

Founding Construction
Development Corp.

Parent Company Only 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.

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Independent Auditors' Report

Founding Construction Development Corp.

Audit Opinion

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

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the accompanying parent company only financial position of Founding Construction Development Corp. as of December 31, 2025 and 2024, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those that, in our professional judgment, were of most significance in our audit of Founding Construction Development Corp.'s parent company only financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for Founding Construction Development Corp.'s parent company only financial statements for the year ended December 31, 2025 are stated as follows:

Key Audit Matters I: Inventory Valuation

Inventories of Founding Construction Development Corp. represented 43% of the total parent company only 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(4) of the financial statements for relevant information on the inventories.

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

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

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. Whether sales revenue recognition meets the sales revenue recognition conditions is material to the consolidated financial statements for the year. Therefore, the occurrence of sales revenue is considered as a key audit matter. Please refer to Note 4 (13) of the financial statements for relevant information on the sales revenues.

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

1. We evaluate the designs of the relevant operating procedures for sales revenue recognition and the appropriateness of execution. 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.

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

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

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Founding Construction Development Corp.'s internal control.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Founding Construction Development Corp.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Founding Construction Development Corp. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Founding Construction Development Corp. to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our opinion to Founding Construction Development Corp.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of Founding Construction Development Corp.'s parent company only financial statements for the year ended December 31, 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.

Parent Company Only Balance Sheet

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)	\$ 1,784,092	16	\$ 2,633,142	22
1150	Notes receivable (Notes 7 and 22)	-	-	5,000	-
1170	Accounts receivable (Notes 7 and 22)	305	-	11,291	-
1220	Current tax assets (Note 24)	17,569	-	-	-
130X	Inventories (Notes 8 and 30)	4,912,055	43	3,848,854	33
1410	Prepayments (Note 9)	16,551	-	4,967	-
1476	Other financial assets - current (Notes 10 and 30)	502,392	4	228,875	2
1479	Other current assets (Note 9)	2,951	-	4,033	-
1480	Incremental costs of obtaining a contract - current (Note 22)	119,259	1	-	-
11XX	Total current assets	<u>7,355,174</u>	<u>64</u>	<u>6,736,162</u>	<u>57</u>
	NON-CURRENT ASSETS				
1550	Investments accounted for using the equity method (Note 11)	689,109	6	675,103	6
1600	Property, plant and equipment (Notes 12 and 30)	81,068	1	82,896	1
1760	Investment properties, net (Notes 14 and 30)	3,400,714	29	4,246,907	36
1780	Intangible assets	128	-	225	-
1840	Deferred tax assets (Note 24)	12,520	-	12,094	-
1920	Refundable deposits	1,356	-	1,286	-
1975	Net defined benefit assets (Note 19)	11,232	-	8,883	-
15XX	Total non-current assets	<u>4,196,127</u>	<u>36</u>	<u>5,027,394</u>	<u>43</u>
1XXX	Total assets	<u>\$ 11,551,301</u>	<u>100</u>	<u>\$ 11,763,556</u>	<u>100</u>
	LIABILITIES AND EQUITY				
	CURRENT LIABILITIES				
2100	Short-term borrowings (Notes 15 and 30)	\$ 544,000	5	\$ 593,000	5
2130	Contract liabilities (Note 22)	380,025	3	116,170	1
2150	Notes payable - non-related parties (Note 16)	32,695	-	46,798	-
2160	Notes payable - related parties (Notes 16 and 29)	11,550	-	52,500	-
2170	Accounts payable - non-related parties (Note 16)	27,553	-	55,867	1
2180	Accounts payable - related parties (Notes 16 and 29)	50,550	1	64,950	1
2230	Current tax liabilities (Note 24)	-	-	69,383	1
2219	Other payables (Notes 17 and 29)	27,740	-	32,057	-
2250	Provisions - current (Note 18)	1,106	-	1,106	-
2320	Long-term borrowings due within one year (Notes 15 and 30)	85,272	1	116,559	1
2399	Other current liabilities	1,980	-	10,982	-
21XX	Total current liabilities	<u>1,162,471</u>	<u>10</u>	<u>1,159,372</u>	<u>10</u>
	NON-CURRENT LIABILITIES				
2540	Long-term borrowings (Notes 15 and 30)	803,585	7	889,237	8
2570	Deferred tax liabilities (Note 24)	3,925	-	3,571	-
2645	Guarantee deposits (Note 29)	6,662	-	11,847	-
25XX	Total non-current liabilities	<u>814,172</u>	<u>7</u>	<u>904,655</u>	<u>8</u>
2XXX	Total liabilities	<u>1,976,643</u>	<u>17</u>	<u>2,064,027</u>	<u>18</u>
	EQUITY (Note 21)				
	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	47	5,555,440	47
3300	Total retained earnings	<u>6,701,078</u>	<u>58</u>	<u>6,825,949</u>	<u>58</u>
3XXX	Total equity	<u>9,574,658</u>	<u>83</u>	<u>9,699,529</u>	<u>82</u>
	Total liabilities and equity	<u>\$ 11,551,301</u>	<u>100</u>	<u>\$ 11,763,556</u>	<u>100</u>

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

Chairman: Liu Hsin-Hsiung

Manager: Cao Luo-Fang

Accounting Officer: Cheng Yen-Fen

Founding Construction Development Corp.

**Parent Company Only Statements of Comprehensive Income
For the years ended December 31, 2025 and 2024**

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

Code		2025		2024	
		Amount	%	Amount	%
	OPERATING REVENUE (Notes 22 and 29)				
4300	Rental revenue	\$ 64,654	8	\$ 82,585	4
4500	Construction contract revenue	<u>760,558</u>	<u>92</u>	<u>1,817,543</u>	<u>96</u>
4000	Total operating revenue	<u>825,212</u>	<u>100</u>	<u>1,900,128</u>	<u>100</u>
	OPERATING COSTS (Notes 8, 23 and 29)				
5300	Lease costs	(48,142)	(6)	(51,559)	(3)
5500	Construction costs	(<u>560,858</u>)	(<u>68</u>)	(<u>1,292,597</u>)	(<u>68</u>)
5000	Total operating costs	(<u>609,000</u>)	(<u>74</u>)	(<u>1,344,156</u>)	(<u>71</u>)
5900	Gross Profit	216,212	26	555,972	29
6000	OPERATING EXPENSES (Notes 19, 23 and 29)	(<u>112,480</u>)	(<u>13</u>)	(<u>144,942</u>)	(<u>7</u>)
6900	Net Operating Income	<u>103,732</u>	<u>13</u>	<u>411,030</u>	<u>22</u>
	NON-OPERATING INCOME AND EXPENSES (Note 23)				
7100	Interest Income	20,322	2	16,206	1
7010	Other income	350	-	249	-
7020	Other gains and losses	(2,870)	-	532	-
7050	Finance costs	(110)	-	(4,609)	-
7070	Shares of profits of subsidiaries, associates and joint ventures accounted for using the equity method	<u>65,193</u>	<u>8</u>	<u>83,231</u>	<u>4</u>
7000	Total non-operating income and expenses	<u>82,885</u>	<u>10</u>	<u>95,609</u>	<u>5</u>

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Code		2025		2024	
		Amount	%	Amount	%
7900	Net income before tax for the year	\$ 186,617	23	\$ 506,639	27
7950	Income tax expense (Note 24)	(28,150)	(4)	(83,676)	(5)
8200	NET PROFIT/(LOSS) FOR THE YEAR	<u>158,467</u>	<u>19</u>	<u>422,963</u>	<u>22</u>
	OTHER COMPREHENSIVE INCOME (Note 24)				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurement of defined benefit plans	1,768	-	3,597	1
8330	Shares of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	492	-	3,026	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	(354)	-	(719)	-
8300	Other comprehensive income for the year, net of income tax	<u>1,906</u>	<u>-</u>	<u>5,904</u>	<u>1</u>
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 160,373</u>	<u>19</u>	<u>\$ 428,867</u>	<u>23</u>
	EARNINGS PER SHARE (Note 25)				
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 parent company only financial statements.

