss	115,425	209,487
B02700	Purchase of property, plant and equipment	(7,381)	(7,725)
B02800	Proceeds from disposal of property, plant and equipment	-	667
B03700	Increase in refundable deposits	(166)	-
B03800	Decrease in refundable deposits	-	91
B04500	Purchase of intangible assets	(87)	(99)
B05400	Purchase of investment properties	-	(531,726)
B06100	Decreases in finance lease receivables	5,141	5,063
B07500	Interest received	24,176	19,629
B07600	Dividends received from others	<u>2,734</u>	<u>2,265</u>
BBBB	Net cash inflow (outflow) from investing activities	<u>33,396</u>	(<u>485,745</u>)
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase in short-term borrowings	123,000	-
C00200	Decrease in short-term borrowings	(172,000)	-
C01700	Repayments of long-term borrowings	(143,371)	(124,785)
C03000	Increase in guarantee deposits received	-	267
C03100	Refund of guarantee deposits received	(5,047)	-
C04020	Payments of lease liabilities	(25,172)	(24,738)
C04500	Distribution of cash dividends	(285,244)	(342,294)
C05600	Interest paid	<u>(2,979)</u>	<u>(7,869)</u>
CCCC	Net cash used in financing activities	<u>(510,813)</u>	(<u>499,419</u>)
EEEE	Net decrease in cash and cash equivalents	(830,265)	(30,908)
E00100	CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,258,287</u>	<u>3,289,195</u>
E00200	CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,428,022</u>	<u>\$ 3,258,287</u>

The accompanying notes are an integral part of the consolidated financial statements.

Chairman: Liu Hsin-Hsiung

Manager: Cao Luo-Fang

Accounting Officer: Cheng Yen-Fen

Founding Construction Development Corp. and Subsidiaries

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Amounts are in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Company History

Founding Construction Development Corp. ("Founding Co." or "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 consolidated financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. Date and Procedures of Authorization of Financial Statements

The consolidated financial statements were approved by the Board of Directors on March 11, 2026.

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)

Amendment to IAS 21 "Lack of Exchangeability"

The amendments to IAS 21, "Lack of Exchangeability," are not expected to result in a material change in the consolidated company's accounting policies.

- b. The IFRSs in 2026 endorsed by the FSC

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 9 and IFRS 7: "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
"Annual Improvements to IFRS Accounting Standards - Volume 11"	January 1, 2026
IFRS 17 "Insurance Contracts" (including the 2020 and 2021 amendments)	January 1, 2023

Amendments to IFRS 9 and IFRS 7: "Amendments to the Classification and Measurement of Financial Instruments"

1) Amendments to the Application Guidance on Financial Asset Classification

The amendments primarily revise the classification requirements for financial assets, including the following:

- a) If a financial asset contains a contingent feature that can change the timing or amount of contractual cash flows, and the nature of the contingent feature is not directly related to changes in the basic lending risk or cost (e.g., whether the debtor achieves a specified carbon reduction target), the contractual cash flows of such a financial asset are still considered solely payments of principal and interest on the outstanding principal, provided that both of the following conditions are met:
 - All possible scenarios (whether the contingent event occurs or not) result in contractual cash flows that are solely payments of principal and interest on the outstanding principal; and
 - The contractual cash flows under all possible scenarios do not differ significantly from the cash flows of a comparable financial instrument without the contingent feature.
- b) It is clarified that a financial asset with a non-recourse feature refers to an asset in which the entity has the ultimate right to receive cash flows, which are limited under the contract to the cash flows generated by specific assets.
- c) Contractually linked instruments are clarified as financial instruments structured through a waterfall payment mechanism that creates multiple tranches to establish the payment priority for holders of the financial asset, thereby concentrating credit risk and resulting in disproportionate allocation of shortfalls in cash flows from the underlying pool across different tranches.

2) Amendments to the Application Guidance on Derecognition of Financial Liabilities

The amendments primarily clarify that a financial liability should be derecognized on the settlement date. However, when an entity settles a financial liability using an electronic payment system with cash, it may elect to derecognize the financial liability before the settlement date if all of the following conditions are met:

- The entity does not have the practical ability to withdraw, stop, or cancel the payment instruction;

- The entity does not have the practical ability to access the cash that will be used for settlement as a result of the payment instruction; and
- The settlement risk associated with the electronic payment system is not significant.

The consolidated company shall apply the amendments retrospectively but is not required to restate comparative periods, and the effect of initial application shall be recognized on the date of initial application. However, if the entity is able to restate comparatives without hindsight, it may elect to do so.

As of the date these financial statements were authorized for issuance, the consolidated company has assessed that other amendments to standards are not expected to 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

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Date Issued by IASB (Note 1)</u>
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 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments)	January 1, 2027
Amendments to IAS 21: "Translation to a Hyperinflationary Presentation Currency"	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.

Note 2: On September 25, 2025, the FSC announced that companies in Taiwan are required to adopt IFRS 18 effective January 1, 2028, and may elect to adopt it early once IFRS 18 is endorsed by the FSC.

IFRS 18 "Presentation and Disclosure in Financial Statements" and related consequential amendments

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

- The consolidated company shall assess whether it has specific major operating activities, such as investing in certain types of assets or providing financing to customers, and classify income and expense items in the income statement into operating, investing, financing, income tax, and discontinued operations categories accordingly.

- 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 requirements for aggregation and disaggregation: The consolidated 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 consolidated company should only label such items as "Other" when no more informative label can be identified.
- Additional disclosure of management-defined performance measures (MPMs): When the consolidated 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.

In addition, IAS 7 has been amended as follows:

- When preparing cash flows from operating activities using the indirect method, the consolidated company shall use profit or loss from operations as the starting point for adjustments.
- Interest and dividends received by the consolidated company shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. If the consolidated company determines that it has specific major operating activities, it shall consider the nature of dividend income, interest income, and interest expense reported in the income statement to determine the classification of cash flows from dividends received, interest received, and interest paid in the statement of cash flows. However, each of these cash flows may only be classified under a single activity category in the cash flow statement.

Besides the above-mentioned impact, as of the date the accompanying consolidated financial statements were authorized for issue, the consolidated company continues evaluating the impact on its financial position and financial performance as a result of the amendment of the other standards or interpretations. The related impact will be disclosed when the consolidated company completes the evaluation.

4. Summary of Significant Accounting Policies

a. Statement of Compliance

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs endorsed and issued into effect by the FSC.

b. Basis of Preparation

The accompanying consolidated financial statements have been prepared on a historical cost basis except for financial instruments measured at fair value, and net defined benefit assets 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: They refer to quoted prices (unadjusted) in active markets for identical assets or liabilities at the measurement date.
- 2) Level 2 inputs: They refer to 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).
- 3) Level 3 inputs: They refer to unobservable inputs for an asset or liability.

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

Current assets include:

- 1) Assets held primarily 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 balance sheet date.

Current liabilities include:

- 1) Liabilities held primarily for trading purposes,
- 2) Liabilities expected to be settled within 12 months from the balance sheet date (even if an agreement to refinance or to reschedule payments on a long-term basis is completed after the balance sheet date and before the financial reports are authorized for issue, which are 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.

Assets and liabilities that are not classified as current are classified as non-current.

The consolidated company is engaged in construction activities, which have an operating cycle of over one year. Construction-related assets and liabilities are classified as current or non-current based on the normal operating cycle.

d. Basis of Consolidation

This consolidated financial report includes the financial statements of the Company and its controlled entities (subsidiaries). The consolidated statement of comprehensive income incorporates the results of operations of acquired or disposed subsidiaries from the acquisition date or until the disposal date within the reporting period. The financial statements of the subsidiaries have been adjusted to align their accounting policies with those of the consolidated company. During the preparation of the consolidated financial report, all intercompany transactions, account balances, income, and expenses have been eliminated in full. The total comprehensive income of the subsidiaries is attributable to the owners of the Company and non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When changes in the ownership interests of a subsidiary do not result in the loss of control, such changes are accounted for as equity transactions. The carrying amounts of the consolidated company and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the adjustment to non-controlling interests and the fair value of the consideration paid or received is directly recognized in equity and attributed to the owners of the Company.

Refer to Note 11 and Table 4 for detailed information on subsidiaries, including percentages of ownership and main businesses.

e. Foreign Currency

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

Monetary items denominated in foreign currencies are retranslated at the closing rates on each balance sheet date. Exchange differences on monetary items arising from settlement or on translating monetary items are recognized in profit or loss in the period in which they arise.

f. Inventories

Inventories comprise properties under construction, properties held for sale, and food and beverage inventories. Properties under construction and properties held for sale are initially recorded at acquisition cost. Costs of properties under construction include land costs, construction costs and capitalized borrowing costs. Upon completion of construction, costs are allocated to the units sold based on their relative selling prices and recognized as cost of sales upon recognition of the related revenue.

Properties held for sale are stated at the lower of cost or net realizable value. The comparison of cost and net realizable value is made on an item-by-item basis.

Food and beverage inventories are stated at the lower of cost or net realizable value. The comparison is also made on an item-by-item basis. The cost of these inventories is determined using the weighted-average method.

Net realizable value represents the estimated selling price of inventories less the estimated cost of completion and the estimated cost necessary to make the sale.

g. Property, Plant and Equipment

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

Property, plant and equipment under 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 depreciation commences when completed and ready for their intended use.

