

# King's Town Construction Co., Ltd. and subsidiaries

## Parent Company Only Financial Statements and Independent Auditors' Report 2024 and 2023

Address: 12F., No. 150, Bo'ai 2nd Rd., Zuoying Dist., Kaohsiung City

Tel: (07)558-6368

*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.*

King's Town Construction Co., Ltd.

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## Independent Auditors' Report

March 13, 2025

(2025) ShineWing Taiwan Audit Report No. 011

To: King's Town Construction Co., Ltd.

### **Audit Opinion**

We have audited the accompanying Parent Company Only Balance Sheet of King's Town Construction Co., Ltd. as of December 31, 2024 and 2023, and its Parent Company Only Statement of Comprehensive Income, Parent Company Only Statement of Changes in Equity, Parent Company Only Statement of Cash Flows and Notes to Parent Company Only Financial Statements (including a summary of significant accounting policies) for the periods from January 1 to December 31, 2024 and 2023.

In our opinion, the Parent Company Only Financial Statements mentioned above have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers in all material aspects, and are considered to have reasonably expressed the parent company only financial conditions of King's Town Construction Co., Ltd. as of December 31, 2024 and 2023, as well as the parent company only financial performance and parent company only cash flows for the periods from January 1 to December 31, 2024 and 2023.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards in the Republic of China. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the Parent Company Only Financial Statements are free of material misstatement. We are independent of King's Town Construction Co., Ltd. in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other

ethical responsibilities in accordance with the Norm. We believed that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Parent Company Only Financial Statements of King's Town Construction Co., Ltd. for the year ended December 31, 2024. These matters were addressed in the context of our audit of the Parent Company Only Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Parent Company Only Financial Statements of King's Town Construction Co., Ltd. for the year ended December 31, 2024 are stated as follows:

### **Inventory Evaluation**

Refer to Note IV(IX) to the Parent Company Only Financial Statements for accounting policies regarding inventory valuation; Note V(II) for the uncertainty of accounting estimates and assumptions regarding inventory valuation; and Note VI(V) for details of inventory accounting subjects.

The inventories of King's Town Construction Co., Ltd. are material to the Parent Company Only Balance Sheet. Inventories are evaluated in accordance with IFRS, IAS, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission. Inventories include properties held for sale, land, projects under development, construction sites, and prepaid land payments, and are stated at the lower of cost or net realizable value. An incorrect assessment of the net realizable value may result in a misrepresentation in the financial statements. Therefore, we have identified inventory evaluation as one of the key audit matters for the year.

Our auditing procedures include, but are not limited to, considering the impact of changes in external market factors on the sales prices. The properties held for sale are evaluated based on the comparison with recent nearby transaction conditions or the contract prices of sales made recently by King's Town Construction Co., Ltd. Due to the high uncertainty of future input costs and the difficulty in

obtaining comparable sales prices for lands and projects under construction, an investment return analysis form for each case is sampled and selected for review and compared with market conditions to assess if the net realizable value is reasonable. With regard to construction sites, they are entrusted with the appraisal reports provided by the external real estate appraiser to understand and inquire about the valuation method, and test the input values of multiple indicators used in the appraisal report, and whether the disclosure of the relevant information is appropriate. It also confirms the time point at which the expert completes the conclusion of the work, and considers whether there are changes in economic conditions that may affect conclusions after the period.

### **Recognition of revenue from the sale of real estate**

Refer to Note IV(XVIII) for the accounting policies on revenue and cost recognition and Note VI(XXII) to the parent company only financial statements for the details of revenue recognition.

Revenue from the sale of real estate in the construction industry is recognized when the transfer of title to the real estate is completed and the actual delivery of the real estate is made. The appropriateness of the timing of revenue recognition is material to the financial statements as a whole. Since there are many parties involved in the sale of real estate, and considering that many people are involved in the interdepartmental aggregation and transmission of transfer and delivery information and that there may be gaps in the periods, we have recognized the revenue from the sale of real estate of King's Town Construction Co., Ltd. as one of the key audit matters for the year.

The auditor has executed audit procedures that include testing the design and effectiveness of the internal control system related to the sales revenue and collection processes of King's Town Construction Co., Ltd. Additionally, the auditor has conducted sampling to review the sales contracts, the transfer dates specified in the land and property ownership certificates, and the dates on the customer-signed delivery receipt forms, comparing these with the recording dates. Furthermore, the auditor has assessed the appropriateness of the revenue recognition period for real estate sales transactions occurring before and after the fiscal year-end, ensuring that the sales revenue meets the criteria for revenue recognition.

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

The 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 the management determines is necessary to enable the preparation of the Parent Company Only Financial Statements to be free from significant misstatement whether due to fraud or error.

In preparing the Parent Company Only Financial Statements, the management is responsible for assessing the ability of King's Town Construction Co. Ltd. as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate King's Town Construction Co. Ltd. or to create operations, or has no realistic alternative but to do so.

The governance unit of King's Town Construction Co. Ltd. (including the Audit Committee or supervisors) is responsible for supervising the 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 misstatements, 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 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 perform the following works:

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 risks, and obtain evidence that is sufficient and appropriate to provide a basis of our opinion. The risk of not detecting a significant misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control effective in King's Town Construction Co., Ltd. and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonability of accounting estimates and related disclosures made by the management
4. Conclude the appropriateness of the use of the going concern basis of accounting by the management, and based on the audit evidence obtained, whether a significant uncertainty exists related to events or conditions that may cast significant doubt on King's Town Construction Co., Ltd. and its ability to continue as a going concern. If we conclude that a significant uncertainty exists, we are required to draw attention in auditor's report to the related disclosures in the Parent Company Only Financial Statements or, if such disclosure are inappropriate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause King's Town Bank Co., Ltd. to cease to continue as a going concern.
5. Evaluate the overall expression, structure, and content of the Parent Company Only Financial Statements (including related notes) and whether the Parent Company Only Financial Statements include the relevant transactions and events expressed adequately.
6. Obtain sufficient and appropriate audit evidence for the parent company only financial information of the King's Town Construction Co. Ltd. to express an opinion on the Parent Company Only Financial Statements. We are responsible for guiding, supervising, and implementing of the group audit. We remain solely responsible for our opinion on the Parent Company Only Financial Statements.

We communicated matters with the governing body, including the planned scope and timing of the audit, as well as the material audit findings (including material deficiencies in internal control identified during our audit).

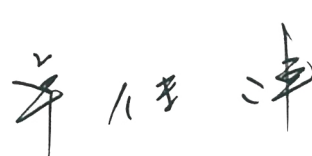
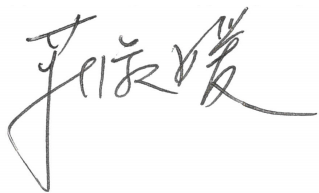
We also provide a statement to the governance unit that the personnel of the CPA Firm who are subject to the regulation of independence are indeed complying with the independence requirements in accordance with the Code of Professional Ethics. Also, they communicate to the governance unit all relationships and matters (including related protective measures) that may be considered as affecting our independence.

We use the matters communicated with the governance unit to decide the Key Audit Matters for the audit of the 2024 Parent Company Only Financial Statements of King's Town Construction Co., Ltd. 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.

ShineWing Taiwan

CPA: Chuang, Shu-Yuan

Accountant: Jackson Jwo



Financial Supervisory Commission Approval  
No.

FSC Letter Jin-Guan-Zheng-Shen No.  
1070345892

Financial Supervisory Commission Approval  
No.