Chairman: Liu Hsin-Hsiung

Manager: Cao Luo-Fang

Accounting Officer: Cheng Yen-Fen

Founding Construction Development Corp.

Parent Company Only Statements of Changes in Equity

For the years ended December 31, 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 parent company only financial statements.

Chairman: Liu Hsin-Hsiung

Manager: Cao Luo-Fang

Accounting Officer: Cheng Yen-Fen

Founding Construction Development Corp.
Parent Company Only Statements of Cash Flows
For the years ended December 31, 2025 and 2024
Unit: NT\$ thousands

Code		2025	2024
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Net income before tax for the year	\$ 186,617	\$ 506,639
A20010	Adjustments for:		
A20100	Depreciation expenses	49,970	53,344
A20200	Amortization expenses	183	168
A20400	Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	-	(452)
A20900	Finance costs	110	4,609
A21200	Interest Income	(20,322)	(16,206)
A22300	Shares of profits of subsidiaries, associates and joint ventures accounted for using the equity method	(65,193)	(83,231)
A22500	Gain on disposal of property, plant and equipment	-	(457)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	5,000	6,000
A31150	Accounts receivable	10,986	(11,291)
A31200	Inventories	(265,151)	370,830
A31230	Prepayments	(11,584)	412
A31240	Other current assets	1,082	474
A31250	Other financial assets - current	(273,517)	(140,034)
A31270	Incremental costs of obtaining a contract - current	(119,259)	-
A31990	Net defined benefit assets	(581)	(483)
A32125	Contract liabilities	263,855	39,758
A32130	Notes payable - non-related parties	(14,103)	45,475
A32140	Notes payable - related parties	(40,950)	17,325
A32150	Accounts payable - non-related parties	(28,314)	53,020
A32160	Accounts payable - related parties	(14,400)	28,200
A32180	Other payables	(4,968)	(1,909)
A32230	Other current liabilities	(9,000)	8,940
A33000	Cash generated from operations	(349,539)	881,131
A33500	Income taxes paid	(115,527)	(84,843)
AAAA	Net cash (outflow) inflow from operating activities	(465,066)	796,288

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Code		2025	2024
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00200	Disposal of financial assets at fair value through profit or loss	\$ -	\$ 3,304
B02700	Purchase of property, plant and equipment	-	(322)
B02800	Proceeds from disposal of property, plant and equipment	-	457
B03700	Increase in refundable deposits	(70)	-
B03800	Decrease in refundable deposits	-	26
B04500	Purchase of intangible assets	(87)	-
B05400	Purchase of investment properties	-	(532,026)
B07500	Interest received	20,322	16,206
B07600	Dividends received from subsidiaries	<u>52,650</u>	<u>15,000</u>
BBBB	Net cash inflow (outflow) from investing activities	<u>72,815</u>	<u>(497,355)</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	(116,939)	(119,464)
C03100	Increase in guarantee deposits received	(5,185)	566
C04500	Dividends paid to owners of the Company	(285,244)	(342,294)
C05600	Interest paid	<u>(431)</u>	<u>(4,669)</u>
CCCC	Net cash used in financing activities	<u>(456,799)</u>	<u>(465,861)</u>
EEEE	Net decrease in cash and cash equivalents	(849,050)	(166,928)
E00100	CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,633,142</u>	<u>2,800,070</u>
E00200	CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,784,092</u>	<u>\$ 2,633,142</u>

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

Chairman: Liu Hsin-Hsiung

Manager: Cao Luo-Fang

Accounting Officer: Cheng Yen-Fen

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

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

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

2. Date and Procedures of Authorization of Financial Statements

The parent company only 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)

Amendments 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 Company's accounting policies.

- b. The IFRSs in 2026 endorsed by the FSC

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Date Issued by IASB</u>
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 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 Company has assessed that other amendments to standards are not expected to have a material impact on the Company's 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 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 Company must identify assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other events and classify and aggregate them based on common characteristics. This ensures that each line item in the primary financial statements possesses at least one similar characteristic. Items with dissimilar characteristics should be disaggregated in the primary financial statements and notes. The Company should only label such items as "Other" when no more informative label can be identified.
- Additional disclosure of management-defined performance measures (MPMs): When the Company engages in public communications outside the financial statements and conveys management's perspective on a specific aspect of the Company's overall financial performance to financial statement users, it should disclose relevant information about management-defined performance measures in a single note to the financial statements. This disclosure should include a description of the measure, its calculation method, a reconciliation to the IFRS-defined subtotal or total, and the impact of related reconciling items on income taxes and non-controlling interests.

In addition, IAS 7 has been amended as follows:

- When preparing cash flows from operating activities using the indirect method, the Company shall use profit or loss from operations as the starting point for adjustments.
- Interest and dividends received by the Company shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. If the 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.

Apart from the effects described above, as of the date the parent company only financial statements were authorized for issuance, the Company continues to assess the impact of other amendments to standards and interpretations on its financial position and performance. Any related effects will be disclosed once the assessment is complete.

4. Summary of Significant Accounting Policies

a. Statement of Compliance

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

b. Basis of Preparation

The accompanying parent company only financial statements have been prepared on 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.

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

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

Current assets include:

- 1) Assets held 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 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. Inventories

Inventories comprise properties under construction and properties held for sale. Properties under construction and properties held for sale are initially recorded at acquisition cost. Costs of properties under construction include land costs, construction costs and related 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.

e. Investment in Subsidiaries

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

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

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

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

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

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

f. Property, Plant and Equipment

Property, plant and equipment are recognized at cost, and then 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 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.

g. Investment Properties

Investment property refers to property held to earn rentals and/or for capital appreciation, including properties qualified to the definition of investment property and

is under progress in construction. Investment property also includes land held for currently undetermined future use.

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

Depreciation of investment properties is recognized 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.

h. 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 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.

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

On each balance sheet date, the Company assesses whether there is any indication that the property, plant and equipment, right-of-use assets, investment properties and intangible assets might have suffered an impairment loss. If any such indication exists, the Company estimates the recoverable amount of the asset. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the

recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs 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 amount 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 of that cash-generating unit.

Where an impairment loss is subsequently reversed, the carrying amount of the related asset, cash-generating unit or 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.

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 expensed upon completion and delivery of the property to the customer. However, for incremental contract acquisition costs expected to be amortized within one year, the Company elects not to capitalize them.

k. Financial Instruments

Financial assets and financial liabilities are recognized in the parent company only balance sheet when the 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 Company are classified into the following categories: financial assets at fair value through profit or loss (FVTPL) and financial assets at amortized cost.

i. Financial 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 28.

ii. Financial assets measured at amortized cost

The 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 such financial assets; and
- (ii) Financial assets that are 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 those 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.

Cash equivalents include time deposits with high liquidity that are readily convertible to a fixed amount of cash and carry minimal risk of value changes, with maturities of three months or less from the acquisition date. These are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets

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

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

c) Derecognition of financial assets

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

On derecognition of a financial asset 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.

1. 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 present value of the expected cash flows to settle the obligation.

m. Revenue Recognition

The 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 comes from the sale of real estate. The Company recognizes revenue when the control of 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) 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.

n. Leases

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

1) The Company as lessor

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

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

Under a finance lease, lease payments include fixed payments. The net lease investment is measured as the sum of the present value of the lease payments receivable and the non-guaranteed residual value, plus the 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 Company.