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

Upon derecognition 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.

h. Investment Properties

Investment property refers to property held to earn rentals and/or for capital appreciation, including properties that are under construction for the above stated purposes. Investment property also includes land held for currently undetermined future use.

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 on a straight-line method.

Investment property is reclassified to inventory at its carrying amount 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 reclassified to investment property at its carrying amount when leased out under an operating lease.

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

i. Intangible Assets

1) Individually Acquired

Individually acquired intangible assets with finite useful lives are initially measured at cost, and subsequently measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized on a straight-line basis over their useful lives. The consolidated 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 proceeds and the carrying amount of the asset is recognized in current profit or loss.

j. Contract-Related Assets

Sales commissions for real estate sales personnel and sales service fees paid under guaranteed sale contracts for properties under construction are incurred only when a contract with a customer is obtained. To the extent that they are expected to be recoverable, these costs are recognized as incremental costs of obtaining a contract and are amortized upon completion and delivery of the property to the customer. However, for incremental contract acquisition costs expected to be amortized within one year, the consolidated company elects not to capitalize them.

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

On each balance sheet date, the consolidated 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 consolidated company estimates the recoverable amount of the asset. When it is not possible to estimate the recoverable amount of an individual asset, the consolidated company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest identifiable group of cash-generating units on a reasonable and consistent basis.

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

For inventories and property, plant and equipment related to customer contracts, impairment is first recognized in accordance with the relevant standards applicable to inventories and the above principles. Any remaining impairment is recognized to the extent that the carrying amount of contract-related assets exceeds the remaining consideration expected to be received for the transfer of goods or services, less the costs directly related to providing those goods or services. Contract-related assets are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of impairment testing.

Where an impairment loss is subsequently reversed, the carrying amount of the related asset, cash-generating unit or contract-related assets is increased to the revised estimate of its recoverable amount, but not in excess of the carrying amount that would have been determined had no impairment loss been recognized in prior years (net of amortization or depreciation). A reversal of an impairment loss is recognized in profit or loss.

l. Financial Instruments

Financial assets and financial liabilities are recognized in the consolidated balance sheet when the consolidated company becomes a party to the contractual provisions of the instruments.

Upon initial recognition, transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to the fair value of those financial assets and financial liabilities that are not at fair value through profit or loss. Transaction costs directly attributable to the acquisition or issue 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 consolidated company are classified into the following categories: financial assets at fair value through profit or loss (FVTPL), financial assets at amortized cost, and investments in equity instruments at fair value through other comprehensive income (FVTOCI).

i. Financial assets at FVTPL

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

Financial assets at FVTPL are measured at fair value, with any dividends or interest earned on such financial assets recognized in other income. Any gain or loss arising from remeasurement is recognized in other gains or losses. Fair value is determined in the manner described in Note 30.

ii. Financial assets measured at amortized cost

The consolidated company's financial assets are classified as subsequently measured at amortized cost if they meet the following two conditions:

- (i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (ii) The contractual terms give rise on specified dates to cash flows 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 measured at amortized cost, which equals the

gross carrying amount determined by the effective interest method less any impairment loss. Any foreign exchange gains or losses are recognized in profit or loss.

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

- (i) 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 the financial assets; and
- (ii) Financial assets that were not credit-impaired at 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 the financial assets from the next reporting period after the impairment.

Credit-impaired financial assets refer to situations where the issuer or debtor has experienced significant financial difficulties, default, the debtor is likely to file for bankruptcy or other financial restructuring, or the disappearance of an active market for the financial assets due to financial difficulties.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the consolidated company may make an irrevocable election to designate investments in equity instruments as at FVTOCI, provided that the equity investment is neither held for trading nor contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are measured at fair value and subsequently measured at fair value with gain or loss arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments at FVTOCI are recognized in profit or loss when the consolidated company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

On each balance sheet date, the consolidated 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 12-month expected credit losses. 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 of credit losses with the respective risks of a default occurring as the weights. 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, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce its carrying amount.

c) Derecognition of financial assets

The consolidated 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 measured 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 the effective interest method.

b) Derecognition of financial liabilities

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

m. 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. When the effect of the time value of money is material, provisions are measured at the present value of the expected cash flows to settle the obligation.

n. Revenue Recognition

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

1) Revenue from sale of goods

Revenue from sale of goods is derived from the sale of real estate. The consolidated company recognizes revenue when the control of the property is transferred to the customer, which typically occurs upon completion of the handover process or the transfer of legal title. At this point, the customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the property.

2) Guest-room and food and beverage revenue

Guest-room and food and beverage revenues are recognized as the services are rendered.

These revenues are measured at the transaction price (net of commercial discounts and volume rebates) agreed upon between the consolidated company and the customers. For short-term receivables where the period between the transfer of service and payment is one year or less, the transaction price is not adjusted for the effects of a significant financing component, as the difference between the fair value and the maturity value is immaterial and such transactions occur frequently.

3) Lease revenue

Lease revenue is recognized on a straight-line basis over the lease term, provided that it is probable that the economic benefits will flow to the consolidated company and the amount of revenue can be measured reliably.

o. Leases

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

1) The consolidated 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 consolidated 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 consolidated 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 initial direct cost; it is expressed as a finance lease receivable. Finance 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 consolidated 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.

Variable lease payments that do not depend on indices or rates are recognized as income in the period in which the event or condition that triggers those payments occurs.

When a lease includes both land and building elements, the consolidated 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 consolidated 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 initially measured at cost, which comprises the initial measurement of lease liabilities, and subsequently measured at cost less accumulated depreciation and accumulated impairment losses, adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated 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 consolidated 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 consolidated 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 consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as an expenses in the periods in which the event or condition that triggers those payments occurred.

p. Borrowing Costs

Borrowing costs directly attributable to the 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.

q. Government Subsidies

Government grants are recognized only when there is reasonable assurance that the consolidated company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the consolidated company recognizes as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the consolidated company with no future related costs are recognized in profit or loss in the period in which they become receivable.

r. Employee Benefits

1) Short-term employee benefits

Liabilities recognized for 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 gains or losses and the return on plan assets (less interest), is recognized in other comprehensive income and retained earnings 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 consolidated 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.

s. **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 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 probable 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 consolidated company is able to control the timing of the reversal of the temporary difference and it is probable 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 probable 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 balance sheet date and it is reduced to the extent that it is no longer probable 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 balance sheet date, and their carrying amount is increased to the extent that it is probable 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, except to the extent that they relate to items recognized in other comprehensive income or directly in equity, in which case the related tax is also recognized in other comprehensive income or directly in equity, respectively.

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

In the application of the consolidated 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 management of the consolidated company regularly reviews the estimates and underlying assumptions. If a revision of an accounting estimate only affects the current period, it is recognized in the period of revision; if it affects both the current year and future periods, it is recognized in both the period of revision and 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 consolidated 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 is therefore subject to significant changes.

Please refer to Note 10 for the carrying amounts of land, property, and building of inventory as of December 31, 2025 and 2024.

6. Cash and Cash Equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and working capital	\$ 3,659	\$ 3,867
Bank checks and demand deposits	1,924,363	2,854,420
Bank time deposits	<u>500,000</u>	<u>400,000</u>
	<u>\$ 2,428,022</u>	<u>\$ 3,258,287</u>

7. Financial Instruments at Fair Value Through Profit or Loss

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets - current</u>		
Financial asset at FVTPL		
— domestic listed (OTC) shares	<u>\$ 31,047</u>	<u>\$ 35,221</u>

8. Financial Assets at Fair Value through Other Comprehensive Income

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Non-current</u>		
Investments in equity instruments at FVTOCI		
Unlisted (non-OTC) stocks	<u>\$ 4,104</u>	<u>\$ 4,104</u>

9. Notes Receivable and Accounts Receivable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Notes receivable</u>		
From operating businesses	\$ -	\$ 5,000
Less: Allowance for losses	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 5,000</u>
 <u>Accounts receivable</u>		
From operating businesses	\$ 8,382	\$ 18,599
Less: Allowance for losses	<u>-</u>	<u>-</u>
	<u>\$ 8,382</u>	<u>\$ 18,599</u>

a. Notes receivable

The consolidated company's loss allowance for notes receivable based on the provision matrix are as follows:

December 31, 2024

	<u>Not Past Due</u>	<u>Past Due 1– 180 Days</u>	<u>Past Due 181–365 Days</u>	<u>Past Due Over 1 Year</u>	<u>Total</u>
Expected credit loss rate	0%	0%	0%	100%	
Total carrying amount	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000
Allowance for loss (lifetime expected credit losses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Costs after amortization	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,000</u>

No notes receivable are pledged by the consolidated company as collateral for borrowings.

b. Accounts receivable

The consolidated company's credit terms granted to customers are generally 60 days from the billing date. In determining the recoverability of accounts receivable, the consolidated company considers any changes in the credit quality of the receivables from the date the credit was initially granted to the balance sheet date. Based on historical experience indicating that accounts receivable overdue for more than one year are generally not recoverable, the consolidated company recognizes a 100% allowance for expected credit losses for receivables overdue for more than one year. For receivables overdue for 1 to 180 days and 181 days to one year, the allowance for expected credit losses is estimated based on the counterparty's historical delinquency record and an analysis of its current financial condition.