FSC Letter Jin-Guan-Zheng-Shen No.  
1070345892

King's Town Construction Co., Ltd.  
Parent Company Only Balance Sheets  
December 31, 2023 and 2024



|                                                             |                     |                            |                      | Unit: NT\$ thousands       |                      |
|-------------------------------------------------------------|---------------------|----------------------------|----------------------|----------------------------|----------------------|
|                                                             |                     | December 31, 2024          |                      | December 31, 2023          |                      |
| Assets                                                      | Note                | Amount                     | %                    | Amount                     | %                    |
| 11XX Current assets                                         |                     |                            |                      |                            |                      |
| 1100 Cash and cash equivalents                              | VI.(I)              | \$2,877,119                | 7.01                 | \$530,843                  | 1.44                 |
| 1150 Net notes receivable                                   | VI.(III)            | 20,200                     | 0.05                 | 16,676                     | 0.05                 |
| 1170 Net trade receivables                                  | VI.(III)            | 1,966                      | 0.00                 | 2,500                      | 0.01                 |
| 1200 Other receivables                                      | VI.(IV)             | 8,140                      | 0.02                 | 7,964                      | 0.02                 |
| 1210 Other receivables - related parties                    | VI.(IV).VII         | 111                        | 0.00                 | 141                        | 0.00                 |
| 1320 Inventories                                            | VI.(V), VIII        | 36,463,012                 | 88.83                | 34,788,812                 | 94.14                |
| 1410 Prepayments                                            | VI.(VI)             | 708,266                    | 1.73                 | 451,904                    | 1.22                 |
| 1470 Other current assets                                   | VI.(VII)            | 9,460                      | 0.02                 | 108,283                    | 0.29                 |
| 1476 Other financial assets - current                       | VI.(VIII), VIII     | 19,324                     | 0.05                 | 54,012                     | 0.15                 |
| 11XX Total current assets                                   |                     | <u>\$40,107,598</u>        | <u>97.71</u>         | <u>\$35,961,135</u>        | <u>97.32</u>         |
| 15XX Non-current assets                                     |                     |                            |                      |                            |                      |
| 1510 Financial assets at fair value through profit and loss | VI.(II)             | \$82                       | 0.00                 | \$82                       | 0.00                 |
| 1550 Investments accounted for using the equity method      | VI.(IX)             | 133,531                    | 0.32                 | 120,532                    | 0.33                 |
| 1600 Property, plant, and equipment                         | VI.(X)              | 12,218                     | 0.03                 | 15,934                     | 0.04                 |
| 1755 Net right-of-use assets                                | VI.(XI)             | 65,260                     | 0.16                 | 67,004                     | 0.18                 |
| 1760 Net investment properties                              | VI.(XII), VII, VIII | 502,729                    | 1.22                 | 563,942                    | 1.53                 |
| 1780 Intangible assets                                      | VI.(XIII)           | 150,521                    | 0.37                 | 154,443                    | 0.42                 |
| 1840 Deferred tax assets                                    | VI.(XXIX)           | 40,236                     | 0.10                 | 18,352                     | 0.05                 |
| 1920 Refundable deposits                                    | VIII                | 37,049                     | 0.09                 | 30,619                     | 0.08                 |
| 1930 Long-term notes and trade receivable                   | VI.(III)            | 0                          | 0.00                 | 20,000                     | 0.05                 |
| 15xx Total non-current assets                               |                     | <u>\$941,626</u>           | <u>2.29</u>          | <u>\$990,908</u>           | <u>2.68</u>          |
| 1xxx Total assets                                           |                     | <u><u>\$41,049,224</u></u> | <u><u>100.00</u></u> | <u><u>\$36,952,043</u></u> | <u><u>100.00</u></u> |

(Continued)

King's Town Construction Co., Ltd.  
Parent Company Only Balance Sheets  
December 31, 2023 and 2024



Unit: NT\$ thousands

| Liabilities and equity |                                                     | Note                 | December 31, 2024 |        | December 31, 2023 |        |
|------------------------|-----------------------------------------------------|----------------------|-------------------|--------|-------------------|--------|
|                        |                                                     |                      | Amount            | %      | Amount            | %      |
| 21XX                   | Current liabilities                                 |                      |                   |        |                   |        |
| 2100                   | Short-term borrowings                               | VI.(XIV), VII, VIII  | \$2,636,475       | 6.42   | \$3,756,950       | 10.17  |
| 2110                   | Short-term bills payable                            | VI.(XIV), VII, VIII  | 4,445,526         | 10.83  | 4,587,399         | 12.41  |
| 2130                   | Contract liabilities - current                      | VI.(XXII)            | 699,605           | 1.71   | 679,814           | 1.84   |
| 2150                   | Notes payable                                       |                      | 68,519            | 0.17   | 88,089            | 0.24   |
| 2160                   | Notes payable - related parties                     | VII                  | 236,893           | 0.58   | 143,115           | 0.39   |
| 2170                   | Trade payables                                      |                      | 13,712            | 0.03   | 2,690             | 0.01   |
| 2180                   | Trade payables - related parties                    | VII                  | 188,314           | 0.46   | 85,714            | 0.23   |
| 2200                   | Other payables                                      |                      | 137,002           | 0.33   | 41,473            | 0.11   |
| 2220                   | Other payables - related parties                    | VII                  | 1,377             | 0.00   | 101               | 0.00   |
| 2230                   | Current tax liabilities                             |                      | 267,109           | 0.65   | 51,861            | 0.14   |
| 2250                   | Provisions - current                                | VI.(XV)              | 47,062            | 0.12   | 45,488            | 0.12   |
| 2280                   | Lease liabilities - current                         | VI.(XVIII)           | 1,305             | 0.00   | 1,282             | 0.00   |
| 2322                   | Long-term borrowings due within one operating cycle | VI.(XVII), VII, VIII | 674,695           | 1.64   | 146,936           | 0.40   |
| 2335                   | Collection                                          | VI.(XVI)             | 72,844            | 0.18   | 50,421            | 0.14   |
| 2399                   | Other current liabilities - others                  |                      | 0                 | 0.00   | 4,346             | 0.01   |
| 21XX                   | Total current liabilities                           |                      | \$9,490,438       | 23.12  | \$9,685,679       | 26.21  |
| 25XX                   | Non-current liabilities                             |                      |                   |        |                   |        |
| 2540                   | Long-term borrowings                                | VI.(XVII), VII, VIII | \$10,913,456      | 26.59  | \$9,434,801       | 25.53  |
| 2570                   | Deferred tax liabilities                            | VI.(XXIX)            | 0                 | 0.00   | 3,987             | 0.01   |
| 2580                   | Lease liabilities - non-current                     | VI.(XVIII)           | 66,708            | 0.16   | 68,013            | 0.19   |
| 2611                   | Long-term notes payable                             |                      | 0                 | 0.00   | 7,595             | 0.02   |
| 2640                   | Net defined benefit liabilities - non-current       | VI.(XXVII)           | 14,293            | 0.03   | 18,757            | 0.05   |
| 2645                   | Deposits received                                   |                      | 3,436             | 0.01   | 5,196             | 0.01   |
| 25xx                   | Total non-current liabilities                       |                      | \$10,997,893      | 26.79  | \$9,538,349       | 25.81  |
| 2XXX                   | Total liabilities                                   |                      | \$20,488,331      | 49.91  | \$19,224,028      | 52.02  |
| 3XXX                   | Equity                                              |                      |                   |        |                   |        |
| 3110                   | Share capital - ordinary shares                     | VI.(XIX)             | \$3,694,196       | 9.00   | \$3,694,196       | 10.00  |
| 3211                   | Capital surplus – premium on ordinary shares        | VI.(XX)              | 8,082             | 0.02   | 8,082             | 0.02   |
| 3300                   | Retained earnings                                   |                      |                   |        |                   |        |
| 3310                   | Legal reserve                                       | VI.(XXI)             | 1,820,578         | 4.44   | 1,776,451         | 4.81   |
| 3350                   | Unappropriated earnings                             | VI.(XXI)             | 15,038,037        | 36.63  | 12,249,286        | 33.15  |
| 3300                   | Total retained earnings                             |                      | \$16,858,615      | 41.07  | \$14,025,737      | 37.96  |
| 3XXX                   | Total equity                                        |                      | \$20,560,893      | 50.09  | \$17,728,015      | 47.98  |
|                        | Total liabilities and equity                        |                      | \$41,049,224      | 100.00 | \$36,952,043      | 100.00 |

(Please refer to the accompanying notes to the financial report)

Chairperson: Tianye Investment Co., Ltd.

Representative: Tsai, Tien-Tsan

Manager: Tsai, Tien-Tsan

Accountant Officer: Liang, Su-Ying



King's Town Construction Co., Ltd.  
Parent Company Only Statements of Comprehensive Income  
From January 1 to December 31, 2023 and 2024