After lease-related incentives are deducted, the rental income from operating lease is recognized on a straight-line basis over the term of the lease. The initial

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

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

2) The Company as lessee

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

Right-of-use assets are 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 parent company only balance sheets.

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

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

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

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

o. 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.

p. 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 other equity in the period in which they occur, and will not be subsequently reclassified to profit or loss.

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

q. 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 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 very likely that there will be sufficient taxable profit against which to utilize the benefit of the temporary differences that are expected to reverse in the foreseeable future.

The carrying amount of deferred tax asset is reviewed on each 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 very likely that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

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

3) Current and deferred income tax

Current and deferred income taxes are recognized in profit or loss, 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 Company's accounting policies, the management is required to make judgments, estimates and assumptions based on historical experience and other relevant factors for the items that are not readily apparent from other sources. Actual results may differ from these estimates.

The Company's management regularly reviews the estimates and underlying assumptions. If a revision of an accounting estimate affects only the current period, it is recognized in the period of revision. If it affects both the current 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 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 8 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	\$ 170	\$ 151
Bank checks and demand deposits	1,283,922	2,232,991
Bank time deposits	<u>500,000</u>	<u>400,000</u>
	<u>\$ 1,784,092</u>	<u>\$ 2,633,142</u>

7. 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	\$ 305	\$ 11,291
Less: Allowance for losses	<u>-</u>	<u>-</u>
	<u>\$ 305</u>	<u>\$ 11,291</u>

a. Notes receivable

The 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 Company as collateral for borrowings.

b. Accounts receivable

The Company's credit terms granted to customers are generally 60 days from the billing date. When determining the recoverability of accounts receivable, the 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 Company recognizes a 100% allowance for expected credit losses for receivables aged over 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 in order.

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

December 31, 2025

	Not Past Due	Past Due 1–180 Days	Past Due 181–365 Days	Past Due Over 1 Year	Total
Expected credit loss rate	0%	0%	0%	100%	
Total carrying amount	\$ 305	\$ -	\$ -	\$ -	\$ 305
Allowance for loss (lifetime expected credit losses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Costs after amortization	<u>\$ 305</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 305</u>

December 31, 2024

	Not Past Due	Past Due 1–180 Days	Past Due 181–365 Days	Past Due Over 1 Year	Total
Expected credit loss rate	0%	0%	0%	100%	
Total carrying amount	\$ 11,291	\$ -	\$ -	\$ -	\$ 11,291
Allowance for loss (lifetime expected credit losses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Costs after amortization	<u>\$ 11,291</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,291</u>

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

8. Inventories

- a. Details of inventories are as follows:

	December 31, 2025	December 31, 2024
Buildings and land held for sale	\$ 1,878,329	\$ 1,374,590
Construction in progress	<u>3,033,726</u>	<u>2,474,264</u>
	<u>\$ 4,912,055</u>	<u>\$ 3,848,854</u>

Cost of goods sold related to inventories amounted to \$560,858 thousand and \$1,292,597 thousand, respectively, was recognized for the years ended December 31, 2025 and 2024.

As of December 31, 2025 and 2024, inventories of \$3,033,726 thousand and \$2,474,264 thousand, respectively, are expected to be recovered after more than 12 months.

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

b. Buildings and land held for sale

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cosmos Technology	\$ 84,515	\$ 88,992
Founding Li Garden	67,641	287,754
Star Technology	987,350	987,350
Li Ren Ming Di	181,860	-
Meditation Garden	546,469	-
Others	<u>10,494</u>	<u>10,494</u>
	<u>\$ 1,878,329</u>	<u>\$ 1,374,590</u>

c. Construction in progress

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Forest Cottage	486,096	392,272
Meditation Garden	-	510,231
Li Ren Ming Di	-	360,318
Tai Tong Smart Technology Park	605,302	265,019
Founding Xin Zhuang	877,112	131,154
Asia-Pacific Technology Center	739,956	643,425
Dehui Section	164,345	25,393
Others	<u>160,915</u>	<u>146,452</u>
	<u>\$ 3,033,726</u>	<u>\$ 2,474,264</u>

Information on the capitalization of interest is as follows:

	<u>2025</u>	<u>2024</u>
Total amount of interest expense	<u>\$ 38,451</u>	<u>\$ 41,607</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>

9. Other Assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Prepayments		
Prepayments	\$ 16,551	\$ 3,321
Prepaid construction expenses	<u>-</u>	<u>1,646</u>
	<u>\$ 16,551</u>	<u>\$ 4,967</u>
Other current assets		
Other receivables	\$ 525	\$ 437
Suspense payments	<u>2,426</u>	<u>3,596</u>
	<u>\$ 2,951</u>	<u>\$ 4,033</u>

10. Other Financial Assets - Current

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Restricted assets (Note 30) (1)	\$ 350,501	\$ 76,984
Other deposits (2)	<u>151,891</u>	<u>151,891</u>
	<u>\$ 502,392</u>	<u>\$ 228,875</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.

11. Investments Accounted for Using the Equity Method

Investment in Subsidiaries

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Chien-Chiao Construction Co., Ltd.	\$ 143,493	\$ 150,158
FUSHIN Hotel Co., Ltd.	236,712	208,129
Hsin-Long-Hsing Investment Co., Ltd.	<u>308,904</u>	<u>316,816</u>
	<u>\$ 689,109</u>	<u>\$ 675,103</u>

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

<u>Name of Subsidiary</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Chien-Chiao Construction Co., Ltd.	100%	100%
FUSHIN Hotel Co., Ltd.	94.375%	94.375%
Hsin-Long-Hsing Investment Co., Ltd.	100%	100%

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

12. Property, Plant and Equipment

	Land	Buildings and Property	Transportation Equipment	Office Equipment	Other Equipment	Total
<u>Cost</u>						
Balance as of January 1, 2025	\$ 71,102	\$ 22,046	\$ 7,231	\$ 3,804	\$ 1,169	\$ 105,352
Disposal	-	-	-	(121)	-	(121)
Balance as of December 31, 2025	<u>\$ 71,102</u>	<u>\$ 22,046</u>	<u>\$ 7,231</u>	<u>\$ 3,683</u>	<u>\$ 1,169</u>	<u>\$ 105,231</u>
<u>Accumulated depreciation and impairment</u>						
Balance as of January 1, 2025	\$ -	\$ 12,118	\$ 5,718	\$ 3,516	\$ 1,104	\$ 22,456
Depreciation expenses	-	478	1,210	75	65	1,828
Disposal	-	-	-	(121)	-	(121)
Balance as of December 31, 2025	<u>\$ -</u>	<u>\$ 12,596</u>	<u>\$ 6,928</u>	<u>\$ 3,470</u>	<u>\$ 1,169</u>	<u>\$ 24,163</u>
Net carrying amount as of December 31, 2025	<u>\$ 71,102</u>	<u>\$ 9,450</u>	<u>\$ 303</u>	<u>\$ 213</u>	<u>\$ -</u>	<u>\$ 81,068</u>
<u>Cost</u>						
Balance as of January 1, 2024	\$ 71,102	\$ 21,724	\$ 12,911	\$ 3,804	\$ 1,169	\$ 110,710
Addition	-	322	-	-	-	322
Disposal	-	-	(5,680)	-	-	(5,680)
Balance as of December 31, 2024	<u>\$ 71,102</u>	<u>\$ 22,046</u>	<u>\$ 7,231</u>	<u>\$ 3,804</u>	<u>\$ 1,169</u>	<u>\$ 105,352</u>
<u>Accumulated depreciation and impairment</u>						
Balance as of January 1, 2024	\$ -	\$ 11,704	\$ 10,188	\$ 3,441	\$ 1,018	\$ 26,351
Depreciation expenses	-	414	1,210	75	86	1,785
Disposal	-	-	(5,680)	-	-	(5,680)
Balance as of December 31, 2024	<u>\$ -</u>	<u>\$ 12,118</u>	<u>\$ 5,718</u>	<u>\$ 3,516</u>	<u>\$ 1,104</u>	<u>\$ 22,456</u>
Net carrying amount as of December 31, 2024	<u>\$ 71,102</u>	<u>\$ 9,928</u>	<u>\$ 1,513</u>	<u>\$ 288</u>	<u>\$ 65</u>	<u>\$ 82,896</u>

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

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

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

13. Lease Arrangements

Other lease information

	<u>2025</u>	<u>2024</u>
Expenses relating to short-term leases	\$ <u>356</u>	\$ <u>375</u>
Expenses relating to low-value asset leases	\$ <u>157</u>	\$ <u>93</u>
Total cash (outflow) for leases	(\$ <u>513</u>)	(\$ <u>468</u>)

The 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.