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

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

December 31, 2025

	<u>Not Past Due</u>	<u>Past Due 1– 180 Days</u>	<u>Past Due 181–365 Days</u>	<u>Past Due Over 1 Year</u>	<u>Total</u>
Expected credit loss rate	0%	0%	0%	100%	
Total carrying amount	\$ 8,382	\$ -	\$ -	\$ -	\$ 8,382
Allowance for loss (lifetime expected credit losses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Costs after amortization	<u>\$ 8,382</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,382</u>

December 31, 2024

	<u>Not Past Due</u>	<u>Past Due 1– 180 Days</u>	<u>Past Due 181–365 Days</u>	<u>Past Due Over 1 Year</u>	<u>Total</u>
Expected credit loss rate	0%	0%	0%	100%	
Total carrying amount	\$ 18,599	\$ -	\$ -	\$ -	\$ 18,599
Allowance for loss (lifetime expected credit losses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Costs after amortization	<u>\$ 18,599</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,599</u>

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

10. Inventories

- a. Details of inventories are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Buildings and land held for sale	\$ 1,791,540	\$ 1,315,467
Construction in progress	3,036,929	2,429,851
Food and beverage inventory	<u>1,859</u>	<u>2,027</u>
	<u>\$ 4,830,328</u>	<u>\$ 3,747,345</u>

For the years ended December 31, 2025 and 2024, the cost of goods sold related to construction inventory amounted to \$546,231 thousand and \$1,264,507 thousand, respectively, and the cost of goods sold related to food and beverage inventory amounted to \$267,565 thousand and \$264,541 thousand, respectively.

As of December 31, 2025 and 2024, inventories of \$3,036,929 thousand and \$2,429,851 thousand, respectively, are expected to be recovered after more than 12 months.

Please refer to Note 32 for information about the amount of inventories pledged by the consolidated company as collateral for borrowings.

- b. Buildings and land held for sale

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cosmos Technology	\$ 82,193	\$ 84,546
Founding Li Garden	66,237	281,781
Star Technology	944,447	938,646
Li Ren Ming Di	164,017	-
Meditation Garden	524,152	-
Others	<u>10,494</u>	<u>10,494</u>
	<u>\$ 1,791,540</u>	<u>\$ 1,315,467</u>

c. Construction in progress

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Tai Tong Smart Technology Park	\$ 551,020	\$ 205,013
Li Ren Ming Di	-	350,687
Founding Xin Zhuang	880,389	131,153
Asia-Pacific Technology Center	773,966	640,922
Forest Cottage	489,485	394,097
Meditation Garden	-	519,321
Dehui Section	164,345	25,394
Others	<u>177,724</u>	<u>163,264</u>
	<u>\$ 3,036,929</u>	<u>\$ 2,429,851</u>

Information on the capitalization of interest is as follows:

	<u>2025</u>	<u>2024</u>
Total amount of interest expense	<u>\$ 40,988</u>	<u>\$ 44,763</u>
Current capitalized construction interest	<u>\$ 38,341</u>	<u>\$ 36,998</u>
Capitalization interest rate	2.50% ~ 2.59%	2.37% ~ 2.55%
Year-end accumulated amount of capitalized construction interest	<u>\$ 44,683</u>	<u>\$ 48,366</u>

11. Subsidiaries

a. Subsidiaries included in the consolidated financial statements

The entities of the consolidated financial statements are as follows:

Name of Investor Company	Name of Subsidiary	Business Nature	Percentage of Ownership and Voting Rights		Remark
			December 31, 2025	December 31, 2024	
Founding Co.	Chien-Chiao Construction Co., Ltd. (the "Chien-Chiao Construction")	Operations and investments of undertaken civil construction, building works, and related businesses as main businesses	100%	100%	(1)
Founding Co.	FUSHIN Hotel Co., Ltd. (the "FUSHIN Hotel")	Catering and restaurant, and general hotel as main businesses	94.375%	94.375%	(1)
Founding Co.	Hsin-Long-Hsing Investment Co., Ltd. (the "Hsin-Long-Hsing Co.")	General investment business	100%	100%	(1)
Chien-Chiao Construction	FUSHIN Hotel Co., Ltd. (the "FUSHIN Hotel")	Catering and restaurant, and general hotel as main businesses	5.625%	5.625%	(1)

Remarks: (1) Its financial statements are audited by certified public accountants

b. Subsidiary not included in the consolidated financial statements: None.

12. Other Assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Prepayments		
Tax overpaid retained for offsetting the future tax payable	\$ 14,658	\$ -
Prepayment for purchases	20,156	2,486
Prepayments	11,191	12,352
Others	<u>80</u>	<u>80</u>
	<u>\$ 46,085</u>	<u>\$ 14,918</u>
Other current assets		
Other receivables	\$ 423	\$ 404
Suspense payments	<u>3,050</u>	<u>3,956</u>
	<u>\$ 3,473</u>	<u>\$ 4,360</u>

13. Other Financial Assets - Current

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Restricted assets (Note 32) (1)	\$ 359,129	\$ 86,177
Other deposits (2)	<u>151,890</u>	<u>151,890</u>
	<u>\$ 511,019</u>	<u>\$ 238,067</u>

- (1) Restricted assets refer to the balances in trust accounts for pre-sale property payment trusts.
(2) Other deposits include green building guarantee deposits and co-construction guarantee deposits.

14. Property, Plant and Equipment

	Land	Buildings and Property	Transportation Equipment	Office Equipment	Operating Equipment	Construction and Other Equipment	Total
<u>Cost</u>							
Balance as of January 1, 2025	\$ 829,960	\$ 1,717,137	\$ 17,346	\$ 3,804	\$ 9,216	\$ 7,954	\$ 2,585,417
Addition	-	-	-	-	4,960	2,421	7,381
Disposal	-	-	-	(121)	(336)	(32)	(489)
Balance as of December 31, 2025	<u>\$ 829,960</u>	<u>\$ 1,717,137</u>	<u>\$ 17,346</u>	<u>\$ 3,683</u>	<u>\$ 13,840</u>	<u>\$ 10,343</u>	<u>\$ 2,592,309</u>
<u>Accumulated depreciation and impairment</u>							
Balance as of January 1, 2025	\$ -	\$ 430,869	\$ 11,386	\$ 3,515	\$ 7,348	\$ 4,826	\$ 457,944
Depreciation expenses	-	46,193	1,906	75	1,789	1,456	51,419
Disposal	-	-	-	(121)	(333)	(32)	(486)
Balance as of December 31, 2025	<u>\$ -</u>	<u>\$ 477,062</u>	<u>\$ 13,292</u>	<u>\$ 3,469</u>	<u>\$ 8,804</u>	<u>\$ 6,250</u>	<u>\$ 508,877</u>
Net carrying amount as of December 31, 2025	<u>\$ 829,960</u>	<u>\$ 1,240,075</u>	<u>\$ 4,054</u>	<u>\$ 214</u>	<u>\$ 5,036</u>	<u>\$ 4,093</u>	<u>\$ 2,083,432</u>
<u>Cost</u>							
Balance as of January 1, 2024	\$ 829,960	\$ 1,716,425	\$ 19,365	\$ 4,264	\$ 9,134	\$ 6,232	\$ 2,585,380
Addition	-	712	4,786	-	467	1,760	7,725
Disposal	-	-	(6,805)	(460)	(385)	(38)	(7,688)
Balance as of December 31, 2024	<u>\$ 829,960</u>	<u>\$ 1,717,137</u>	<u>\$ 17,346</u>	<u>\$ 3,804</u>	<u>\$ 9,216</u>	<u>\$ 7,954</u>	<u>\$ 2,585,417</u>
<u>Accumulated depreciation and impairment</u>							
Balance as of January 1, 2024	\$ -	\$ 384,860	\$ 16,466	\$ 3,900	\$ 6,452	\$ 3,677	\$ 415,355
Depreciation expenses	-	46,009	1,585	75	1,281	1,187	50,137
Disposal	-	-	(6,665)	(460)	(385)	(38)	(7,548)
Balance as of December 31, 2024	<u>\$ -</u>	<u>\$ 430,869</u>	<u>\$ 11,386</u>	<u>\$ 3,515</u>	<u>\$ 7,348</u>	<u>\$ 4,826</u>	<u>\$ 457,944</u>
Net carrying amount as of December 31, 2024	<u>\$ 829,960</u>	<u>\$ 1,286,268</u>	<u>\$ 5,960</u>	<u>\$ 289</u>	<u>\$ 1,868</u>	<u>\$ 3,128</u>	<u>\$ 2,127,473</u>

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

Buildings and Property	
Main property	3 to 51 years
Decoration and partitioning project	3 to 26 years
Transportation Equipment	5 to 6 years
Office Equipment	
Computer peripherals and communication equipment	1 to 6 years
Others	4 to 6 years
Operating Equipment	
Cutlery and utensils of hotels	1 to 7 years
Bedroom supplies and electrical appliances of hotels	1 to 5 years
Construction and Other Equipment	
Construction equipment	6 years
Monitoring and security equipment	6 years
Others	1 to 6 years

Please refer to Note 32 for information about the amount of property, plant and equipment pledged by the consolidated company as collateral for borrowings.