| Code | Account titles                                                                | Note          | 2024        |        | Unit: NT\$ thousands<br>2023 |         |
|------|-------------------------------------------------------------------------------|---------------|-------------|--------|------------------------------|---------|
|      |                                                                               |               | Amount      | %      | Amount                       | %       |
| 4000 | Operating revenue                                                             |               |             |        |                              |         |
| 4100 | Net sales                                                                     | VI.(XXII).VII | \$9,042,155 | 100.00 | \$2,291,398                  | 100.00  |
| 5000 | Operating costs                                                               |               | 5,001,852   | 55.32  | 1,159,708                    | 50.61   |
| 5900 | Gross profit                                                                  |               | \$4,040,303 | 44.68  | \$1,131,690                  | 49.39   |
| 6000 | Operating expenses                                                            | VI.(XXX)      |             |        |                              |         |
| 6100 | Selling and marketing expenses                                                |               | 397,633     | 4.40   | 191,066                      | 8.34    |
| 6200 | General and administrative expenses                                           |               | 169,664     | 1.87   | 115,543                      | 5.04    |
| 6000 | Total operating expenses                                                      |               | \$567,297   | 6.27   | \$306,609                    | 13.38   |
| 6900 | Operating income                                                              |               | \$3,473,006 | 38.41  | \$825,081                    | 36.01   |
| 7000 | Non-operating income and expenses                                             |               |             |        |                              |         |
| 7100 | Interest income                                                               | VI.(XXIII)    | \$6,884     | 0.08   | \$2,124                      | 0.09    |
| 7010 | Other income                                                                  | VI.(XXIV)     | 1,984       | 0.02   | 872                          | 0.04    |
| 7020 | Other gains and losses                                                        | VI.(XXV)      | (547)       | 0.00   | (25)                         | 0.00    |
| 7050 | Finance costs                                                                 | VI.(XXVI)     | (323,494)   | (3.58) | (318,198)                    | (13.89) |
| 7070 | Share of profit or loss of subsidiaries accounted for using the equity method | VI.(IX)       | (17,001)    | (0.19) | (15,085)                     | (0.66)  |
| 7000 | Total non-operating income and expenses                                       |               | (\$332,174) | (3.67) | (\$330,312)                  | (14.42) |
| 7900 | Income before tax                                                             |               | \$3,140,832 | 34.74  | \$494,769                    | 21.59   |
| 7950 | Income tax expense                                                            | VI.(XXIX)     | 309,139     | 3.42   | 52,728                       | 2.30    |
| 8200 | Current net income                                                            |               | \$2,831,693 | 31.32  | \$442,041                    | 19.29   |
| 8300 | Other comprehensive income                                                    |               |             |        |                              |         |
| 8310 | Items not reclassified to profit or loss                                      |               |             |        |                              |         |
| 8311 | Remeasurements of defined benefit plans                                       | VI.(XXVII)    | \$1,481     | 0.01   | (\$957)                      | (0.04)  |
| 8349 | Incomes tax expense (gain) related to titles not subject to reclassification  | VI.(XXIX)     | 296         | 0.00   | (191)                        | (0.01)  |
| 8300 | Other comprehensive income (after tax)                                        |               | \$1,185     | 0.01   | (\$766)                      | (0.03)  |
| 8500 | Total comprehensive income                                                    |               | \$2,832,878 | 31.33  | \$441,275                    | 19.26   |
| 9750 | Basic earnings per share (NT\$)                                               | VI.(XXXI)     | \$7.67      |        | \$1.20                       |         |
| 9850 | Diluted earnings per share (NT\$)                                             | VI.(XXXI)     | \$7.66      |        | \$1.20                       |         |

(Please refer to the accompanying notes to the financial report)

Chairperson: Tianye Investment Co., Ltd.



Representative: Tsai, Tien-Tsan



Manager: Tsai, Tien-Tsan



Accountant Officer: Liang, Su-Ying



King's Town Construction Co., Ltd.  
Parent Company Only Statements of Changes in Equity  
From January 1 to December 31, 2023 and 2024

Unit: NT\$ thousand

| Code | Summary                                                                         | Account name | Share capital | Capital surplus | Retained earnings |                         |              | Total equity |
|------|---------------------------------------------------------------------------------|--------------|---------------|-----------------|-------------------|-------------------------|--------------|--------------|
|      |                                                                                 |              |               |                 | Legal reserve     | Unappropriated earnings | Total        |              |
| A1   | Balance as of January 1, 2023                                                   |              | \$3,690,564   | \$0             | \$1,681,444       | \$11,903,018            | 13,584,462   | \$17,275,026 |
| B1   | Legal reserve                                                                   |              |               |                 | 95,007            | (95,007)                | 0            | 0            |
| N1   | Equity-based compensation transactions - employee compensation capital increase |              | 3,632         | 8,082           |                   |                         | 0            | 11,714       |
| D1   | Net income in 2023                                                              |              |               |                 |                   | 442,041                 | 442,041      | 442,041      |
| D3   | Other comprehensive income in 2023                                              |              |               |                 |                   | (766)                   | (766)        | (766)        |
| D5   | Total comprehensive income in 2023                                              |              |               |                 |                   | 441,275                 | 441,275      | 441,275      |
| Z1   | Balance as of December 31, 2023                                                 |              | \$3,694,196   | \$8,082         | \$1,776,451       | \$12,249,286            | \$14,025,737 | \$17,728,015 |
| A1   | Balance as of January 1, 2024                                                   |              | \$3,694,196   | \$8,082         | \$1,776,451       | \$12,249,286            | \$14,025,737 | \$17,728,015 |
| B1   | Legal reserve                                                                   |              |               |                 | 44,127            | (44,127)                | 0            | 0            |
| D1   | Net income in 2024                                                              |              |               |                 |                   | 2,831,693               | 2,831,693    | 2,831,693    |
| D3   | Other comprehensive income in 2024                                              |              |               |                 |                   | 1,185                   | 1,185        | 1,185        |
| D5   | Total comprehensive income in 2024                                              |              |               |                 |                   | 2,832,878               | 2,832,878    | 2,832,878    |
| Z1   | Balance as of December 31, 2024                                                 |              | \$3,694,196   | \$8,082         | \$1,820,578       | \$15,038,037            | \$16,858,615 | \$20,560,893 |

(Please refer to the accompanying notes to the financial report)

Chairperson: Tianye Investment Co., Ltd.



Representative: Tsai, Tien-Tsan



Manager: Tsai, Tien-Tsan



Accountant Officer: Liang, Su-Ying



King's Town Construction Co., Ltd. and subsidiaries  
Parent Company Only Statement of Cash Flows  
From January 1 to December 31, 2024 and 2023

Unit: NT\$ thousands

| Code   |                                                                               | 2024          | 2023          |        |                                                                      |              |              |
|--------|-------------------------------------------------------------------------------|---------------|---------------|--------|----------------------------------------------------------------------|--------------|--------------|
| AAAA   | Cash flow from operating activities:                                          |               |               |        |                                                                      |              |              |
| A10000 | Current year net profit before tax                                            | \$3,140,832   | \$494,769     | BBBB   | Cash flow from investing activities:                                 |              |              |
| A20000 | Adjustment items:                                                             |               |               | B00100 | Acquisition of financial assets at fair value through profit or loss | (\$188,426)  | \$0          |
| A20010 | Revenue, expense and loss that do not affect the cash flows:                  |               |               | B00200 | Disposal of financial assets at fair value through profit or loss    | 189,533      | 0            |
| A20100 | Depreciation expenses and other operating expenses                            | \$66,673      | \$66,444      | B01800 | Acquisition of investment accounted for using the equity method      | (30,000)     | (50,000)     |
| A20200 | Amortization expenses and other operating expenses                            | 4,194         | 4,183         | B02700 | Acquisition of property, plant, and equipment                        | 0            | (939)        |
| A20300 | Expected credit losses                                                        | 49            | 0             | B03700 | Increase in refundable deposits                                      | (7,535)      | (705)        |
| A20400 | Net gain on financial assets at fair value through profit or loss             | (1,107)       | 0             | B03800 | Decrease in refundable deposits                                      | 1,105        | 192          |
| A20900 | Interest expenses                                                             | 323,494       | 318,198       | B04500 | Acquisition of intangible assets                                     | (272)        | 0            |
| A21200 | Interest income                                                               | (6,884)       | (2,124)       | B06500 | Other financial assets - increase in current                         | 34,688       | 42,242       |
| A21300 | Dividend income                                                               | (350)         | (24)          | BBBB   | Net cash outflow from investing activities                           | (\$907)      | (\$9,210)    |
| A22300 | Share of profit or loss of subsidiaries accounted for using the equity method | 17,001        | 15,085        |        |                                                                      |              |              |
| A20010 | Total revenue, expense and loss that do not affect the cash flows:            | \$403,070     | \$401,762     |        |                                                                      |              |              |
| A30000 | Changes in operating assets and liabilities                                   |               |               |        |                                                                      |              |              |
| A31000 | Net changes in operating assets                                               |               |               | CCCC   | Cash flows from financing activities:                                |              |              |
| A31130 | Decrease (increase) in notes receivable                                       | \$16,476      | (\$18,891)    | C00100 | Proceeds from short-term borrowing                                   | \$17,000,125 | \$29,500,650 |
| A31150 | (Increase) decrease in trade receivable                                       | 485           | (1,614)       | C00200 | Repayments of short-term borrowings                                  | (18,120,600) | (30,145,650) |
| A31180 | Decrease (increase) in other receivables                                      | 631           | (5,374)       | C00500 | Proceeds from short-term bills payable                               | 16,717,200   | 21,133,900   |
| A31200 | Increase in inventories                                                       | (1,674,200)   | (2,140,534)   | C00600 | Repayments of short-term bills payable                               | (16,854,300) | (20,283,200) |
| A31230 | (Increase) decrease in prepayments                                            | (258,930)     | 118,997       | C01600 | Proceeds from long-term borrowings                                   | 4,851,420    | 2,483,350    |
| A31240 | Decrease in other current assets                                              | 98,823        | 6,341         | C01700 | Repayments of long-term borrowings                                   | (2,845,006)  | (1,314,163)  |
| A31000 | Total net changes in operating assets                                         | (\$1,816,715) | (\$2,041,075) | C03000 | Increase in deposits received                                        | 191          | 880          |
| A32000 | Net change in operating liabilities                                           |               |               | C03100 | Decrease in deposits received                                        | (1,951)      | (886)        |
| A32125 | Increase in contract liabilities - current                                    | \$19,791      | \$93,397      | C04020 | Repayment of the principal portion of lease                          | (1,282)      | (1,134)      |
| A32130 | Gain in notes payable                                                         | 66,613        | 111,101       | CCCC   | Net cash inflow from financing activities                            | \$745,797    | \$1,373,747  |
| A32150 | Increase in trade payable                                                     | 113,622       | 62,023        |        |                                                                      |              |              |
| A32180 | Increase in other payables                                                    | 94,869        | 7,932         |        |                                                                      |              |              |
| A32200 | Increase (decrease) in provisions                                             | 1,574         | (6,291)       |        |                                                                      |              |              |
| A32230 | Increase (decrease) in other current liabilities                              | 18,077        | (26,610)      |        |                                                                      |              |              |
| A32240 | Decrease in net defined benefit liabilities                                   | (2,983)       | (1,757)       |        |                                                                      |              |              |
| A32000 | Total net changes in operating liabilities                                    | \$311,563     | \$239,795     |        |                                                                      |              |              |
| A33000 | Cash inflow (outflow) from operating activities                               | \$2,038,750   | (\$904,749)   | EEEE   | Increase (decrease) in current cash and cash equivalent              | \$2,346,276  | (\$486)      |
| A33100 | Interest received                                                             | 6,106         | 2,111         | E00100 | Cash and cash equivalent at the beginning of the period              | 530,843      | 531,329      |
| A33200 | Dividend received                                                             | 350           | 24            | E00200 | Cash and cash equivalent at the end of the period                    | \$2,877,119  | \$530,843    |
| A33300 | Interest paid                                                                 | (323,762)     | (311,567)     |        |                                                                      |              |              |
| A33500 | Income tax paid                                                               | (120,058)     | (150,842)     |        |                                                                      |              |              |
| AAAA   | Net cash inflow (outflow) from operating activities                           | \$1,601,386   | (\$1,365,023) |        |                                                                      |              |              |