14. Investment Properties

	<u>Investment property - land</u>	<u>Investment property - property</u>	<u>Total</u>
<u>Cost</u>			
Balance as of January 1, 2025	\$ 2,841,448	\$ 1,853,846	\$ 4,695,294
Reclassified to inventories	(<u>736,559</u>)	(<u>65,999</u>)	(<u>802,558</u>)
Balance as of December 31, 2025	<u>\$ 2,104,889</u>	<u>\$ 1,787,847</u>	<u>\$ 3,892,736</u>
<u>Accumulated depreciation and impairment</u>			
Balance as of January 1, 2025	\$ -	\$ 448,388	\$ 448,388
Depreciation expenses	-	48,142	48,142
Reclassified to inventories	-	(<u>4,508</u>)	(<u>4,508</u>)
Balance as of December 31, 2025	<u>\$ -</u>	<u>\$ 492,022</u>	<u>\$ 492,022</u>
Net carrying amount as of December 31, 2025	<u>\$ 2,104,889</u>	<u>\$ 1,295,825</u>	<u>\$ 3,400,714</u>
<u>Cost</u>			
Balance as of January 1, 2024	\$ 2,903,666	\$ 1,862,156	\$ 4,765,822
Addition	530,869	1,157	532,026
Reclassified to inventories	(<u>593,087</u>)	(<u>9,467</u>)	(<u>602,554</u>)
Balance as of December 31, 2024	<u>\$ 2,841,448</u>	<u>\$ 1,853,846</u>	<u>\$ 4,695,294</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, 2024	\$ -	\$ 401,489	\$ 401,489
Depreciation expenses	-	51,559	51,559
Reclassified to inventories	-	(4,660)	(4,660)
Balance as of December 31, 2024	<u>\$ -</u>	<u>\$ 448,388</u>	<u>\$ 448,388</u>
Net carrying amount as of December 31, 2024	<u>\$ 2,841,448</u>	<u>\$ 1,405,458</u>	<u>\$ 4,246,906</u>

The fair value of the Company's investment properties as of December 31, 2025 and 2024, was \$4,609,757 thousand and \$5,232,145 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 investment properties are depreciated by straight-line method over their estimated useful lives as follows:

Investment property - property	
Main property	5 to 51 years
Decoration and partitioning project	5 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>
Year 1	\$ 61,903	\$ 60,509
Year 2	58,676	58,400
Year 3	52,724	57,657
Year 4	41,905	52,724
Year 5	27,428	41,905
Over 5 years	<u>6,857</u>	<u>34,285</u>
	<u>\$ 249,493</u>	<u>\$ 305,480</u>

The Company held freehold interests in all of its investment properties. Please refer to Note 30 for the amount of investment properties pledged by the Company as collateral for borrowings.

15. Borrowings

a. Short-term borrowings

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Secured borrowings</u> (Note 30)		
— 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	2029.07.01~2030.09.30	2025.02.25~2025.11.18

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

b. Long-term borrowings

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Secured borrowings</u> (Note 30)		
Bank loans (1)	\$ 888,857	\$ 1,005,796
Less: Current portion matured in 1 year	(<u>85,272</u>)	(<u>116,559</u>)
Long-term borrowings	<u>\$ 803,585</u>	<u>\$ 889,237</u>

(1) The Company's borrowings include:

	<u>Initial loan principal</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
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: 2016.02.26~2033.02.26 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

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	Initial loan principal	December 31, 2025	December 31, 2024
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
		<u>\$ 888,857</u>	<u>\$ 1,005,796</u>

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

16. Notes Payable and Accounts Payable

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

As of December 31, 2025 and 2024, the amounts of retention payable related to construction contracts included in accounts payable were \$2,643 thousand and \$2,500 thousand, respectively. The retention payable is non-interest bearing and will be paid upon the expiration of the retention period specified in the respective construction contracts. The retention period is within the Company's normal operating cycle, which is typically longer than one year.

17. Other Liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Other payables		
Payable for salary and bonus	\$ 11,269	\$ 11,220
Payable for remuneration of directors	3,240	3,240
Payable for employees' compensation	3,200	3,100
Interest payable	3,090	3,411
House tax payment	5,400	6,990
Business tax payable	-	840
Others	<u>1,541</u>	<u>3,256</u>
	<u>\$ 27,740</u>	<u>\$ 32,057</u>

18. Provisions

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Current</u>		
Employee Benefits	<u>\$ 1,106</u>	<u>\$ 1,106</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.

19. Post-Retirement Benefit Plans

a. Defined contribution plans

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

b. Defined benefit plans

The Company adopted the government-managed defined benefit plan under the "Labor Standards Act". Pension of an employee is paid based on an employee's length of service and average monthly salary for the six-month period prior to retirement. The Company contributes an amount equal to 2% of total monthly salaries of the

employees to their respective pension funds (the Funds), which are deposited at the Bank of Taiwan by the Labor Pension Fund Supervisory Committee in their name. Before the end of each year, if the assessed amount of the balance in the Funds is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, these companies are required to fund the differences in one appropriation before the end of March of the next year. The Funds are administered by the Bureau of Labor Funds, Ministry of Labor; as such, the Company does not have any right to intervene in the investments of the Funds.

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligation	\$ 23,533	\$ 22,411
Fair value of plan assets	(<u>34,765</u>)	(<u>31,294</u>)
Allocation of surplus	(<u>11,232</u>)	(<u>8,883</u>)
Net defined benefit assets	(<u>\$ 11,232</u>)	(<u>\$ 8,883</u>)

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	<u>\$ 22,411</u>	<u>(\$ 31,294)</u>	<u>(\$ 8,883)</u>
Service cost			
Current service cost	143	-	143
Interest expense (revenue)	<u>308</u>	<u>(434)</u>	<u>(126)</u>
Recognized in profit and loss	<u>451</u>	<u>(434)</u>	<u>17</u>
Remeasurement:			
Return on plan assets (excluding amounts included in net interest expense)	-	<u>(2,439)</u>	<u>(2,439)</u>
Actuarial loss (gain) - changes in financial assumptions	106	-	106
Actuarial loss (gain) - experience adjustment	<u>565</u>	<u>-</u>	<u>565</u>
Recognized in other comprehensive income	<u>671</u>	<u>(2,439)</u>	<u>(1,768)</u>
Contributions from employer	<u>-</u>	<u>(598)</u>	<u>(598)</u>
December 31, 2025	<u>\$ 23,533</u>	<u>(\$ 34,765)</u>	<u>\$ 11,232</u>