15. Lease Arrangements

a. Right-of-use assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Carrying amount of right-of-use assets		
Buildings	<u>\$ 13,326</u>	<u>\$ 24,229</u>
	<u>2025</u>	<u>2024</u>
Additions to right-of-use assets	<u>\$ -</u>	<u>\$ 1,500</u>
Depreciation expense of right-of-use assets		
Buildings	<u>\$ 10,904</u>	<u>\$ 10,904</u>

Aside from the aforementioned additions and recognized depreciation expenses, the consolidated company's right-of-use assets did not experience significant impairment during the fiscal years 2025 and 2024.

b. Lease liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Carrying amount of lease liabilities		
Current	<u>\$ 18,669</u>	<u>\$ 25,171</u>
Non-current	<u>\$ 5,545</u>	<u>\$ 24,215</u>

Ranges of discount rates for lease liabilities are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Buildings	1.70%~2.375%	1.70%~2.375%

c. Other lease information

	<u>2025</u>	<u>2024</u>
Expenses relating to short-term leases	<u>\$ 816</u>	<u>\$ 639</u>
Expenses relating to low-value asset leases	<u>\$ 1,393</u>	<u>\$ 1,006</u>
Variable lease payment expenses not included in the measurement of lease liabilities	<u>\$ 1,604</u>	<u>\$ 1,727</u>
Total cash (outflow) for leases	<u>(\$ 29,654)</u>	<u>(\$ 29,212)</u>

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

16. Investment Properties

	<u>Investment property - land</u>	<u>Investment property - property</u>	<u>Total</u>
<u>Cost</u>			
Balance as of January 1, 2025	\$ 2,321,464	\$ 126,257	\$ 2,447,721
Reclassified to inventories	(<u>736,559</u>)	(<u>65,999</u>)	(<u>802,558</u>)
Balance as of December 31, 2025	<u>\$ 1,584,905</u>	<u>\$ 60,258</u>	<u>\$ 1,645,163</u>

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	<u>Investment property - land</u>	<u>Investment property - property</u>	<u>Total</u>
<u>Accumulated depreciation and impairment</u>			
Balance as of January 1, 2025	\$ -	\$ 34,082	\$ 34,082
Depreciation expenses	-	2,678	2,678
Reclassified to inventories	<u>-</u>	<u>(4,508)</u>	<u>(4,508)</u>
Balance as of December 31, 2025	<u>\$ -</u>	<u>\$ 32,252</u>	<u>\$ 32,252</u>
Net carrying amount as of December 31, 2025	<u>\$ 1,584,905</u>	<u>\$ 28,006</u>	<u>\$ 1,612,911</u>
<u>Cost</u>			
Balance as of January 1, 2024	\$ 2,383,682	\$ 134,866	\$ 2,518,548
Addition	530,869	857	531,726
Reclassified to inventories	<u>(593,087)</u>	<u>(9,466)</u>	<u>(602,553)</u>
Balance as of December 31, 2024	<u>\$ 2,321,464</u>	<u>\$ 126,257</u>	<u>\$ 2,447,721</u>
<u>Accumulated depreciation and impairment</u>			
Balance as of January 1, 2024	\$ -	\$ 30,669	\$ 30,669
Depreciation expenses	-	8,073	8,073
Reclassified to inventories	<u>-</u>	<u>(4,660)</u>	<u>(4,660)</u>
Balance as of December 31, 2024	<u>\$ -</u>	<u>\$ 34,082</u>	<u>\$ 34,082</u>
Net carrying amount as of December 31, 2024	<u>\$ 2,321,464</u>	<u>\$ 92,175</u>	<u>\$ 2,413,639</u>

The fair value of the consolidated company's investment properties as of December 31, 2025 and 2024, was \$1,997,290 thousand and \$2,702,838 thousand, respectively. The fair value as of December 31, 2025 and 2024, 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 consolidated company's investment properties are depreciated by straight-line method over their estimated useful lives as follows:

Investment property - property	
Main property	5 to 48 years
Decoration and partitioning project	4 to 26 years

The maturity analysis of operating lease payments receivable from the investment properties for the years ended December 31, 2025 and 2024 is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Less than 1 year	\$ 9,450	\$ 12,387
1 to 5 years	6,816	8,935
Over 5 years	<u>-</u>	<u>-</u>
	<u>\$ 16,266</u>	<u>\$ 21,322</u>

Please refer to Note 32 for the amount of investment properties pledged by the consolidated company as collateral for borrowings.

17. Borrowings

a. Short-term borrowings

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Secured borrowings</u> (Note 32)		
— bank loans	<u>\$ 544,000</u>	<u>\$ 593,000</u>
Interest rate range		
— secured loans	2.675%~2.925%	2.55%~2.7458%
Loan maturity date	2027.06.24~2030.09.30	2025.02.25~2025.11.18

Please refer to Note 32 for information about the construction inventories pledged by the consolidated company as collateral for short-term borrowings.

b. Long-term borrowings

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Secured borrowings</u> (Note 32)		
Bank loans (1)	\$ 947,671	\$ 1,070,042
<u>Unsecured loans</u>		
Bank loans (1)	-	21,000
Less: Current portion matured in 1 year	(<u>90,805</u>)	(<u>122,403</u>)
Long-term borrowings	<u>\$ 856,866</u>	<u>\$ 968,639</u>

(1) The consolidated company's borrowings include:

	<u>Initial loan principal</u>	December 31, 2025	December 31, 2024
Hua Nan Bank Nan-Neihu - secured loans	Total loan amount: \$150,000 thousand Borrowing period: 2020.09.30~2025.09.30 Interest rate range: 2.43% Repayment method: Evenly split into a total of 60 installments on a monthly basis.	\$ -	\$ 26,035
Hua Nan Bank Nan-Neihu - secured loans	Total loan amount: \$368,000 thousand Borrowing period: 2018.02.26~2033.02.26 Interest rate range: 2.56% Repayment method: Interests paid monthly in the first 12 months; starting the 13th month, a total of 168 installments on a monthly basis.	204,155	229,459
Hua Nan Bank Nan-Neihu - secured loans	Total loan amount: \$100,000 thousand Borrowing period: 2018.07.27~2033.07.27 Interest rate range: 2.56% Repayment method: Evenly split principal and interest into a total of 180 installments on a monthly basis.	55,010	61,422
First Bank Jen-Ai - secured loans	Total loan amount: \$80,000 thousand Borrowing period: 2010.11.23~2025.11.23 Interest rate range: 2.425% Repayment method: 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
Chang Hwa Bank Yung-Chun - secured loans	Total loan amount: \$960,000 thousand Borrowing period: 2016.05.23~2036.05.23 Interest rate range: 2.425% Repayment method: 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.	629,692	681,483
Chang Hwa Bank Yung-Chun - secured loans	Total loan amount: \$77,000 thousand Borrowing period: 2020.07.01~2035.07.01 Interest rate range: 2.275% Repayment method: Interests paid monthly in the first 2 years; 2 years later, evenly split principal and interest into a total of 156 installments on a monthly basis.	58,814	64,246
First Bank Jen-Ai - Credit borrowings	Total loan amount: \$21,000 thousand Borrowing period: 2022.11.17~2029.11.17 Interest rate range: 2.50% Repayment method: Interests paid monthly in the first 3 years; starting from the third year, the principal repaid in 48 equal installments.	-	21,000
		<u>\$ 947,671</u>	<u>\$ 1,091,042</u>

Please refer to Note 32 for information about the property, plant and equipment and investment properties pledged by the consolidated company as collateral for long-term borrowings.

18. Notes Payable and Accounts Payable

The average payment term of accounts payable is 30 days ~ 60 days. The consolidated 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 \$27,794 thousand and \$24,565 thousand as of December 31, 2025 and 2024,

respectively. 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 consolidated company's normal operating cycle, which generally exceeds one year.

19. Other Liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Other payables		
Payable for salary and bonus	\$ 35,318	\$ 36,718
Payable for remuneration of directors	3,240	3,240
Payable for employees' compensation	3,700	3,210
Interest payable	3,201	3,533
Tax payable	5,400	6,990
Pension payable	1,033	838
Business tax payable	2,069	4,129
Others	<u>13,568</u>	<u>14,645</u>
	<u>\$ 67,529</u>	<u>\$ 73,303</u>

20. Provisions

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Employee Benefits	<u>\$ 2,977</u>	<u>\$ 2,977</u>

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.

21. Post-Retirement Benefit Plans

a. Defined contribution plans

Founding Co., Chien-Chiao Co., FUSHIN Hotel Co., and Hsin-Long-Hsing Co. of the consolidated 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

Founding Co. and Chien-Chiao Co. of the consolidated 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. These companies contribute 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 consolidated company does not have any right to intervene in the investments of the Funds.