(Please refer to the accompanying notes to the financial report)

Chairperson: Tianye Investment Co., Ltd.

Representative: Tsai, Tien-Tsan

Manager: Tsai, Tien-Tsan

Accountant Officer: Liang, Su-Ying

King's Town Construction Co., Ltd.  
Notes to Parent Company Only Financial Statements  
2024 and 2023

(In Thousands of New Taiwan Dollars, unless otherwise specified)

I. Company History

King's Town Construction Co., Ltd (hereinafter referred to as the "Company") was incorporated in 1985. The place of registration are located at 12F., No. 150, Bo'ai 2nd Rd., Zuoying Dist., Kaohsiung City. The Company started trading on Taiwan Stock Exchange Corporation on October 18, 1994. The Company mainly engages in residential and building development, lease and sale, development of specific professional areas and zoning and rezoning agency business.

II. Approval Date and Procedures of the Financial Statements

The Parent Company Only Financial Statements were approved for publication by the Board of Directors on March 13, 2025.

III. Application of New, Revised, and Amended Standards and Interpretations

(I) Effect of the adoption of new issuance of or amendments to International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) as endorsed and issued by the Financial Supervisory Commission ("FSC") are as follows:

International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations applicable endorsed by the FSC in 2024:

| Item | New, Revised, and Amended Standards and Interpretations                       | Effective Date of Issuance by the IASB |
|------|-------------------------------------------------------------------------------|----------------------------------------|
| 1    | Amendment to IFRS 16 "Lease Liabilities in Sale and Leaseback"                | January 1, 2024                        |
| 2    | Amendment to IAS 1 - Classification of Liabilities as Current and Non-current | January 1, 2024                        |
| 3    | Amendment to IAS 1 Non-current Liabilities with Contractual Provisions        | January 1, 2024                        |

|   |                                                               |                 |
|---|---------------------------------------------------------------|-----------------|
| 4 | Amendment to IAS 7 and IFRS 7 - Supplier Finance Arrangements | January 1, 2024 |
|---|---------------------------------------------------------------|-----------------|

The Company has assessed that the aforementioned criteria and interpretations have no significant impact on its financial condition and financial performance.

- (II) The impact of the new or revised International Financial Reporting Standards (IFRS) and International Accounting Standards not yet adopted by the Financial Supervisory Commission:

| Item | New, Revised, and Amended Standards and Interpretations | Effective Date of Issuance by the IASB |
|------|---------------------------------------------------------|----------------------------------------|
| 1    | Amendment to IAS 21 - Lack of Exchangeability           | January 1, 2025                        |

The Company has assessed that the aforementioned criteria and interpretations have no significant impact on its financial condition and financial performance.

- (III) Effects of IFRSs issued by IASB but not yet endorsed by FSC:

1. The following new, amended, revised standards and interpretation of IFRSs that have been issued by IASB but not yet endorsed by the FSC:

| Item | New, Revised, and Amended Standards and Interpretations                                                                                               | Effective Date of Issuance by the IASB    |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| 1    | Amendments to International Financial Reporting Standards No. 9 and No. 7 "Amendments on the Classification and Measurement of Financial Instruments" | January 1, 2026                           |
| 2    | Amendments to IFRS 9 and IFRS 7 "Contracts for Electricity that Depend on the Laws of Nature"                                                         | January 1, 2026                           |
| 3    | Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture"                              | Currently awaiting a decision by the IASB |
| 4    | IFRS 17 Insurance Contracts                                                                                                                           | January 1, 2023                           |
| 5    | Amendment to IFRS 17 - Insurance Contracts                                                                                                            | January 1, 2023                           |
| 6    | Amendments to IFRS 17 - Initial Application of IFRS 17 and IFRS 9 - Comparative Information                                                           | January 1, 2023                           |
| 7    | IFRS 18 "Presentation and Disclosure of Financial Statements"                                                                                         | January 1, 2027                           |
| 8    | IFRS 19 "Disclosure of Subsidiaries Not Subject to Public Accountability"                                                                             | January 1, 2027                           |
| 9    | Annual Improvements to IFRS Accounting Standards – Cycle 11                                                                                           | January 1, 2026                           |



2. Except as stated below, the Company has assessed the effects of adopting the aforementioned standards and interpretations and has found no significant impact on the Company's financial position and financial performance.

- (1) Amendments to International Financial Reporting Standards No. 9 and No. 7  
“Amendments on the Classification and Measurement of Financial Instruments”

The details of this amendment are explained as follows:

- A. Clarification of financial liabilities will be excluded on the settlement date, and an explanation of the accounting treatment for financial liabilities settled through electronic payment prior to the settlement date will be provided.
- B. Clarification of how to assess the cash flow characteristics of financial assets that are linked to environmental, social, and governance (ESG) factors or other similar characteristics.
- C. Clarification of the handling of non-recourse assets and contract-linked instruments.
- D. Regarding financial assets or liabilities related to terms and contingent characteristics (including those linked to ESG), as well as equity instruments classified as measured at fair value through other comprehensive income, IFRS 7 requires additional disclosures.

- (2) IFRS 18 “Presentation and Disclosure of Financial Statements”

IFRS 18 “Presentation and Disclosure of Financial Statements” replaces IAS 1 and updates the structure of the Statement of Comprehensive Income. It also introduces new disclosures for management performance measurement and strengthens the principles of aggregation and disaggregation applied to the primary financial statements and notes. The main changes are as follows:

- A. Enhancing the Comparability of the Income Statement

In the income statement, revenues and expenses are classified into five categories: operating, investing, financing, income tax, and discontinued operations. The first three categories represent new classifications aimed at improving the structure of the income statement. Additionally, all enterprises are required to provide subtotals based on the new definitions, including operating profit and loss. By enhancing the structure of the income statement and redefining subtotals, investors can have a consistent starting point when analyzing the financial performance of companies, making it easier to conduct comparisons.

- B. Enhancing the Transparency of Management Performance Measurement  
Require enterprises to disclose explanations of enterprise-specific indicators related to the income statement (referred to as management performance measures).
- C. Summary of Useful Financial Statement Information

The decision regarding the placement of financial information in the primary financial statements or notes is to establish application guidelines. This change is expected to provide more detailed and useful information. Companies are required to provide more transparent information regarding their operating expenses to assist investors in finding and understanding the information they utilize.