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

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

	<u>2025</u>	<u>2024</u>
Operating expenses	<u>\$ 17</u>	<u>\$ 93</u>

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

- 1) Investment risk: The Bureau of Labor Funds, Ministry of Labor, invests the pension funds in domestic and foreign equity and debt securities, bank deposits, etc through self-operation and entrusted operation. However, the return generated by plan assets of the Company shall not be less than the proceeds calculated by the interest rate on a two-year term deposit at the local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation 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 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%
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>211</u>)	(\$ <u>272</u>)
Decreased by 0.25%	<u>\$ 216</u>	<u>\$ 278</u>
Expected growth rate of salary		
Increased by 0.25%	<u>\$ 211</u>	<u>\$ 273</u>
Decreased by 0.25%	(<u>\$ 207</u>)	(<u>\$ 268</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>\$ 641</u>	<u>\$ 567</u>
Average maturity period of the defined benefit obligation	3.6 years	4.9 years

20. Maturity Analysis of Assets and Liabilities

The Company classified the assets and liabilities of its construction operations into current and non-current based on the length of 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:

<u>December 31, 2025</u>	<u>Within 1 Year</u>	<u>Beyond 1 Year</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 1,784,092	\$ -	\$ 1,784,092
Accounts receivable	305	-	305
Current tax assets	17,569	-	17,569
Inventory - Buildings and land held for sale	1,878,329	-	1,878,329
Inventory - Construction in progress	-	3,033,726	3,033,726
Prepayments	16,551	-	16,551
Other financial assets - current	502,392	-	502,392
Other current assets	2,951	-	2,951
Incremental costs of obtaining a contract - current	-	119,259	119,259
	<u>\$ 4,202,189</u>	<u>\$ 3,152,985</u>	<u>\$ 7,355,174</u>
<u>Liabilities</u>			
Short-term borrowings	\$ -	\$ 544,000	\$ 544,000
Contract liabilities	380,025	-	380,025
Notes payable - non-related parties	32,695	-	32,695
Notes payable - related parties	11,550	-	11,550
Accounts payable - non-related parties	24,910	2,643	27,553
Accounts payable - related parties	50,550	-	50,550
Other payables	27,740	-	27,740
Provisions - current	1,106	-	1,106
Long-term borrowings matured in one year	85,272	-	85,272
Other current liabilities	1,980	-	1,980
	<u>\$ 615,828</u>	<u>\$ 546,643</u>	<u>\$ 1,162,471</u>

<u>December 31, 2024</u>	<u>Within 1 Year</u>	<u>Beyond 1 Year</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 2,633,142	\$ -	\$ 2,633,142
Notes receivable	5,000	-	5,000
Accounts receivable	11,291	-	11,291
Inventory - Buildings and land held for sale	1,374,590	-	1,374,590
Inventory - Construction in progress	-	2,474,264	2,474,264
Prepayments	4,967	-	4,967

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<u>December 31, 2024</u>	<u>Within 1 Year</u>	<u>Beyond 1 Year</u>	<u>Total</u>
Other financial assets -			
current	\$ 228,875	\$ -	\$ 228,875
Other current assets	<u>4,033</u>	<u>-</u>	<u>4,033</u>
	<u>\$ 4,261,898</u>	<u>\$ 2,474,264</u>	<u>\$ 6,736,162</u>
 <u>Liabilities</u>			
Short-term borrowings	\$ 593,000	\$ -	\$ 593,000
Contract liabilities	116,170	-	116,170
Notes payable - non-related parties	46,798	-	46,798
Notes payable - related parties	52,500	-	52,500
Accounts payable - non-related parties	53,367	2,500	55,867
Accounts payable - related parties	64,950	-	64,950
Current tax liabilities	69,383	-	69,383
Other payables	32,057	-	32,057
Provisions - current	1,106	-	1,106
Long-term borrowings matured in one year	116,559	-	116,559
Other current liabilities	<u>10,982</u>	<u>-</u>	<u>10,982</u>
	<u>\$ 1,156,872</u>	<u>\$ 2,500</u>	<u>\$ 1,159,372</u>

21. 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, the Company shall make appropriations from its net income (less any deficit), 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 the Company 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 23(8), "Employees' Compensation and Directors' Remuneration."

The legal reserve shall be appropriated until its remaining 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	<u>\$ 285,244</u>	<u>\$ 342,294</u>
Dividends per share (\$)	\$ 1	\$ 1.2

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	<u>\$ 16,037</u>
Cash dividends	<u>\$ 171,147</u>
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.

22. Revenue

	<u>2025</u>	<u>2024</u>
Rental revenue	\$ 64,654	\$ 82,585
Construction contract revenue	<u>760,558</u>	<u>1,817,543</u>
	<u>\$ 825,212</u>	<u>\$ 1,900,128</u>

a. Explanation of customer contracts

Construction contract revenue

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

b. Contract balances

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>January 1, 2024</u>
Receivable	<u>\$ 305</u>	<u>\$ 16,291</u>	<u>\$ 11,000</u>
Contract liabilities	<u>\$ 380,025</u>	<u>\$ 116,170</u>	<u>\$ 76,412</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:

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

c. Contract-Related Assets

	<u>2025</u>	<u>2024</u>
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Incremental costs of obtaining a contract - current	<u>\$ 119,259</u>	<u>\$ -</u>
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Based on historical experience and the default clauses in real estate sales contracts, the Company considers that the commissions to obtain contracts are fully recoverable.

23. Net Profit/(Loss) for the Year

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

a. Interest Income

	<u>2025</u>	<u>2024</u>
Bank Deposits	<u>\$ 20,322</u>	<u>\$ 16,206</u>

b. Other income

	<u>2025</u>	<u>2024</u>
Remuneration of directors income	\$ 220	\$ 110
Others	<u>130</u>	<u>139</u>
	<u>\$ 350</u>	<u>\$ 249</u>

c. Other gains and losses

	<u>2025</u>	<u>2024</u>
Gain (loss) on fair value changes of financial assets at FVTPL	\$ -	\$ 452
Gain on disposal of property, plant and equipment	-	457
Others	<u>(2,870)</u>	<u>(377)</u>
	<u>(\$ 2,870)</u>	<u>\$ 532</u>

d. Finance costs

	<u>2025</u>	<u>2024</u>
Interest on bank loans	(\$ 38,341)	(\$ 41,441)
Imputed interest on deposits	(110)	(166)
Less: Amounts included in the cost of required assets	<u>38,341</u>	<u>36,998</u>
	<u>(\$ 110)</u>	<u>(\$ 4,609)</u>

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

e. Depreciation and amortization

	<u>2025</u>	<u>2024</u>
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Depreciation expenses by function		
Operating costs	\$ 48,142	\$ 51,559
Operating expenses	<u>1,828</u>	<u>1,785</u>
	<u>\$ 49,970</u>	<u>\$ 53,344</u>

Amortization expenses by function		
Operating expenses	<u>\$ 183</u>	<u>\$ 168</u>

f. Operating expenses directly related to investment property

	<u>2025</u>	<u>2024</u>
Rental cost generated	<u>\$ 48,142</u>	<u>\$ 51,559</u>

g. Employee benefits expenses

	<u>2025</u>	<u>2024</u>
Post-retirement benefits (Note 19)		
Defined contribution plans	\$ 1,804	\$ 1,527
Defined benefit plans	<u>17</u>	<u>93</u>
	1,821	1,620
Short-term employee benefits (salary, incentive, bonus, etc.)	<u>56,035</u>	<u>53,225</u>
Total employee benefit expenses	<u>\$ 57,856</u>	<u>\$ 54,845</u>
By function		
Operating costs	\$ 2,297	\$ 3,248
Operating expenses	<u>55,559</u>	<u>51,597</u>
	<u>\$ 57,856</u>	<u>\$ 54,845</u>

h. 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 junior employees. The employee compensation (including junior 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 parent company only 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 parent company only 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 for the years ended December 31, 2025 and 2024 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