The amounts of the defined benefit plans recorded in the consolidated balance sheet were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligation	\$ 31,669	\$ 30,043
Fair value of plan assets	(48,665)	(43,925)
Contribution deficit (surplus)	(\$ 16,996)	(\$ 13,882)
Net defined benefit assets	(\$ 16,996)	(\$ 13,882)
Defined benefit liability, net	<u>-</u>	<u>-</u>
	(\$ 16,996)	(\$ 13,882)

Movements in the net defined benefit liability (asset) were as follows:

	<u>Present value of defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Defined benefit liability (asset), net</u>
January 1, 2025	\$ 30,043	(\$ 43,925)	(\$ 13,882)
Service cost			
Current service cost	143	-	143
Interest expense (revenue)	<u>423</u>	(<u>624</u>)	(<u>201</u>)
Recognized in profit and loss	<u>566</u>	(<u>624</u>)	(<u>58</u>)

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	Present value of defined benefit obligation	Fair value of plan assets	Defined benefit liability (asset), net
Remeasurement:			
Return on plan assets (excluding amounts included in net interest expense)	-	(3,442)	(3,442)
Actuarial loss (gain) - changes in financial assumptions	207	-	207
Actuarial loss (gain) - experience adjustment	<u>853</u>	<u>-</u>	<u>853</u>
Recognized in other comprehensive income	<u>1,060</u>	<u>(3,442)</u>	<u>(2,382)</u>
Contributions from employer	<u>-</u>	<u>(674)</u>	<u>(674)</u>
December 31, 2025	<u>\$ 31,669</u>	<u>(\$ 48,665)</u>	<u>(\$ 16,996)</u>
January 1, 2024	<u>\$ 38,402</u>	<u>(\$ 44,421)</u>	<u>(\$ 6,019)</u>
Service cost			
Current service cost	255	-	255
Interest expense (revenue)	<u>399</u>	<u>(465)</u>	<u>(66)</u>
Recognized in profit and loss	<u>654</u>	<u>(465)</u>	<u>189</u>
Remeasurement:			
Return on plan assets (excluding amounts included in net interest expense)	\$ -	(\$ 4,000)	(\$ 4,000)
Actuarial loss (gain) - changes in financial assumptions	(589)	-	(589)
Actuarial loss (gain) - experience adjustment	<u>(2,791)</u>	<u>-</u>	<u>(2,791)</u>
Recognized in other comprehensive income	<u>(3,380)</u>	<u>(4,000)</u>	<u>(7,380)</u>
Contributions from employer	-	(672)	(672)
Benefits paid	<u>(5,633)</u>	<u>5,633</u>	<u>-</u>
December 31, 2024	<u>\$ 30,043</u>	<u>(\$ 43,925)</u>	<u>(\$ 13,882)</u>

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

	<u>2025</u>	<u>2024</u>
General and administrative expenses	(\$ <u>58</u>)	<u>\$ 189</u>

Through the pension plan under the R.O.C. Labor Standards Act, the consolidated 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. However, the return generated by plan assets of the consolidated 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 and the return on the debt investments of the plan assets. This will be partially offset by the influence of net defined benefit liabilities.
- 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 consolidated 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:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate	1.25%	1.375% ~ 1.5%
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:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate		
Increased by 0.25%	(\$ <u>313</u>)	(\$ <u>382</u>)
Decreased by 0.25%	<u>\$ 320</u>	<u>\$ 390</u>
Expected growth rate of salary		
Increased by 0.25%	<u>\$ 312</u>	<u>\$ 382</u>
Decreased by 0.25%	(\$ <u>307</u>)	(\$ <u>375</u>)

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.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Expected contribution amount in 1 year	<u>\$ 718</u>	<u>\$ 663</u>
Average maturity period of the defined benefit obligation	3.6 to 5 years	4.9 to 5.8 years

22. Maturity Analysis of Assets and Liabilities

The consolidated company classified the assets and liabilities of its construction operations into current and non-current based on the operating cycle of these constructions. The amounts expected to be recovered or settled within one year and beyond one year from the balance sheet date are listed as follows:

December 31, 2025	Within 1 Year	Beyond 1 Year	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 2,428,022	\$ -	\$ 2,428,022
Financial assets at fair value			
through profit or loss - current	31,047	-	31,047
Accounts receivable	8,382	-	8,382
Finance lease receivables, net -			
current	432	-	432
Current tax assets	17,782	-	17,782
Inventory - Buildings and land			
held for sale	1,791,540	-	1,791,540
Inventory - Construction in			
progress	-	3,036,929	3,036,929
Inventory - Food and beverage			
inventory	1,859	-	1,859
Prepayments	46,085	-	46,085
Other Financial Assets - Current	511,019	-	511,019
Other current assets	3,473	-	3,473
Incremental costs of obtaining a			
contract - current	-	119,259	119,259
	<u>\$ 4,839,641</u>	<u>\$ 3,156,188</u>	<u>\$ 7,995,829</u>
<u>Liabilities</u>			
Short-term borrowings	\$ -	\$ 544,000	\$ 544,000
Contract liabilities	401,763	-	401,763
Notes payable	33,922	-	33,922
Accounts payable	105,239	27,794	133,033
Other payables	67,529	-	67,529
Current tax liabilities	2,633	-	2,633
Provisions - current	2,977	-	2,977
Lease liabilities - current	18,669	-	18,669
Long-term borrowings matured in			
one year	90,805	-	90,805
Other current liabilities	2,511	-	2,511
	<u>\$ 726,048</u>	<u>\$ 571,794</u>	<u>\$ 1,297,842</u>

December 31, 2024	Within 1 Year	Beyond 1 Year	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 3,258,287	\$ -	\$ 3,258,287
Financial assets at fair value through profit or loss - current	35,221	-	35,221
Notes receivable	5,000	-	5,000
Accounts receivable	18,599	-	18,599
Finance lease receivables, net - current	5,141	-	5,141
Current tax assets	217	-	217
Inventory - Buildings and land held for sale	1,315,467	-	1,315,467
Inventory - Construction in progress	-	2,429,851	2,429,851
Inventory - Food and beverage inventory	2,027	-	2,027
Prepayments	14,918	-	14,918
Other Financial Assets - Current	238,067	-	238,067
Other current assets	4,360	-	4,360
	<u>\$ 4,897,304</u>	<u>\$ 2,429,851</u>	<u>\$ 7,327,155</u>
<u>Liabilities</u>			
Short-term borrowings	\$ 593,000	\$ -	\$ 593,000
Contract liabilities	139,820	-	139,820
Notes payable	51,068	-	51,068
Accounts payable	107,938	24,565	132,503
Other payables	73,303	-	73,303
Current tax liabilities	\$ 70,221	\$ -	\$ 70,221
Provisions - current	2,977	-	2,977
Lease liabilities - current	25,171	-	25,171
Long-term borrowings matured in one year	122,403	-	122,403
Other current liabilities	11,470	-	11,470
	<u>\$ 1,197,371</u>	<u>\$ 24,565</u>	<u>\$ 1,221,936</u>

23. Equity

a. Capital stock

Ordinary shares

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Authorized shares (in thousands)	<u>360,000</u>	<u>360,000</u>
Authorized capital stock	<u>\$ 3,600,000</u>	<u>\$ 3,600,000</u>
Issued and fully paid shares (in thousands)	<u>285,245</u>	<u>285,245</u>
Issued capital stock	<u>\$ 2,852,450</u>	<u>\$ 2,852,450</u>

b. Capital surplus

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>To offset a deficit, to be distributed as cash dividends or stock dividends</u>		
Additional paid-in capital	\$ 20,894	\$ 20,894
Treasury shares transactions	<u>236</u>	<u>236</u>
	<u>\$ 21,130</u>	<u>\$ 21,130</u>

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 as set forth in the Articles of Incorporation, if the Company has annual net income, it shall first pay all applicable taxes in accordance with law, offset accumulated losses, and then appropriate 10% of the remaining earnings as legal reserve. Thereafter, the Company shall appropriate or reverse a special reserve in accordance with applicable laws or regulations. If any balance remains, together with any undistributed earnings from prior years, the Board of Directors shall propose a distribution plan for the remaining earnings for resolution at the shareholders' meeting when distributed in the form of stock dividends. When distributed in the form of cash dividends, such distribution may be resolved by a special resolution of the Board of Directors and reported to the shareholders' meeting for acknowledgement. Cash dividends of Founding Co. shall be no less than 30% of total dividends. For the policy on employees' compensation and remuneration of directors as stipulated in the Articles of Incorporation, please refer to Note 25(7), "Employees' Compensation and Directors' Remuneration."

The legal reserve shall be appropriated until its balance reaches the Company's total paid-in capital. The legal reserve may be used to offset deficits. When the Company has no deficits and the legal reserve exceeds 25% of paid-in capital, the portion in excess of such threshold may be capitalized or distributed in cash.

The appropriations of earnings of the Company for the years ended December 31, 2024 and December 31, 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Legal reserve	\$ 42,887	\$ 89,605
Cash dividends	\$ 285,244	\$ 342,294
Dividends per share (\$)	<u>\$ 1</u>	<u>\$ 1.2</u>

The above cash dividends were resolved to be distributed by the Board of Directors on March 10, 2025, and March 14, 2024, respectively. Other surplus allocation items were approved during the shareholders' meetings on June 10, 2025, and June 20, 2024.

The appropriations of earnings and dividends per share for the year ended December 31, 2025 had been proposed by the Founding Co.'s Board of Directors on March 11, 2026, and they were as follows:

	<u>2025</u>
Legal reserve	\$ 16,037
Cash dividends	\$ 171,147
Dividends per share (\$)	\$ 0.6

The above appropriations of cash dividends were approved by the Board of Directors. The remaining appropriations of earnings are subject to the resolution at the shareholders' meeting to be held on June 23, 2026.

24. Revenue

	<u>2025</u>	<u>2024</u>
Rental revenue	\$ 11,338	\$ 28,987
Hospitality service revenue	392,611	389,263
Construction contract revenue	<u>760,558</u>	<u>1,817,543</u>
	<u>\$ 1,164,507</u>	<u>\$ 2,235,793</u>

a. Explanation of customer contracts

Construction revenue

Penalties for delay of construction are specified in the Construction Department's real estate construction contracts, and the consolidated 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, 2025	December 31, 2024	January 1, 2024
Receivable (Note 9)	<u>\$ 8,382</u>	<u>\$ 23,599</u>	<u>\$ 22,984</u>
Contract liabilities	<u>\$ 401,763</u>	<u>\$ 139,820</u>	<u>\$ 97,622</u>

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:

	2025	2024
Sale of goods - construction in progress	<u>\$ 50,034</u>	<u>\$ 74,438</u>

c. Contract-Related Assets

	2025	2024
<u>Current</u> Incremental costs of obtaining a contract	<u>\$ 119,259</u>	<u>\$ -</u>

Based on historical experience and the default clauses in real estate sales contracts, the consolidated company considers that the commissions to obtain contracts are fully recoverable.