Relevant impacts will be disclosed upon the completion of the assessment.

#### IV. Summary of Significant Accounting Policies

The significant accounting policies applied in the preparation of these Parent Company Only Financial Statements are set out below. Unless otherwise specified, the policies shall be applicable to all reporting periods presented.

##### (I) Compliance Statement

The Parent Company Only Financial Statements are prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

(II) Basis of Preparation

1. Except for the following significant items, these Parent Company Only Financial Statements have been prepared on the historical cost basis: Historical costs are usually determined by the fair value of consideration paid for assets acquired:
  - (1) Financial assets and liabilities at fair value through profit or loss are measured at fair value.
  - (2) Defined benefit liability derived from retirement plan assets less the present value of net defined benefit obligation.
2. The preparation of financial statements in accordance with the International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), Interpretations, and Interpretations Announcements endorsed and issued into effect by the Financial Supervisory Commission (FSC) requires the use of certain critical accounting estimates. In the process of applying the Company’s accounting policies, management is also required to exercise judgment, particularly in areas involving high levels of judgment or complexity, or areas involving significant assumptions and estimates that are material to the entity’s financial statements. Please refer to Note 5 for further details.
3. Functional currency and presentation currency

The Company takes the currency of the main economic environment in which each business operates as its functional currency. The Parent Company Only Financial Statements are presented in the New Taiwan dollar, the Company’s functional currency. All financial information presented in New Taiwan dollars has been rounded to the nearest thousand.

(III) Foreign Currency Trading

1. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
2. Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the end of the reporting period. Exchange differences arising upon re-translation on the balance sheet date are recognized in profit or loss.
3. The balances of non-monetary assets and liabilities denominated in foreign currencies are adjusted at the exchange rates prevailing at the end of the reporting period. If the balances are measured at fair value through profit or loss, the resulting exchange differences are recognized in profit or loss; if the balances are measured at fair value through other comprehensive profit or loss, the resulting exchange differences are recognized in other comprehensive income items; if the balances are not measured at fair value, they are measured at the historical exchange rates at the dates of initial transactions.
4. All other exchange gains and losses shall be presented under “Other gains and losses” in the Income Statement.

(IV) Standards for Assets and Liabilities Classified as Current and Non-current

The Company is engaged in the construction of houses for sale by contractors, and its business cycle is longer than one year. As such, assets and liabilities related to the construction business are classified as current or non-current by reference to its normal operating cycle; the operating cycle is based on a three-year period. In addition to the above paragraph:

1. Assets that meet one of the following criteria are classified as current assets:

- (1) Assets that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle.
- (2) Assets held primarily for trading purposes.
- (3) Assets that are expected to be realized within 12 months after the end of the reporting period.
- (4) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the end of the reporting period.

The Company classifies all the assets that do not meet the above-mentioned criteria as non-current.

2. Liabilities that meet one of the following criteria are classified as current liabilities:

- (1) Liabilities that are expected to be settled within the normal operating cycle.
- (2) Assets held primarily for trading purposes.
- (3) Payment is expected to be due within 12 months after the end date of the reporting period.
- (4) At the end of the reporting period, there is no right to defer the repayment of the liability for at least twelve months beyond the reporting period.

The Company classifies all liabilities that do not meet the above conditions as non-current.

(V) Cash and cash equivalents

Cash includes inventory cash and bank deposit. Cash equivalents refer to the short-term and highly liquidity investment that can be converted into quota cash at any time with little risk of value change. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(VI) Financial Instruments

Financial assets and liabilities will be recognized in the parent company only balance sheets when the Company becomes a party to the contract of the financial instrument.

When showing the original financial assets and liabilities, if their fair value was not assessed based on profit or loss, it is the fair value plus the cost of transaction, that is, of its acquisition or issuance of the financial assets or financial liabilities. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

(VII) Financial assets

Where the purchase or sale of financial assets is in line with conventional trading practices, the accounting treatment of all purchases and sales of financial assets classified in the same way by the Company shall be consistently on the trade date or the settlement date.

1. Types of measurement

Financial assets held by the Company are classified as financial assets at fair value through profit or loss, financial assets at amortized cost, and investments in equity instruments at fair value through other comprehensive income.

The Company reclassifies all affected financial assets from the first day of the next reporting period only when there is a change in the operating model for managing financial assets.

A. Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss are those not measured at amortized cost or at fair value through other comprehensive income. Upon initial recognition, the Company may irrevocably designate financial assets that meet the criteria for measurement at amortized cost or at fair value through other comprehensive income as measured at fair value

through profit or loss, to eliminate or significantly reduce an accounting mismatch.

Financial assets at fair value through profit or loss are measured at fair value; any re-measurement profit or loss (including any dividends or interests derived from such financial assets) is recognized in profit or loss. Please refer to Note XII for the determination of fair value.

B. Financial assets at amortized cost

When the Company's investments in financial assets satisfy the following two conditions simultaneously and they are not designated as at fair value through profit or loss, they are classified as financial assets at amortized cost:

- (1) Financial assets held based on the business model of collecting contract cash flow.
- (2) The terms of the contract of the financial assets generate a cash flow on a specified date that is solely for the payment of interest on the principal and the amount of principal outstanding.

Subsequent to initial recognition, financial assets at amortized cost (including cash and cash equivalents, notes receivable and trade receivable (including long-term notes and accounts receivable), other receivables (including related parties) and refundable deposits), are subsequently measured at amortized cost where the initially recognized amount plus or minus the accumulated amortization calculated by the effective rate method and is adjusted for any loss allowance. Any interest income, foreign currency exchange gains and losses and impairment losses are recognized in profit and loss. When derecognition, gain or loss is recognized in profit and loss.

Interest income is calculated at the value of effective interest rate times the gross carrying amount of financial assets.

C. Financial assets at fair value through other comprehensive income

A debt investment is measured at fair value through other comprehensive income/(loss) if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- (1) The objective of the Consolidated Company's business model is achieved both by collecting contractual cash flows and selling financial assets.
- (2) The terms of the contract of the financial assets generate a cash flow on a specified date that is solely for the payment of interest on the principal and the amount of principal outstanding.

The Company may, at initial recognition, make an irrevocable decision to designate an equity instrument that is neither held for trading to be measured at fair value through other comprehensive income. Subsequent changes in fair value are reported in other comprehensive income. The preceding selection is made on an instrument-by-instrument basis.

They are recognized initially at fair value plus directly attributable transaction costs and subsequently measured at fair value. Foreign currency translation profit and loss on investments in debt instruments, interest income and impairment losses calculated using the effective interest method, and dividend income from investment in equity instruments (except those expressly specified as recovery of parts of the investment cost) are recognized in profit or loss. Changes in the other carrying amount are recognized based on the unrealized profits and losses on financial assets measured at fair value through other comprehensive profit and loss. When performing derecognition, the cumulative profit or loss of investments in debt instruments are reclassified from equity to profit or loss; the cumulative profit or loss of investments in

equity instruments are reclassified from equity to retained earnings and not to profit or loss.

The dividend income of equity investment shall be recognized on the date when the Company is entitled to receive dividends (usually the ex-dividend date).

## 2. Impairment of financial assets

The Company recognizes at the end of each reporting period for financial assets (including cash and cash equivalents, notes receivable and accounts receivable (including long-term notes receivable and accounts receivable), other receivables (including related parties) and refundable deposits, investments in debt instruments at fair value through other comprehensive income, and expected credit losses of contract assets as the allowance for loss.

Allowances shall be appropriated for notes receivable, trade receivables, and other receivables for expected credit losses for the duration of their existence. Financial assets at amortized cost and investments in debt instruments measured at fair value through other comprehensive income/(loss) are first evaluated to determine whether there is a significant increase in credit risk since original recognition. If there is no significant increase, an allowance for loss is recognized based on the expected credit losses for the 12 months following the reporting date, and if there is a significant increase, an allowance for loss is recognized based on the expected credit losses arising from all probable defaults during existence period. In determining whether the credit risk of a financial asset has increased significantly since the initial recognition, the Company considers reasonable and verifiable information which is available without excessive cost or effort, including qualitative and quantitative information, as well as analysis based on the Company's historical experience, credit assessments and forward-looking

information.

Expected credit losses are the weighted estimates of the probability of credit losses over the expected duration of a financial instrument. The credit loss is measured by the present value of all cash shortfall, that is, the difference between the cash flows that the Company can collect under the contract and the cash flows that the Company expects to receive. Expected credit losses are discounted at the effective interest rate on the financial asset.

The 12-month expected credit losses represent the expected credit losses arising from the possible default of the financial instrument in the 12 months after the reporting date, and the expected credit losses during the lifetime represent the expected credit losses arising from all possible defaults of the financial instrument during the expected existence period.