24. Income Tax

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	<u>2025</u>	<u>2024</u>
Current income tax		
In respect of the current year	\$ 22,483	\$ 85,898
Land value increment tax	816	948
Surcharges on unappropriated earnings	5,037	23,208
Adjustments for prior years	240	(20,537)
Deferred income tax		
In respect of the current year	(426)	(5,841)
Income tax expenses recognized in profit or loss	<u>\$ 28,150</u>	<u>\$ 83,676</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>\$ 186,617</u>	<u>\$ 506,639</u>

Income tax from profit before income tax calculated at the statutory rate	\$ 37,324	\$ 101,328
Non-taxable income		
Gain on land sold exempt from income tax	(1,800)	(4,531)
Other non-taxable income	(13,657)	(16,896)
Non-deductible expenses for tax purposes	190	156
Land value increment tax	816	948
Surcharges on unappropriated earnings	5,037	23,208
Income tax expenses from previous years adjusted for current period	<u>240</u>	<u>(20,537)</u>
Income tax expenses recognized in profit or loss	<u>\$ 28,150</u>	<u>\$ 83,676</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>\$ 354</u>	<u>\$ 719</u>

c. Current tax assets and liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current tax assets		
Tax Refund Receivable	<u>\$ 17,569</u>	<u>\$ -</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current tax liabilities		
Income tax payable	<u>\$ -</u>	<u>\$ 69,383</u>

d. Deferred Tax Assets and Liabilities

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

2025

	Opening Balance	Recognized in profit and loss	Recognized in other comprehensive income	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Defined benefit retirement plans	\$ 1,794	(\$ 116)	\$ -	\$ 1,678

Impairment of idle assets	3,173	-	-	3,173
Deferred selling and marketing expenses	<u>7,127</u>	<u>542</u>	<u>-</u>	<u>7,669</u>
	<u>\$ 12,094</u>	<u>\$ 426</u>	<u>\$ -</u>	<u>\$ 12,520</u>

	Opening Balance	Recognized in profit and loss	Recognized in other comprehensive income	Closing Balance
<u>Deferred tax liabilities</u>				
Temporary differences				
Defined benefit retirement plans	(<u>\$ 3,571</u>)	<u>\$ -</u>	(<u>\$ 354</u>)	(<u>\$ 3,925</u>)

2024

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

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

- e. Amounts of deductible temporary differences for which no deferred tax assets have been recognized in the parent company only balance sheet

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Deductible temporary differences		
losses on impairment	\$ 3,822	\$ 3,822
Non-leaving pay	<u>1,106</u>	<u>1,106</u>
	<u>\$ 4,928</u>	<u>\$ 4,928</u>

- f. Income tax assessments

The Company's business income tax filings for the years up to 2023 have been assessed and approved by the tax authorities.

25. Earnings Per Share

	Unit: NT\$ per share	
	2025	2024
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

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

Shares

	Unit: In Thousands of Shares	
	2025	2024
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 Company offered to settle the employees' compensation in cash or shares, the Company presumes that the entire amount of the employees' compensation would be settled in shares and includes the potential shares that bear dilutive effect in the weighted average number of shares outstanding to calculate the diluted earnings per share. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

26. Information on Cash Flows

a. Non-Cash Transactions

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

In both 2025 and 2024, the Company reclassified investment properties as inventories, leading to a decrease in investment properties and an increase in inventories by \$798,050 thousand and \$597,894 thousand, respectively.

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	1,005,796	(116,939)	-	-	888,857
Guarantee deposits	<u>11,847</u>	<u>(5,185)</u>	<u>-</u>	<u>-</u>	<u>6,662</u>
	<u>\$ 1,610,643</u>	<u>(\$ 171,124)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,439,519</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	1,125,260	(119,464)	-	-	1,005,796
Guarantee deposits	<u>11,281</u>	<u>566</u>	<u>-</u>	<u>-</u>	<u>11,847</u>
	<u>\$ 1,729,541</u>	<u>(\$ 118,898)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,610,643</u>

27. Capital Risk Management

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

The Company's capital structure consists of the 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 Company is not subject to any other externally imposed capital requirements.

Key management personnel of the 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 Company, based on recommendations from key management, adopts financing methods to balance its overall capital structure. Generally, the group implements a prudent risk management strategy.

28. Financial Instruments

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

Except for the long-term borrowings listed below, the management of the 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>803,585</u>	\$ <u>-</u>	\$ <u>784,674</u>	\$ <u>-</u>	\$ <u>784,674</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>889,237</u>	\$ <u>-</u>	\$ <u>868,199</u>	\$ <u>-</u>	\$ <u>868,199</u>

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

b. Categories of financial instruments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial assets at amortized cost (Note 1)	\$ 2,288,145	\$ 2,879,594
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (Note 2)	1,571,752	1,845,141

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.

c. Financial risk management objectives and policies

The Company's primary financial instruments include equity investments, accounts receivable, accounts payable, lease liabilities, and borrowings. The Company's financial management department provides services to various business units, coordinating 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 Company's operating activities exposed it primarily to the interest rate risk (see paragraph (1) below).

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash flow interest rate risk		
— Financial assets	\$ 1,783,922	\$ 2,632,991
— Financial liabilities	1,432,857	1,598,796

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 Company's net profit before tax for 2025 and 2024 would increase by \$351 thousand and \$1,034 thousand, respectively. This is primarily attributable to the Company's exposure to floating-rate borrowings and floating-rate assets.

2) Credit risk

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

- a) The carrying amount of the respective recognized financial assets as stated in the parent company only balance sheet.
- b) The amount of contingent liabilities generated from financial guarantees that the Company provided.

The Company reviews the 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 Company's credit risk has been significantly reduced.

3) Liquidity risk

The 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 Company. Please refer to (2) financing facilities as described below for the Company's unused financing facilities.

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

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

	<u>Less than 1 year</u>	<u>2 - 3 years</u>	<u>4 - 5 years</u>	<u>6+ years</u>	<u>Total</u>
<u>Non-derivative financial liabilities</u>					
Non-interest-bearing liabilities	\$ 124,190	\$ -	\$ 143	\$ 2,500	\$ 126,833
Floating interest rate instruments	<u>87,465</u>	<u>202,842</u>	<u>816,871</u>	<u>512,605</u>	<u>1,619,783</u>
	<u>\$ 211,655</u>	<u>\$ 202,842</u>	<u>\$ 817,014</u>	<u>\$ 515,105</u>	<u>\$ 1,746,616</u>

December 31, 2024

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

b) Financing facilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Unsecured bank borrowings amount (reviewed annually)		
— Amount used	\$ -	\$ -
— Amount unused	<u>126,000</u>	<u>126,000</u>
	<u>\$ 126,000</u>	<u>\$ 126,000</u>
Secured bank borrowings amount		
— Amount used	\$ 1,432,857	\$ 1,598,796
— Amount unused	<u>2,324,143</u>	<u>1,544,204</u>
	<u>\$ 3,757,000</u>	<u>\$ 3,143,000</u>

29. Related Party Transactions

a. Names and relationships of related parties

<u>Name of related party</u>	<u>Relationship with the Company</u>
Chien-Chiao Construction Co., Ltd. (the "Chien-Chiao Construction")	Investee accounted for using the equity method
FUSHIN Hotel Co., Ltd. (the "FUSHIN Hotel")	“
Hsin-Long-Hsing Investment Co., Ltd. (the "Hsin-Long-Hsing Co.")	“
Liu Hua-Hsing	Director of the Company

b. Operating revenue

Line Items	Name of related party	2025	2024
Rental revenue	Chien-Chiao Construction	\$ 57	\$ 57
	FUSHIN Hotel	<u>57,600</u>	<u>57,600</u>
		<u>\$ 57,657</u>	<u>\$ 57,657</u>

In 2025 and 2024, the related party, FUSHIN Hotel Co., leased a building from the Company for hotel and accommodation operations. The rental payment was based on the rental levels of similar assets and was collected monthly according to the lease agreement. As of December 31, 2025, the lease contract expiration dates ranged from May 31, 2028, to March 31, 2031.

c. Contracting out of construction

As of December 31, 2025 and 2024, the total contract amounts of construction projects subcontracted by the Company to its related party, Chien-Chiao Co., were \$4,333,500 thousand and \$4,168,500 thousand, respectively. The amounts certified and billed were \$1,659,800 thousand and \$1,762,000 thousand, respectively.