25. Net Profit/(Loss) for the Year

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

a. Other income

	2025	2024
Dividend income	\$ 2,734	\$ 2,265
Others	<u>777</u>	<u>942</u>
	<u>\$ 3,511</u>	<u>\$ 3,207</u>

b. Other gains and losses

	<u>2025</u>	<u>2024</u>
Net foreign exchange gain (loss)	\$ 102	\$ 100
(Loss) gain on disposal of property, plant and equipment	(4)	527
Gain (loss) on fair value changes of financial assets at FVTPL	4,804	15,379
Others	<u>(3,149)</u>	<u>(708)</u>
	<u>\$ 1,753</u>	<u>\$ 15,298</u>

c. Finance costs

	<u>2025</u>	<u>2024</u>
Interest on bank loans	(\$ 40,319)	(\$ 43,661)
Interest on lease liabilities	(669)	(1,102)
Less: Amounts included in the cost of required assets	<u>38,341</u>	<u>36,998</u>
	<u>(\$ 2,647)</u>	<u>(\$ 7,765)</u>

Refer to Note 10(3) for information about capitalized interest.

d. Depreciation and amortization

	<u>2025</u>	<u>2024</u>
Depreciation expenses by function		
Operating costs	\$ 60,167	\$ 64,687
Operating expenses	<u>4,834</u>	<u>4,427</u>
	<u>\$ 65,001</u>	<u>\$ 69,114</u>
Amortization expenses by function		
Operating costs	\$ 24	\$ 22
Operating expenses	<u>287</u>	<u>282</u>
	<u>\$ 311</u>	<u>\$ 304</u>

e. Operating expenses directly related to investment property

	<u>2025</u>	<u>2024</u>
Rental cost generated	<u>\$ 1,587</u>	<u>\$ 6,982</u>

f. Employee benefits expenses

	<u>2025</u>	<u>2024</u>
Post-retirement benefits (Note 21)		
Defined contribution plans	\$ 7,391	\$ 7,824
Defined benefit plans	(58)	<u>189</u>
	7,333	8,013
Short-term employee benefits (salary, incentive, bonus, etc.)	<u>203,110</u>	<u>199,792</u>
Total employee benefit expenses	<u>\$ 210,443</u>	<u>\$ 207,805</u>
By function		
Operating costs	\$ 110,928	\$ 112,125
Operating expenses	<u>99,515</u>	<u>95,680</u>
	<u>\$ 210,443</u>	<u>\$ 207,805</u>

g. Employees' compensation and remuneration of directors

The Company appropriates employee compensation and directors' remuneration based on the current year's profit before income tax and before the distribution of such compensation, at rates of no less than 0.6% and no more than 3% for employee compensation and no more than 2% for directors' remuneration. In accordance with the amendments to the Securities and Exchange Act in August 2024, the Company amended its Articles of Incorporation as approved by the shareholders' meeting in 2025, to stipulate that no less than 0.2% of the aforementioned profit shall be appropriated as compensation for grassroots employees. The employee compensation (including grassroots employee compensation) and directors' remuneration for 2025 and 2024 were resolved by the Board of Directors on March 11, 2026 and March 10, 2025, respectively, as follows:

Accrual rates

	<u>2025</u>	<u>2024</u>
Employees' compensation	1.66%	0.60%
Remuneration of directors	1.68%	0.63%

Amount

	<u>2025</u>	<u>2024</u>
	<u>Cash</u>	<u>Cash</u>
Employees' compensation	\$ 3,200	\$ 3,210
Remuneration of directors	3,240	3,240

If there is a change in the amounts after the consolidated financial statements are authorized for issue, the differences are accounted for as a change in the accounting estimate and recognized in profit or loss in the following year.

There were no differences between the actual amount paid of employees' compensation and remuneration of directors and the amount recognized in the consolidated financial statements for the years ended December 31, 2024 and 2023.

Information on the employees' compensation and remuneration of directors resolved by the Company's Board of Directors is available at the Market Observation Post System (MOPS) website of the Taiwan Stock Exchange.

26. Income Tax

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	<u>2025</u>	<u>2024</u>
Current income tax		
In respect of the current year	\$ 26,177	\$ 87,839
Land value increment tax	816	948
Surcharges on unappropriated earnings	5,037	23,208
Adjustments for prior years	<u>263</u>	<u>(20,511)</u>
	<u>32,293</u>	<u>91,484</u>
Deferred income tax		
In respect of the current year	<u>(396)</u>	<u>(5,841)</u>
Income tax expenses recognized in profit or loss	<u>\$ 31,897</u>	<u>\$ 85,643</u>

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

	<u>2025</u>	<u>2024</u>
Profit before income tax from continuing operations	<u>\$ 190,364</u>	<u>\$ 508,606</u>
Income tax expenses from profit/(loss) before income tax calculated at the statutory rate	\$ 38,073	\$ 101,721
Non-taxable income		
Gain on land sold exempt from income tax	(1,734)	(4,531)
Other non-taxable income	(2,192)	(5,764)

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	<u>2025</u>	<u>2024</u>
Non-deductible expenses for tax purposes	1,877	257
Surcharges on unappropriated earnings	5,037	23,208
Land value increment tax	816	948
Difference amount of income basic income tax	263	311
Unrecognized loss carryforward and deductible temporary differences	(10,506)	(9,996)
Income tax expenses from previous years adjusted for current period	<u>263</u>	(<u>20,511</u>)
Income tax expenses recognized in profit or loss	<u>\$ 31,897</u>	<u>\$ 85,643</u>
b. Income tax recognized in other comprehensive income		
	<u>2025</u>	<u>2024</u>
<u>Deferred income tax</u>		
In respect of the current year		
— remeasurement of defined benefit plans	<u>\$ 476</u>	<u>\$ 1,476</u>
c. Current tax assets and liabilities		
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current tax assets		
Tax Refund Receivable	<u>\$ 17,782</u>	<u>\$ 217</u>
Current tax liabilities		
Income tax payable	<u>\$ 2,633</u>	<u>\$ 70,221</u>
d. Deferred Tax Assets and Liabilities		

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

2025

Deferred tax assets	Opening Balance	Recognized in profit and loss	Recognized in other comprehensive income	Closing Balance
Temporary differences				
Property, Plant and Equipment	\$ 3,173	\$ -	\$ -	\$ 3,173
Deferred selling and marketing expenses	7,127	543	-	7,670
Defined benefit retirement plans	<u>1,820</u>	<u>(143)</u>	<u>-</u>	<u>1,677</u>
	<u>\$ 12,120</u>	<u>\$ 400</u>	<u>\$ -</u>	<u>\$ 12,520</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Defined benefit retirement plans	<u>(\$ 4,597)</u>	<u>(\$ 4)</u>	<u>(\$ 476)</u>	<u>(\$ 5,077)</u>

2024

Deferred tax assets	Opening Balance	Recognized in profit and loss	Recognized in other comprehensive income	Closing Balance
Temporary differences				
Property, Plant and Equipment	\$ 3,173	\$ -	\$ -	\$ 3,173
Deferred selling and marketing expenses	1,189	5,938	-	7,127
Defined benefit retirement plans	<u>1,917</u>	<u>(97)</u>	<u>-</u>	<u>1,820</u>
	<u>\$ 6,279</u>	<u>\$ 5,841</u>	<u>\$ -</u>	<u>\$ 12,120</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Defined benefit retirement plans	<u>(\$ 3,121)</u>	<u>\$ -</u>	<u>(\$ 1,476)</u>	<u>(\$ 4,597)</u>

- e. Amounts of loss carryforward and deductible temporary differences for which no deferred tax assets have been recognized in the consolidated balance sheet

	December 31, 2025	December 31, 2024
Loss carryforward		
Expired in 2031	<u>\$ 16,232</u>	<u>\$ 68,763</u>
Deductible temporary differences		
losses on impairment	\$ 3,822	\$ 3,822
Non-leaving pay	<u>2,977</u>	<u>2,977</u>
	<u>\$ 6,799</u>	<u>\$ 6,799</u>

f. Income tax assessments

The Profit-seeking Enterprise Income Tax returns of Founding Co. and its subsidiaries have been assessed by the tax authorities through the years ended December 31 as follows:

	<u>Assessed Year</u>
Founding Co.	2023
Chien-Chiao Construction	2023
FUSHIN Hotel	2023
Hsin-Long-Hsing Co.	2023

27. Earnings Per Share

	Unit: NT\$ per share	
	<u>2025</u>	<u>2024</u>
Basic EPS	<u>\$ 0.56</u>	<u>\$ 1.48</u>
Diluted EPS	<u>\$ 0.56</u>	<u>\$ 1.48</u>

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 Profit/(Loss) for the Year

	<u>2025</u>	<u>2024</u>
Net profit to calculate basic and diluted EPS	<u>\$ 158,467</u>	<u>\$ 422,963</u>

Shares

	Unit: In Thousands of Shares	
	<u>2025</u>	<u>2024</u>
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	<u>251</u>	<u>207</u>
Weighted average number of ordinary shares used in the computation of dilutive earnings per share	<u>285,496</u>	<u>285,452</u>

If the consolidated company offered to settle the employees' compensation in cash or shares, the consolidated 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.