At the end of each reporting period, the Company assesses whether there is a credit impairment on financial assets measured at amortized cost and on investments in debt instruments measured at fair value through other comprehensive income/(loss). When there is one or more events arising that will bring unfavorable influence to expected future cash flow, there is already credit impairment to the financial asset. The evidence for credit impairment of financial assets includes the observable data for the following events:

- (1) Material financial hardship for borrower or issuer;
- (2) Default, such as arrearage or delinquency for more than 365 days;
- (3) Compromise made by the Company to borrower that would not be considered before, because of economic or contract reason related to borrower's financial difficulty;
- (4) The borrower is most likely to file for bankruptcy or conduct other financial

arrangement; or

- (5) Disappearance of active market for the financial asset due to financial difficulty.

The loss allowance for all financial assets shall be reduced from the carrying amount of the asset, provided that, the loss allowance for the debt instrument investments measured at fair value through other comprehensive income shall be recognized in other comprehensive income, which does not reduce their carrying amounts.

When the Company cannot reasonably anticipate the recovery of financial assets in whole or in part, it directly reduces the total carrying amount of its financial assets.

The Company analyzes the timing and amount of the write-off on the basis of whether it is reasonably expected to be recovered. The Company expects that the amount written off will not be materially reversed. However, the written-off financial assets may still be enforced to comply with the procedures for the Company to recover the overdue amount.

### 3. Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights derived from the cash flows of the financial asset are invalid, or it has transferred a financial asset and virtually has transferred all the risks and rewards of the ownership of the asset to another enterprise, or virtually has neither transferred nor retained the ownership of all of the risks and rewards and nor retained the control of the financial asset.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received is recognized in profit or loss. On derecognition of an equity instrument measured at fair value through other comprehensive income/(loss), the cumulative gain or loss

is transferred directly to retained earnings and is not reclassified to profit or loss.

#### (VIII) Classification Tools for Financial Liabilities and Equity

##### 1. Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of contractual arrangements and the definitions of a financial liability and an equity instrument.

##### 2. Equity instruments

Equity instruments refer to any contracts containing the Company's residual interest after subtracting liabilities from assets.

Equity instruments issued by the Company are recognized based on the price obtained less direct issuance costs.

The means of reclaiming the Company's own equity instruments involves recognizing the consideration paid, including costs that can be directly attributed, as a reduction in equity. The repurchased shares are classified as treasury stock. Subsequent sales or reissuance of treasury stock will result in an increase in equity, and any remaining gains or losses from the transaction will be recognized as capital surplus. If the capital surplus is insufficient to offset the losses, they will be recognized as retained earnings. The purchase, sale, issuance, or write-off of the Company's equity instruments are not recognized in profit or loss.

##### 3. Financial liabilities

Financial liabilities are classified as amortized costs or the fair value measurement through profit or loss. Financial liabilities, if held for trading, derivatives or designated at the time of initial recognition, are classified as the fair value measurement through profit or loss. Financial liabilities at fair value through profit or loss are measured at fair value, and the related net gains and losses, including any interest expense, are recognized in profit or loss.

Financial liabilities measured at amortized cost include account payables and borrowings, which, after initial recognition, are subsequently measured using the effective interest method. Interest income and foreign currency profit or loss are recognized as profit or loss. Any profit or loss at the time of derecognize is also recognized in profit and loss.

4. Derecognition of financial liabilities

The Company derecognizes financial liabilities when the contractual obligations have been fulfilled, canceled or matured. When the terms of financial liabilities are modified and there is a significant difference in the cash flow of the revised liabilities, the original financial liabilities will be derecognized and new financial liabilities will be recognized at fair value based on the revised terms.

When financial liabilities are derecognized, the difference between their carrying amount and the paid consideration (including any transferred non-cash assets or liabilities assumed) shall be recognized in profit or loss.

5. Offsetting of financial assets and liabilities

The Company presents financial assets and liabilities on a net basis when the Company has the legally enforceable right to offset and intends to settle such financial assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

(IX) Inventories

Inventories consist of land and construction in progress, properties held for sale, construction sites and prepaid land. Prepaid land is transferred to construction sites upon transfer of ownership, and construction sites are transferred to land and buildings under construction upon active development. Upon completion of the construction, the sold portion is transferred to operating costs and the unsold portion is transferred to land held

for sale, using the construction area ratio, when revenue is recognized from the sale of the premises.

Inventories are measured at the lower of cost or net realizable value and are compared on a line-by-line basis to determine the lower of cost or net realizable value. The cost includes all necessary expenditures and capitalized borrowing costs to get an asset in place and in conditions ready for use.

The net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

The measurement of net realizable value is as follows:

- (1) Construction sites: The net realizable value is estimated by real estate appraisers, where for non-road use land, the published land current value appreciation ratio by land administration authorities is adopted as the objective basis for land price adjustment and the criterion for present value assessment. For land designated for road use, the overall value is assessed using the comparative method of valuation.
- (2) Construction-in-progress: The net realizable value is calculated on the basis of the expected selling price (based on the current market conditions) less cost of construction completion and selling costs.
- (3) Buildings and land held for sale: The NRV is the estimated selling price (based on the current market conditions) minus the estimated costs and selling expenses incurred during the sale of the property.

(X) Investments accounted for using the equity method

The Company has adopted the equity method for investments in subsidiaries. Subsidiaries refer to entities controlled by the Company.

The Company's investments in subsidiaries is expressed as "investment using the equity method" and evaluated and adjusted as necessary in accordance with Article 21 of the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", so that the current profit and loss and other comprehensive profit and loss of the Parent Company Only Financial Reports are the same as the apportionment of the current profit

and loss and other comprehensive income attributable to the owners of the parent company in the financial reports prepared on a consolidated basis, and the owner's equity of the Parent Company Only Financial Reports is the same as the owner's equity attributable to the owners of the parent company in the financial reports prepared on the consolidated basis.

Under the equity method, the investment is initially recognized at cost. The carrying amount of investment is adjusted thereafter for the post-acquisition changes in the Company's share of profit or loss and other comprehensive income and profit distribution of the subsidiaries. In addition, the Company also recognizes changes in other interests in subsidiaries in proportion to the Company's ownership.

When a change in the Company's ownership interests in a subsidiary does not cause it to lose control of the subsidiary, it shall be accounted for as an equity transaction. The difference between the carrying amount of the investments and the fair value of the consideration paid or received is recognized directly in equity.

When the Company loses control over a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date of loss of control, and takes it as the initially recognized fair value of the financial asset or the initially recognized cost of the investments in associates or joint ventures. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. The Company accounted for all amounts recognized in other comprehensive income in relation to the subsidiary on the same basis as would be required if the Company had directly disposed of the related assets and liabilities.

When the Company's share of losses of a subsidiary exceeds its equity in said subsidiary (which includes any carrying amount of the investment accounted for by the equity method and long-term equity that, in substance, forms part of the Company's net

investment in said subsidiary), the Company continues recognizing its share of further losses.

The unrealized profit or loss in downstream transactions between the Company and the subsidiary shall be eliminated in the Parent Company Only Financial Statements. The gains and losses arising from the countercurrent and side current transactions between the Company and its subsidiaries shall be recognized in the Parent Company Only Financial Statements only to the extent not related to the Company's equity in the subsidiaries.

(XI) Property, plant, and equipment

1. Recognition and measurement

Property, plant and equipment are recognized and measured at cost, less accumulated depreciation and accumulated impairment. Cost includes expenditure that is directly attributed to the acquisition of the asset. The cost of self-constructed assets includes raw materials and direct labor, any other directly attributable costs to bring the asset to a serviceable condition for its intended use, the cost of dismantling and removing the item and restoring the site, and the cost of borrowings to capitalize the eligible assets.

When property, plant and equipment contain different components, and it is more appropriate to adopt different depreciation rate or method when it is significant when compared with the total cost, they are deemed as independent items (main components) for treatment.

The gain or loss arising from the derecognition of an item of property, plant and equipment shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, and it shall be recognized as profit or loss.

## 2. Subsequent costs

Subsequent expenditure for property, plant and equipment is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. The carrying amount of those parts that are replaced is derecognized. Ongoing repairs and maintenance for property, plant and equipment are expensed as incurred.

## 3. Depreciation

The depreciation is calculated in straight-line method by capital cost less scrap value based on service years, and evaluated according to individual material components. If the service years of one component are different from other parts, this part will be separately recognized as depreciation. The depreciation charge for each period shall be recognized in profit or loss.

The useful lives of the Company's major assets are as follows

|                          |              |
|--------------------------|--------------|
| Transportation Equipment | 3 to 5 years |
| Other Equipment          | 3 to 6 years |

Depreciation methods, useful lives, and residual values are audited at each reporting date. If expectations differ from the previous estimates, the change is accounted for as a change in accounting estimate.