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

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

d. Purchase (including investment in properties)

Name of related party	2025	2024
Chien-Chiao Construction	<u>\$ 490,500</u>	<u>\$ 594,000</u>

e. Amounts payable to related party

Line Items	Category / Name of related party	December 31, 2025	December 31, 2024
Notes payable	Chien-Chiao Construction	<u>\$ 11,550</u>	<u>\$ 52,500</u>
Accounts payable	Chien-Chiao Construction	<u>\$ 50,550</u>	<u>\$ 64,950</u>
Other payables	FUSHIN Hotel	<u>\$ 19</u>	<u>\$ 103</u>

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

f. Guarantee deposits

<u>Name of related party</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
FUSHIN Hotel	<u>\$ 5,100</u>	<u>\$ 5,100</u>

g. Others

<u>Accounts</u>	<u>Name of related party</u>	<u>2025</u>	<u>2024</u>
Operating expenses	FUSHIN Hotel	\$ 913	\$ 1,464
	Liu Hua-Hsing	<u>1,500</u>	<u>1,500</u>
		<u>\$ 2,413</u>	<u>\$ 2,964</u>

h. Compensation of key management personnel

The remuneration of directors and other members of key management personnel for the years ended December 31, 2025 and 2024 was as follows:

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 22,495	\$ 25,146
Post-retirement benefits	<u>725</u>	<u>772</u>
	<u>\$ 23,220</u>	<u>\$ 25,918</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.

30. Pledged Assets

The following assets have been pledged as collateral for bank borrowings and for 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	\$ 1,783,320	\$ 1,275,104
Inventory - Construction in progress	2,708,466	2,037,400
Property, Plant and Equipment	63,799	64,213
Investment Properties	2,043,479	2,810,826
Other financial assets - current	<u>350,501</u>	<u>76,984</u>
	<u>\$ 6,949,565</u>	<u>\$ 6,264,527</u>

31. Significant Contingent Liabilities and Unrecognized Contract Commitments

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

The Company has signed construction contracts with various contractors for a total contract amount of approximately \$4,618,500 thousand. As of December 31, 2025, payments totaling \$1,659,800 thousand have been made.

32. Supplementary Disclosures

- a. Information on Significant Transactions
 - 1) Financing provided to others. (None)
 - 2) Endorsements/guarantees provided. (None)
 - 3) Marketable securities held at 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)
- b. Information on Invested Companies (Table 3)
- 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.

33. Segment Information

Founding Construction Development Corp. has provided the operating segments disclosure in the consolidated financial statements for the year ended December 31, 2025.

Table 1.**Founding Construction Development Corp.****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	\$ 4,104	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.

Table 2.**Founding Construction Development Corp.****TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OR GREATER OF THE PAID-IN CAPITAL
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.****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.

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

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Founding Construction Development Corp.

Statement of Construction Inventory

December 31, 2025

Unit: NT\$ thousands

Item	Cost	Amount	
		Valuation at the lower of cost or net realizable value	
		Cost	Net realizable value
<u>Buildings and land held for sale (Note 8)</u>	<u>\$ 1,878,329</u>	<u>\$ 1,878,329</u>	<u>\$ 2,952,513</u>
<u>Construction in progress (Statement 2)</u>	<u>3,033,726</u>	<u>3,033,726</u>	<u>3,220,530</u>
	<u>\$ 4,912,055</u>	<u>\$ 4,912,055</u>	<u>\$ 6,173,043</u>

Statement 2.

Founding Construction Development Corp.

**Statement of Construction Inventory - Construction in progress
2025**

Unit: NT\$ thousands unless otherwise specified

	<u>Opening Balance</u>	<u>Costs incurred during this period</u>	<u>Reclassification during this period</u>	<u>Closing Balance</u>	<u>Collateral or pledge</u>
Li Ren Ming Di	\$ 360,318	\$ 44,883	(\$ 405,201)	\$ -	See Note 30
Meditation Garden	510,231	73,912	(584,143)	-	See Note 30
Forest Cottage	392,272	93,824	-	486,096	See Note 30
Tai Tong Smart Technology Park	265,019	340,283	-	605,302	See Note 30
Founding Xin Zhuang	131,154	22,516	723,442	877,112	See Note 30
Asia-Pacific Technology Center	643,425	96,531	-	739,956	See Note 30
Dehui Section	25,393	138,952	-	164,345	
Others (Note)	<u>146,452</u>	<u>14,463</u>	<u>-</u>	<u>160,915</u>	
	<u>\$ 2,474,264</u>	<u>\$ 825,364</u>	<u>(\$ 265,902)</u>	<u>\$ 3,033,726</u>	

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

Founding Construction Development Corp.

Statement of Changes in Investments

2025

Unit: NT\$ thousands, Except for Earnings Per Share (in Dollars)

	Opening Balance		Increase in the Period		Decrease in the Period		Gain (loss) on investment	OTHER COMPREHENSIVE INCOME/(LOSS)	Closing Balance			Market Value or Equity, Net			
	Shares	Amount	Shares	Amount	Shares	Amount			Shares	Ownership (%)	Amount	Unit Price	Gross price	Valuation basis	Collateral or pledge
Measured by using equity method															
Non-listed (non-OTC) company															
Chien-Chiao Construction Co., Ltd. (Note 1, 2)	15,000,000	\$ 150,158	-	\$ 971	-	\$ 15,000	\$ 6,872	\$ 492	15,000,000	100	\$ 143,493	18.78	\$ 281,764	Equity method	None
FUSHIN Hotel Co., Ltd. (Notes 1 and 3)	15,100,000	208,129	-	-	-	22,650	51,233	-	15,100,000	94.375	236,712	14.49	218,838	"	"
Hsin-Long-Hsing Investment Co., Ltd. (Notes 1 and 4)	30,000,000	<u>316,816</u>	-	<u>-</u>	-	<u>15,000</u>	<u>7,088</u>	<u>-</u>	30,000,000	100	<u>308,904</u>	10.30	<u>308,904</u>	"	"
		<u>\$ 675,103</u>		<u>\$ 971</u>		<u>\$ 52,650</u>	<u>\$ 65,193</u>	<u>\$ 492</u>			<u>\$ 689,109</u>		<u>\$ 809,506</u>		

Note 1: It was recognized according to the financial statements for the year ended December 31, 2025 audited by a Certified Public Accountant.

Note 2: This year, Chien-Chiao Construction Co., Ltd. increased by \$971 thousand due to employee remuneration paid by the parent company. Additionally, it decreased by \$15,000 thousand due to dividend payments.

Note 3: FUSHIN Hotel Co., Ltd. decreased by \$22,650 thousand this year, representing dividend payments.