28. Information on Cash Flows

a. Non-Cash Transactions

Except as disclosed in other notes, the consolidated company conducted the following non-cash investing and financing activities during 2025 and 2024:

In both 2025 and 2024, the consolidated company reclassified investment properties to inventories, in the amounts of NT\$798,050 thousand and NT\$597,893 thousand, respectively. This resulted in a corresponding decrease in investment properties and an increase in inventories.

b. Changes in liabilities arising from financing activities

2025

	January 1, 2025	Cash flows	Non-cash changes		December 31, 2025
			New leasing	Others	
Short-term borrowings	\$ 593,000	(\$ 49,000)	\$ -	\$ -	\$ 544,000
Long-term borrowings	1,091,042	(143,371)	-	-	947,671
Guarantee deposits	8,577	(5,047)	-	-	3,530
Lease liabilities	<u>49,386</u>	<u>(25,172)</u>	<u>-</u>	<u>-</u>	<u>24,214</u>
	<u>\$ 1,742,005</u>	<u>(\$ 222,590)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,519,415</u>

2024

	January 1, 2024	Cash flows	Non-cash changes		December 31, 2024
			New leasing	Others	
Short-term borrowings	\$ 593,000	\$ -	\$ -	\$ -	\$ 593,000
Long-term borrowings	1,215,827	(124,785)	-	-	1,091,042
Guarantee deposits	8,310	267	-	-	8,577
Lease liabilities	<u>72,624</u>	<u>(24,738)</u>	<u>1,500</u>	<u>-</u>	<u>49,386</u>
	<u>\$ 1,889,761</u>	<u>(\$ 149,256)</u>	<u>\$ 1,500</u>	<u>\$ -</u>	<u>\$ 1,742,005</u>

29. Capital Risk Management

The consolidated company conducts capital risk management to ensure that each entity of the group would continue as a going concern with the premise of optimizing the balances of debt and equity, and to maximize shareholders' return.

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

The consolidated company is not subject to any other externally imposed capital requirements.

Key management personnel of the consolidated company reviews the capital structure and considers the cost of each class of capital when there are new construction projects and operational fund needs. The consolidated 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.

30. Financial Instruments

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

Except for the long-term borrowings listed below, the management of the consolidated company believes that 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, 2025

	<u>Carrying Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost:					
– Long-term borrowings	<u>\$ 856,866</u>	<u>\$ -</u>	<u>\$ 836,809</u>	<u>\$ -</u>	<u>\$ 836,809</u>

December 31, 2024

	<u>Carrying Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost:					
– Long-term borrowings	<u>\$ 968,639</u>	<u>\$ -</u>	<u>\$ 945,869</u>	<u>\$ -</u>	<u>\$ 945,869</u>

Level 2 fair value measurements are determined by discounted cash flow analysis based on the relevant borrowing rates.

b. Information on fair value - financial instruments measured at fair value on a recurring basis

Fair Value Hierarchy

December 31, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial asset at FVTPL				
Domestic listed (OTC) stocks	<u>\$ 31,047</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,047</u>
Financial Assets at Fair Value through Other Comprehensive Income				
Domestic non-listed (non- OTC) securities				
— equity investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,104</u>	<u>\$ 4,104</u>

December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial asset at FVTPL				
Domestic listed (OTC) stocks	<u>\$ 35,221</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,221</u>
Financial Assets at Fair Value through Other Comprehensive Income				
Domestic non-listed (non- OTC) securities				
— equity investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,104</u>	<u>\$ 4,104</u>

There was no transfer between Levels 1 and Level 2 for the years ended December 31, 2025 and 2024.

c. Categories of financial instruments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial asset at FVTPL		
Mandatorily classified as at FVTPL	\$ 31,047	\$ 35,221
Financial assets at amortized cost (Note 1)	2,951,537	3,523,901
Financial assets at fair value through other comprehensive income Investments in equity instruments	4,104	4,104
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (Note 2)	1,686,394	1,905,487

Note 1: The balances included financial assets measured at amortized cost, comprising cash and cash equivalents, notes receivable, accounts receivable, other financial assets, refundable deposits, etc.

Note 2: The balances included financial liabilities measured at amortized cost, comprising short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, guarantee deposits, etc.

d. Financial risk management objectives and policies

The consolidated 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 activities in the domestic financial markets. Through internal risk reports that analyze the risk exposures, 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 consolidated company's operating activities exposed it primarily to the interest rate risk (see paragraph (1) below).

The consolidated company's management methods and measurement methods of the risk exposure to market risks of financial instruments remain unchanged.

a) Interest rate risk

As entities within the consolidated company borrow funds at 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:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Fair value interest rate risk		
— financial liabilities	\$ 24,214	\$ 49,386
Cash flow interest rate risk		
— financial assets	2,424,363	3,254,420
— financial liabilities	1,491,671	1,684,042

Sensitivity analysis

The following sensitivity analysis is based on the interest rate exposures of derivative and non-derivative financial instruments at the balance sheet date. For floating-rate assets and liabilities, the analysis assumes that the amounts outstanding at the balance sheet date were outstanding throughout the entire year.

If interest rates increase by 0.1%, with all other variables remaining constant, the consolidated company's net profit before tax for 2025 and 2024 would increase by \$933 thousand and \$1,570 thousand, respectively. This is primarily attributable to the consolidated company's exposure to floating-rate borrowings and floating-rate assets.

b) Other price risk

The consolidated company was exposed to equity price risk arising from its investments in listed and OTC equity securities and other price risks arising from investments in fund units.

Sensitivity analysis

The sensitivity analysis below was based on the exposure to equity price risks at the balance sheet date.

If equity prices were to increase by 5% higher, the consolidated company's profit before tax for the years ended December 31, 2025 and 2024 would have increased by \$1,552 thousand and \$1,761 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As of the balance sheet date, the consolidated company's maximum exposure to credit risk, which may arise from counterparties' failure to fulfill their obligations and from financial guarantees provided by the consolidated company, is primarily attributable to the carrying amounts of financial assets recognized in the consolidated balance sheet.

The consolidated company reviews the collectability of accounts receivable on the balance sheet date to ensure that adequate allowance for expected credit losses is recognized for irrecoverable amounts. Accordingly, management believes that the consolidated company's credit risk has been significantly reduced.

3) Liquidity risk

The consolidated company manages liquidity risk by maintaining sufficient levels of cash and cash equivalents to support its operations and mitigate the impact of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

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

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

The analysis of the consolidated 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 consolidated company can be required to repay. Therefore, bank borrowings that the consolidated company may be required to repay immediately are listed in the table below at the earliest term regardless of 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, 2025

	Less than 1 year	2 - 3 years	4 - 5 years	6+ years	Total
<u>Non-derivative financial liabilities</u>					
Non-interest-bearing liabilities	\$ 172,487	\$ 7,820	\$ 917	\$ 2,500	\$ 183,724
Floating interest rate instruments	93,130	215,139	830,045	546,932	1,685,246
Lease liabilities	<u>18,947</u>	<u>5,598</u>	<u>-</u>	<u>-</u>	<u>24,545</u>
	<u>\$ 284,564</u>	<u>\$ 228,557</u>	<u>\$ 830,962</u>	<u>\$ 549,432</u>	<u>\$ 1,893,515</u>

December 31, 2024

	Less than 1 year	2 - 3 years	4 - 5 years	6+ years	Total
<u>Non-derivative financial liabilities</u>					
Non-interest-bearing liabilities	\$ 195,250	\$ 3,983	\$ 2,516	\$ -	\$ 201,749
Floating interest rate instruments	733,542	209,277	230,700	663,502	1,837,021
Lease liabilities	<u>25,840</u>	<u>24,065</u>	<u>480</u>	<u>-</u>	<u>50,385</u>
	<u>\$ 954,632</u>	<u>\$ 237,325</u>	<u>\$ 233,696</u>	<u>\$ 663,502</u>	<u>\$ 2,089,155</u>

b) Financing facilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Unsecured bank overdraft amount (reviewed annually)		
— amount used	\$ -	\$ 21,000
— amount unused	<u>147,000</u>	<u>126,000</u>
	<u>\$ 147,000</u>	<u>\$ 147,000</u>
Secured bank overdraft amount		
— amount used	\$ 1,491,671	\$ 1,663,042
— amount unused	<u>2,396,829</u>	<u>1,611,458</u>
	<u>\$ 3,888,500</u>	<u>\$ 3,274,500</u>

31. Related Party Transactions

In preparing the consolidated financial statements, all transactions, account balances, income and expenses between the Company and its subsidiaries (which are the Company's related parties) have been eliminated in full and, therefore, are not disclosed in this note. In addition to those disclosed in other notes, transactions between the consolidated company and other related parties are as follows:

a. Names and relationships of related parties

<u>Name of related party</u>	<u>Relationship with the Company</u>
Liu Hua-Hsing	Director of the Company

b. Others

<u>Accounts</u>	<u>Name of related party</u>	<u>2025</u>	<u>2024</u>
Operating expenses	Liu Hua-Hsing	<u>\$ 1,500</u>	<u>\$ 1,500</u>

c. Compensation of key management personnel

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 24,375	\$ 27,026
Post-retirement benefits	<u>725</u>	<u>818</u>
	<u>\$ 25,100</u>	<u>\$ 27,844</u>

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.