## (XII) Lease

### 1. Identifying a lease

The Company assesses whether the contract is (or includes) a lease on the date of its establishment. If a contract is signed to have the control over the use of identified assets transferred for a period of time in exchange for a consideration, it is (or includes) a lease. In order to assess whether a contract is signed to have the control over the use of identified assets transferred for a period of time, the Company assesses whether there are the following two factors throughout the period of use:

- (1) rights to nearly all economic benefits of the identified asset have been received;  
and
- (2) the control over the right to use the identified asset.

For contracts that are (or include) leases, the Company will treat each lease component in the contract individually, and to separately treat them from the non-lease components in the contracts. Where a contract includes a lease component and one or more additional lease or non-lease components, the company allocates the consideration in the contract to the lease component on the basis of the relative separate price of each lease component and the aggregate separate price of non-lease components. The comparison single unit price of the lease and non-lease components will be decided upon the prices separately received by the lessor (or supplier) for such components. If observable single unit prices are not readily available, the Company will maximize the use of observable information to estimate their respective single unit prices.

2. Where the Company is a lessee:

Except that the lease payments of the low value subject-matter assets and short-term leases applicable to recognition exemption are recognized as expenses on a straight-line basis during the lease period, other leases are recognized as right-of-use assets and lease liabilities on the lease commencement date.

The right-of-use asset is initially measured at cost, which includes the initial measured amount of the lease liability, adjusts any lease benefits paid on or before the inception of the lease, and adds the initial direct cost incurred and the estimated cost of dismantling, removing the underlying asset and restoring its location or underlying asset, and deducting any leasing incentives received.

Right-of-use assets are subsequently depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the Company regularly assesses whether the right-of-use asset is impaired and treats any impairment loss that has occurred, as well as cooperating to adjust the right-of-use asset when the lease liability is remeasured.

Lease liabilities are measured at the present value of the lease payments outstanding at the inception date of the lease. If the implicit interest rate of lease is easy to determine, the interest rate is used to discount the lease payment. If the interest rate is not easy to determine, the Company's incremental borrowing rate shall be used.

The lease payments comprise as follows:

- (1) fixed payments, including in-substance fixed lease payments;
- (2) variable lease payments dependent upon certain indicators or rates are measured by the indicators or rates used at the inception of the lease;
- (3) amounts expected to be payable by the lessee under residual value guarantees;
- (4) an option to purchase the underlying asset if it is reasonably certain to be exercised, and penalty payments for terminating the lease.

The lease liability subsequently accrues interest with the effective interest method, and its amount is measured when the following occurs:

- (1) changes in future lease payments resulting from changes in an index or a rate used to determine those payments;
- (2) changes in the amounts expected to be payable under a residual value guarantee;
- (3) changes in the assessment of the purchase option;
- (4) change in the assessment of the lease term resulting from extension or termination of the exercise of the purchase option; or

(5) lease modifications of the underlying asset, scope, and other terms and conditions.

When the lease liability is remeasured due to the aforementioned changes in the index or rate used to determine lease payments, changes in the residual value guarantee amount, and changes in the evaluation of purchase, extension or termination options, the carrying amount of the right-of-use asset shall be adjusted accordingly, and when the carrying amount of the right-of-use asset is reduced to zero, the remaining remeasured amount is recognized in profit or loss.

The changes in (iv) and (v) decreases the scope of a lease. When a lease modification decreases the scope of a lease, the carrying value of the right-of-use asset is decreased to reflect partial or full termination of the lease liability, and any gain or loss resulting from the aforementioned derecognition is immediately recognized in profit or loss.

The Company records right-of-use assets and lease liabilities defined as not investment properties in a single line item in the balance sheets.

For the short-term lease of transportation equipment and the lease of low-value underlying assets, the Company chooses not to recognize the right-of-use assets and lease liabilities, but recognizes the relevant lease payments as expenses on a straight line basis during the lease term instead.

3. Where the Company is a lessor:

A lease is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of the subject asset to the lessee; otherwise, it is classified as an operating lease.

If the Company is a sublessor, it will handle the main lease and sub-lease transactions separately, and use the right-of-use assets generated by the main lease

to evaluate the classification of the sub-lease transactions. If the main lease is a short-term lease and the recognition exemption applies, the sublease transaction should be classified as an operating lease.

Under finance leases, lease payments include fixed payment, substantially fixed payment and variable lease payment depending on index or rate. Net investment in leases is measured at the present value of lease receivables plus original direct costs and expressed as finance lease receivables. Financing income is allocated to each accounting period to reflect the fixed rate of return on the unexpired net lease investment of the Company in each period.

Under operating leases, lease payments after deducting lease incentives are recognized as revenue on a straight-line basis over the relevant lease term. 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.

#### (XIII) Investment properties

Investment property is real estate held for rent or for capital appreciation or both (including real estate under construction for such purposes). Investment property also includes land that has not yet been determined for future use, and is considered to be held for capital appreciation.

Investment property is initially measured at costs (including transaction costs) and is subsequently measured at costs less accumulated depreciation and accumulated impairment losses.

The Company provides depreciation on a straight-line basis, which is the balance of the asset cost less the residual value over the estimated useful life of the investment real estate. The useful life of investment property buildings and construction is 7 to 45 years. The cost of self-constructed investment property includes the cost of raw materials and

construction, any other costs directly attributable to bringing the investment property to a serviceable condition, and the capitalized cost of borrowings.

Investment property is derecognized when it is disposed of or permanently ceased to be used and no future economic benefits are expected from the disposal. The amount of gain or loss arising from the derecognition of investment property is the difference between the net disposal price and the carrying amount of the asset and is recognized in profit or loss for the period.

When the use of investment property is changed, the reclassification is based on the carrying amount of the property at the time of the change of use.

#### (XIV) Intangible assets

The intangible assets acquired by the Company with limited useful life are measured at cost less accumulated amortization and accumulated impairment.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenses are recognized as profit or loss upon occurrence.

Intangible assets are amortized on a straight-line basis according to the following estimated benefit years from the time they reach a serviceable condition:

|                   |                                  |
|-------------------|----------------------------------|
| Land use rights   | : 50 years (subject to contract) |
| Computer software | : 5 years                        |

The residual value, amortization period, and amortization method for an intangible asset with a finite useful life shall be audited at least annually at each fiscal year-end. Any change shall be accounted for as a change in accounting estimate.

#### (XV) Impairment of Non-financial Assets

The Company assesses at the end of each reporting period whether there is any indication that the carrying amount of non-financial assets (other than inventories and deferred income tax assets) may be impaired. If any such indication exists, the

recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

The purpose of the impairment test, a group of assets whose cash inflow is mostly independent of other individual assets or asset groups, is regarded as the smallest identifiable asset group.

The recoverable amount is the higher of the fair value of an individual asset or cash-generating unit, less costs to dispose, and its value in use. When evaluating the value in use, the estimated future cash flow is converted to the present value at a pre-tax discount rate, which should reflect the current market assessment of the time value of money and the specific risks for the asset or cash-generating unit.

If the recoverable amount of individual asset or the cash-generating unit is lower than its carrying amount, the carrying amount of the asset or the cash-generating unit shall be reduced to the recoverable amount and the impairment loss shall be recognized immediately in loss for the year.

If an impairment loss is reversed subsequently, the carrying amount of the individual asset or cash generating unit is raised to its recoverable amount, provided that the increased carrying amount shall not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior years. The reversed impairment loss is recognized immediately in profit or loss for the year.

#### (XVI) Trade and Notes Payables

Trade and notes payables are obligations to be paid for raw materials, goods or services obtained from suppliers in the normal course of business. They are measured at fair value on initial recognition and subsequently measured at amortized cost using the effective interest method, except for short-term accounts payable and notes that are unpaid interest, which are subsequently measured at the original invoice amount because the effect of discounting is immaterial.

## (XVII) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, and it is probable that the Company will be required to settle the obligation and the amount of the obligation can be reliably estimated.

Provisions are measured at the best estimate including risks and uncertainties of the expenditure required to settle the obligation on the last day of the reporting period. If provisions are measured at the estimated cash flows to settle the present obligation, the carrying amount of such provisions is equivalent to the present value of such cash flows.

The provision for warranty is estimated based on the contractual agreements and management's best estimate (based on historical warranty experience) of future economic outflows resulting from the project maintenance and warranty obligations.

## (XVIII) Revenue and cost recognition

### 1. Sales of premises

The Company is principally engaged in the construction and sales of property, and the recognition of revenue is based on the transferring of property ownership. For the contracted sales of residential units, due to contract restrictions, the Company usually does not apply the piece of real estate to other purposes. However, the Company gains an enforceable right to payments for completed performance obligations when the legal ownership of the property is transferred to the customer, and the property has been physically delivered. Therefore, the Company recognizes revenue at the point in time when the legal ownership of the property is transferred to the customer and the property has been physically delivered. However, revenue is also recognized if only one of these conditions is met within the reporting period, despite that the other occurs in the subsequent period.