Note 4: Hsin-Long-Hsing Investment Co., Ltd. decreased by \$15,000 thousand this year, representing dividend payments.

Founding Construction Development Corp.

Statement of Short-term Borrowings

December 31, 2025

Unit: NT\$ thousands

Creditor	Category of borrowings	Ending balance	Terms of contract	Interest rate range (%)	Financing facilities	Pledge or guarantee
CTBC Corporate Banking	Land finance	\$ 345,000	2021.11.18 - 2030.09.30	2.7545	\$ 500,000	Founding Xin Zhuang
Chang Hwa Bank Yung-Chun	Buildings finance	112,000	2025.07.01 - 2029.07.01	2.675	1,120,000	Tai Tong Smart Technology Park
First Bank Jen-Ai	Secured loan	-	-	-	70,000	FUSHIN Taipei 2
"	Secured loan	-	-	-	20,000	Tainan Fu Ward
"	Land finance	11,000	2025.06.02 - 2030.06.02	2.925	143,000	Forest Cottage
Hua Nan Nan-Neihu	Credit loans	-	-	-	30,000	-
Bank of Taiwan Wan-Hua	Credit loans	-	-	-	36,000	-
Taichung Bank Nei-Hu	Credit loans	-	-	-	30,000	-
Cathay United Bank	Land finance	76,000	2022.03.21 - 2029.12.31	2.8	476,000	Asia-Pacific Technology Center
"	Credit loans	-	-	-	30,000	-
		<u>\$ 544,000</u>			<u>\$ 2,455,000</u>	

Founding Construction Development Corp.

Statement of Notes Payable

December 31, 2025

Unit: NT\$ thousands

<u>Name of Customer</u>	<u>Memo</u>	<u>Amount</u>
Non-related parties:		
Supplier A		\$ 30,000
Others (Note)		<u>2,695</u>
		<u>\$ 32,695</u>
Related parties:		
Chien-Chiao Construction Co., Ltd.	Payments for construction contracts	<u>\$ 11,500</u>

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

Statement 6.

Founding Construction Development Corp.

Statement of Accounts Payable

December 31, 2025

Unit: NT\$ thousands

<u>Name of Customer</u>	<u>Memo</u>	<u>Amount</u>
Non-related parties:		
Supplier B		\$ 2,000
Supplier C		12,832
Supplier D		9,617
Supplier E		2,500
Others (Note)		<u>604</u>
		<u>\$ 27,553</u>
Related parties:		
Chien-Chiao Construction Co., Ltd.	Payments for construction contracts	<u>\$ 50,550</u>

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

Founding Construction Development Corp.

Statement of Contract Liabilities - Current

December 31, 2025

Unit: NT\$ thousands

<u>Item</u>	<u>Memo</u>	<u>Amount</u>
Contract liabilities	Meditation Garden	\$ 30,481
	Tai Tong Smart Technology Park	46,590
	Founding Xin Zhuang	171,518
	Forest Cottage	117,677
	Others (Note)	<u>13,759</u>
		<u>\$380,025</u>

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

Founding Construction Development Corp.

Statement of Long-term Borrowings

December 31, 2025

Unit: NT\$ thousands

Creditor	Terms of contract	Repayment method	Annual interest rate (%)	Amount			Pledge or guarantee
				Due in one year	Matured over one year	Total	
Chang Hwa Bank Yung-Chun	2016.05.23 - 2036.05.23	Interests paid monthly in the first three years; annuity method applied three years later, evenly split principal into a total of 204 installments on a monthly basis.	2.425	\$ 52,861	\$ 576,831	\$ 629,692	FUSHIN Taipei 2
Hua Nan Nan-Neihu	2018.02.26 - 2033.02.26	Interests paid monthly in the first twelve months; starting the 13th month, a total of 168 installments on a monthly basis.	2.56	25,832	178,323	204,155	FUSHIN Tainan
"	2018.07.27 - 2033.07.27	Evenly split principal and interest into a total of 180 installments on a monthly basis.	2.56	<u>6,579</u>	<u>48,431</u>	<u>55,010</u>	FUSHIN Tainan
				<u>\$ 85,272</u>	<u>\$ 803,585</u>	<u>\$ 888,857</u>	

Founding Construction Development Corp.

Statement of Operating Revenue

2025

Unit: NT\$ thousands

Name	Amount
Land revenue	\$ 385,899
Housing revenue	374,659
Rental revenue	<u>64,654</u>
	<u>\$ 825,212</u>

Founding Construction Development Corp.

Statement of Operating Costs

2025

Unit: NT\$ thousands

Item	Amount
Land costs	\$ 207,916
Housing costs	352,942
Lease costs	<u>48,142</u>
Operating costs	<u>\$ 609,000</u>

Founding Construction Development Corp.

Statement of Operating Expenses

2025

Unit: NT\$ thousands

<u>Item</u>	<u>Memo</u>	<u>Amount</u>
Operating expenses	Salary expenditures	\$ 40,920
	Advertising fees	20,132
	Taxation	16,698
	Service fees	6,711
	Other operating expenses (Note)	<u>28,019</u>
		<u>\$ 112,480</u>

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

Founding Construction Development Corp.

**Statement of Current Employee Benefits, Depreciation, and Amortization Expenses
For the years ended December 31, 2025 and 2024**

Unit: NT\$ thousands

	2025			2024		
	Recorded under operating costs	Recorded under operating expenses	Total	Recorded under operating costs	Recorded under operating expenses	Total
Employee benefits expenses						
Salary expenses	\$ 2,122	\$ 40,920	\$ 43,042	\$ 2,981	\$ 37,232	\$ 40,213
Labor and health insurance expenses	175	3,962	4,137	267	3,432	3,699
Retirement benefits expenses	-	1,821	1,821	-	1,620	1,620
Remuneration of directors	-	3,240	3,240	-	3,240	3,240
Other employee benefits expenses	-	5,616	5,616	-	6,073	6,073
Total	<u>\$ 2,297</u>	<u>\$ 55,559</u>	<u>\$ 57,856</u>	<u>\$ 3,248</u>	<u>\$ 51,597</u>	<u>\$ 54,845</u>
Depreciation expenses	<u>\$ 48,142</u>	<u>\$ 1,828</u>	<u>\$ 49,970</u>	<u>\$ 51,559</u>	<u>\$ 1,785</u>	<u>\$ 53,344</u>
Amortization expenses	<u>\$ -</u>	<u>\$ 183</u>	<u>\$ 183</u>	<u>\$ -</u>	<u>\$ 169</u>	<u>\$ 169</u>

Note:

- 1 As of December 31, 2025 and 2024, the Company had 49 and 46 employees, respectively. The Board of Directors consisted of 9 members, of whom 5 did not concurrently serve as employees.
- 2 The average employee benefit expenses (excluding directors' remuneration) for 2025 and 2024 were NT\$1,241 thousand and NT\$1,259 thousand, respectively.
- 3 The average employee salary expenses for 2025 and 2024 were NT\$978 thousand and NT\$981 thousand, respectively, representing a 0.31% decrease over the two years.
- 4 The Company has no supervisors; therefore, no supervisor remuneration is applicable.
- 5 Directors' remuneration and officers' compensation of the Company are determined based on the position held, education and experience, years of service, performance and responsibilities assumed, with reference to the industry standards. In addition, no more than 2% of the Company's surplus at the end of the year, if any, is set aside as directors' remuneration in accordance with the Company's Articles of Incorporation.
- 6 The Company's employee salaries are determined based on education, experience, work ability, and job position. In addition, if the Company is profitable for the year, it appropriates no less than 0.6% and no more than 3% of profits as employee compensation in accordance with the Articles of Incorporation, of which no less than 0.2% is designated for junior employees.