32. Pledged Assets

The following assets of the consolidated company have been pledged as collateral for bank borrowings and performance guarantees. The carrying amounts of these assets are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Inventory - Buildings and land held for sale	\$ 1,698,853	\$ 1,220,427
Inventory - Construction in progress	2,694,860	2,036,180
Property, Plant and Equipment	2,025,388	2,067,762
Other Financial Assets - Current	359,129	86,177
Investment Properties	<u>185,195</u>	<u>909,615</u>
	<u>\$ 6,963,425</u>	<u>\$ 6,320,161</u>

33. Significant Contingent Liabilities and Unrecognized Contract Commitments

Except as described in other notes, significant commitments and contingencies of the consolidated company as of the balance sheet date were as follows:

- a. The consolidated company entered into various contracts with contractors undertaking outsourced works. As of December 31, 2025, the total amount of outstanding construction contracts was approximately \$977,085 thousand, of which \$406,142 thousand had been paid.
- b. Commodity Voucher issued by FUSHIN Hotel Co. (a subsidiary of the consolidated companies) adopts the performance guarantee provided by Sunny Bank amounted to \$3,198 thousand as of December 31, 2025.

34. Supplementary Disclosures

- a. Information on Significant Transactions
 - 1) Financing provided to others. (None)
 - 2) Endorsements/guarantees provided. (None)
 - 3) Marketable securities held at the end of the period (excluding investments in subsidiaries, associates, and joint ventures). (Table 1)
 - 4) 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 2)
 - 5) Receivables from related parties amounting to at least NT\$100 million or 20% or greater of the paid-in capital. (None)

- 6) Others: Business relationships and situations and amounts of significant transactions of Inter-company. (Table 3)
- 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.

35. Segment Information

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered or services provided. The reportable segments of the consolidated company are as follows:

Architecture segment

Construction segment

Hospitality segment

Segment revenue and operation results

Analysis of revenues and operation results by segment of the consolidated company's continuing operation was as follows:

	<u>Segment Revenue</u>		<u>Segment Profit (Loss)</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Architecture segment	\$ 768,325	\$ 1,843,214	\$ 109,534	\$ 430,667
Construction segment	3,571	3,317	(10,294)	(15,040)
Hospitality segment	<u>392,611</u>	<u>389,262</u>	<u>64,331</u>	<u>62,610</u>
Total continuing operation	<u>\$ 1,164,507</u>	<u>\$ 2,235,793</u>	163,571	478,237
Interest Income			24,176	19,629
Other income			3,511	3,207
Net foreign exchange gain			102	100
(Loss) gain on disposal of property, plant and equipment			(4)	527
Gain (loss) on fair value changes of financial assets at FVTPL			4,804	15,379
Other gains and losses			(3,149)	(708)
Finance costs			(<u>2,647</u>)	(<u>7,765</u>)
Profit before income tax from continuing operations			<u>\$ 190,364</u>	<u>\$ 508,606</u>

Segment revenues reported above were all generated by transactions with external customers.

Segment profit represents the profits made by each segment, excluding unallocated headquarters' general and administrative costs, directors' remuneration, share of profit (loss) of associates accounted for using equity method, rental income, interest income, gain (loss) on disposal of property, plant and equipment, gain (loss) on disposal of investment, net foreign exchange gain (loss), gain (loss) on valuation of financial instruments, finance costs, and income tax expenses. This measurement is provided to the chief business decision makers for the purpose of resource allocation and performance assessment.

Table 1.**Founding Construction Development Corp. and Subsidiaries****MARKETABLE SECURITIES HELD AT YEAR END****December 31, 2025****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 Shares %	Market Value, Net	
Chien-Chiao Construction Co., Ltd.	Stock Chao-Teng Hydropower Engineering Co., Ltd.	None	Financial assets measured at fair value through other comprehensive income - non-current	-	\$ 4,104	19	\$ 4,101	Non-listed (non-OTC) company
Hsin-Long-Hsing Investment Co., Ltd.	Stock Hon Hai Precision Industry Co., Ltd.	None	Financial assets at fair value through profit or loss - current	50,000	\$ 11,525	-	\$ 11,525	Listed (OTC) company
	Yuanta Financial Holdings Co., Ltd.	None	“	57,298	2,252	-	2,252	“
	Yang Ming Marine Transport Corporation	None	“	100,000	5,570	-	5,570	“
	Formosa Plastics Corporation	None	“	300,000	11,700	-	11,700	“
					\$ 31,047		\$ 31,047	

Note 1 For the purposes of this table, "marketable securities" refer to stocks, bonds, beneficiary certificates, and derivative securities of the foregoing, within the scope of IFRS 9.

Note 2 The securities listed in this table are those the Company has determined to disclose based on materiality.

Note 3 For information on investments in subsidiaries, associates, and joint ventures, please refer to Table 3 and Table 4.

Table 2.

Founding Construction Development Corp. and Subsidiaries

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OR GREATER OF THE PAID-IN CAPITAL
2025**

Unit: NT\$ thousands

Buyer/Seller	Counterparty	Relationship	Transaction Details				Terms and Reasons of Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remarks
			Purchase/Sales	Amount	% to Total Purchases or Sales	Payment Terms	Unit Price	Payment Terms	Balance	% to Total Notes/ Accounts Receivable (Payable)	
Founding Co.	Chien-Chiao Construction	Subsidiaries	Purchases (undertaking contracted projects amounted to \$4,333,500 thousand)	\$ 490,500	59	In compliance with the payment term of the contracts	No abnormality	In compliance with the payment term of the contracts	Notes payable \$ 11,550	26	
Chien-Chiao Construction	Founding Co.	Parent company	Sales (undertaking contracted projects amounted to \$4,333,500 thousand)	521,919	100	In compliance with the payment term of the contracts	No abnormality	In compliance with the payment term of the contracts	Accounts payable 50,550 Notes receivable 11,550 Accounts receivable 50,550	65 100 100	

Note 1 The above transactions were eliminated in preparing the consolidated financial statements.

Table 3.

Founding Construction Development Corp. and Subsidiaries

RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS BETWEEN CONSOLIDATED ENTITIES

2025

Unit: NT\$ thousands

Code (Note 1)	Name of Trader	Counterparty of Trade	Relationship with Trader (Note 2)	Transaction Details			
				Accounts	Amount	Terms and Conditions	Percentage of total consolidated revenue or total consolidated assets (Note 3)
0	Founding Co.	Chien-Chiao Construction	1	Notes payable	\$ 11,550	Progress payment requested based on the project status	-
0	Founding Co.	Chien-Chiao Construction	1	Accounts payable	50,550	Progress payment requested based on the project status	-
0	Founding Co.	FUSHIN Hotel	1	Rental revenue	57,600	Payment requested in terms of contract	5%
1	Chien-Chiao Construction	Founding Co.	2	Construction revenue	521,919	Progress payment requested based on the project status	45%

Note 1 Information on business transactions between the parent and subsidiaries shall be indicated in the code column as follows:

- (1) Parent company is "0."
- (2) The subsidiaries are numbered in order starting from "1."

Note 2 Relationships with the counterparty are classified into the following three categories (just mark the category number):

- (1) The parent to subsidiary.
- (2) Subsidiary to the parent.
- (3) Between subsidiaries.

Note 3 Regarding the calculation of the ratio of transaction amounts to total consolidated revenue or total assets: (1) For balance sheet accounts, the ratio is calculated based on the ending balance divided by consolidated total assets. (2) For profit and loss accounts, the ratio is calculated based on the accumulated amount during the period divided by consolidated total revenue.

Table 4.**Founding Construction Development Corp. and Subsidiaries****RELEVANT INFORMATION OF INVESTEE COMPANY (NAME, LOCATION, ETC)****2025****Unit: NT\$ thousands**

Name of 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 Construction	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	\$ 143,493	\$ 16,556	\$ 6,872	Note 1
Founding Co.	FUSHIN Hotel	No. 152, Sec. 1, Datong Rd., Xizhi Dist., New Taipei City	Catering and restaurant businesses - general hotel businesses	151,000	151,000	15,100,000	94.375	236,712	52,381	51,233	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	308,904	7,088	7,088	
Chien-Chiao Construction	FUSHIN Hotel	No. 152, Sec. 1, Datong Rd., Xizhi Dist., New Taipei City	Catering and restaurant businesses - general hotel businesses	9,000	9,000	900,000	5.625	13,083	52,381	2,952	Note 3

Note 1 From January 1 to December 31, 2025, Founding Co. recognized revenue from Chien-Chiao Construction Co., Ltd. of \$16,556 thousand, less unrealized gross profit on sales of \$9,685 thousand, and adjusted for the impact of IFRS 16 leases of \$1 thousand.

Note 2 From January 1 to December 31, 2025, Founding Co. recognized revenue from FUSHIN Hotel Co., Ltd. amounting to \$49,434 thousand, plus an IFRS 16 lease impact of \$1,799 thousand.

Note 3 From January 1 to December 31, 2025, Chien-Chiao Co. recognized revenue from FUSHIN Hotel Co., Ltd. amounting to \$2,946 thousand, plus an IFRS 16 lease impact of \$6 thousand.