Revenue is measured based on the transaction price of the contractual agreements. When sales happen after construction is completed, in most cases, consideration is made upon transfer of legal ownership; however, in some cases, payment of accounts may be deferred under contractual agreements, and if a material financial component is included, the transaction price is adjusted to reflect the impact of the material financial component. When sales happen before construction is completed, consideration is payable in installments during the period from signing a contract to transfer of legal ownership of the real property. If a significant financing component is included in the contract, the installments are discounted at the interest rate of the construction loan to reflect the effect of time value of money. Prepayments are recognized as a contract liability, and discounts reflecting the effect of time value of money are recognized as interest expenses and contract liabilities. The accumulated contract liabilities are reclassified as revenue upon the transfer of legal ownership.

## 2. Financial composition

The Company's sales contract of pre-sale homes contains provisions for advance payment from customers, and the time between advance receipt and commodity ownership transfer is longer than one year. According to IFRS 15, if the Company judges that there are significant financing components in an individual pre-sale home contract, it shall adjust the amount of the commitment consideration and recognize the interest cost. In addition, IFRS 15 states that companies should determine the significance of the financing component only at the contract level, rather than the financial level at the portfolio level.

### 3. Rental revenue

Rental income generated from leasing is recognized as operating revenue on a straight-line basis over the lease term, and directly attributable depreciation expenses and related costs are recognized in conjunction with the revenue as operating costs.

### 4. Incremental costs of obtaining contracts

If the Company expects to recover the incremental cost for acquiring the customer contract, the cost will be recognized as asset. The incremental cost of acquiring contract is cost that will arise in acquiring customer contract and will not arise otherwise. The contract acquisition cost no matter the contract will happen or not is recognized as expense, unless the cost is explicitly collectable from customer no matter the contract is acquired or not.

If the increment cost of acquiring contract is recognized by asset and the asset amortization period is within one year by Company using practical expediency method, the incremental cost will be recognized as expense upon occurrence.

## (XIX) Borrowing costs

- (1) Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are included as part of the cost of the asset until substantially all of the activities necessary to bring the asset to its intended state of use have been completed.

Special loans, such as investment income from temporary investments prior to capitalization, are deducted from the cost of loans eligible for capitalization.

Except for the above, other borrowing costs are recognized in profit and loss in the year they are incurred.

- (2) Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. When there is no evidence of the possibility that some or all the facility will be drawn down, the fee is recognized as a prepayment and amortized over the period of the facility to which it relates.

(XX) Employee Benefit

1. Defined contribution plans

Obligations for contributions to defined contribution pension plan are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

2. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of a defined benefit pension plan is calculated separately for each plan by estimating the amount discounted to present value of the future benefit that employees have earned in return for their service in the current and prior periods. The fair value of any plan assets are deducted. The calculation is performed annually by a qualified actuary using the projected unit credit method. The discount rate is the yield on the reporting date on corporate bonds or government bonds that have maturity dates approximating the terms of the Consolidated Company's obligations and are denominated in the same currency in which the benefits are expected to be paid.

The costs of defined benefits under the defined benefit pension plan include service cost, net interest, and the remeasurement amount. The cost of services (including the cost of services of the current period) and the net interest of the net defined

benefit liabilities (assets) are recognized as employee benefit expenses. Remeasurement (comprising actuarial gains and losses, and return on plan assets net of interests) is recognized in other comprehensive income and included in retained earnings, and is not recycled to profit or loss in subsequent periods, costs related to prior service costs are recognized immediately in profit or loss.

Net defined benefit liabilities (assets) are the deficit of the contribution made according to the defined benefit pension plan. A net defined benefit asset shall not exceed the present value of the contributions to be refunded from the plan, or the reductions in future contributions.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in profit or loss.

### 3. Employees' compensation and remuneration of directors

Employees compensation and remuneration to directors shall be recognized as expenses and liabilities where there are legal or constructive obligations and the amounts can be reasonably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. In addition, if employees compensation is issued in stock, the number of shares shall be calculated based on the closing price of the day prior to the resolution of the Board of Directors.

### 4. Short-term employee benefits

Short-term employee benefits obligations are recognized as expenses at the time services are rendered. If the Company has a current legal or presumed payment

obligation due to services provided by employees in the past, and such obligation can be reliably estimated, the amount shall be recognized as a liability.

(XXI) Income Tax

Income tax expenses include the tax in the current year and deferred income tax. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes shall be recognized in profit or loss.

Current taxes include tax payables and tax deduction receivables on taxable income (deficits) for the year calculated using the statutory tax rate on the reporting date or the actual legislative tax rate, as well as adjustments of income tax payable or tax refund receivable for prior years. The additional business income tax levied on the undistributed earnings is recognized as income tax expense on the date when the distribution of earnings is resolved in the Shareholders' Meeting.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. The temporary difference for the following conditions will not be recognized as deferred income tax:

1. Assets or liabilities recognized at the initial recognition of transactions that are not classified as business combinations do not affect accounting profits and taxable income (loss) at the time of the transaction, nor do they result in equivalent taxable and deductible temporary differences.
2. Temporary differences arising from equity investments in subsidiaries, affiliates or joint ventures, the time for reverse of which may be controlled by the Company and where there is a high probability that such temporary differences will not be reversed.

### 3. Initial recognition of goodwill.

Deferred income tax is measured at the tax rate at the time of reversal of expected temporary differences based on the statutory or substantive legislative tax rate at the reporting date.

Deferred tax assets and liabilities may be offset against each other if the following criteria are met:

1. The entity has the legal right to settle tax assets and liabilities on a net basis;
2. The taxing of deferred tax assets and liabilities fulfils one of the scenarios below;
  - (1) Levied by the same taxing authority;
  - (2) Levied by different taxing authorities, but where each such authority intends to settle tax assets and liabilities (where such amounts are significant) on a net basis every year of the period of expected asset realization or debt liquidation, or where the timing of asset realization and debt liquidation is matched.

Unused tax losses, unused income tax credits transferred in later period and deductible temporary differences are recognized as deferred income tax assets to the extent that future tax income is likely to be available, and are reassessed at each reporting date and reduced to the extent that the relevant income tax benefit is not likely to be realized, or reversed on the amount originally reduced to the extent that there is likely to be sufficient taxable income.

### (XXII) Segment information

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses.

### (XXIII) Earnings per share

The Company presents the basic and diluted earnings per share of shareholders of common stock equity. The basic earnings per share are calculated based on the profit

attributable to the ordinary shareholder of the Company divided by the weighted average number of ordinary shares outstanding. The diluted earnings per share is calculated based on the profit attributable to ordinary shareholders of the Company, divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares. If the employees' compensation is paid in the form of stock, it is classified as potential ordinary shares. If the potential ordinary shares are dilutive, diluted earnings per share is disclosed in addition to simple earnings per share. Diluted earnings per share assumes that all dilutive potential ordinary shares are outstanding during the period, so the current net income and the number of outstanding ordinary shares are adjusted for the effect of dilutive potential ordinary shares.

(XXIV) Dividend distribution

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities. Stock dividends are recorded as stock dividends to be distributed and reclassified to ordinary shares on the base date of new share issuance.

V. Main Source of Significant Accounting Judgment, Estimation, and Assumption Uncertainties

The preparation of these Parent Company Only Financial Statements requires management to make critical judgments for applying the Company's accounting policies with critical assumptions and estimates concerning future events. If there is any difference between any significant accounting estimates and assumption made and actual results, the historical experience and other factors will be taken into account in order to continue assessment and adjustment. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Please see below for the description of significant accounting judgments, estimation and assumption uncertainties.

(I) Measurement of fair value for investment properties

When assessing the fair value of investment properties, the Company adopts the income approach, which involves calculating the rental income based on the existing lease contracts and the duration of use. The amount is then discounted using the Company's incremental borrowing rate as the valuation basis. Any changes in market or economic conditions that result in changes in rental income or interest rates may lead to future fluctuations.

(II) Inventory evaluation

As inventories are measured at the lower of cost and net realizable value, the Company shall determine the net realizable value of inventories at the end of the reporting period using judgments and estimates.

The Company evaluates the amounts of normal inventory consumption, obsolete inventories or if market selling prices are lower than costs at the end of the reporting period, and writes down the cost of inventories to the net realizable value. This inventory valuation is primarily based on the nature of inventory, the actual selling prices of neighboring regions inquired, the selling prices of units sold, the return on investment analysis form or the valuation report provided by an external real property appraiser, and is therefore subject to significant changes.

(III) Provisions

Provisions are provisions for post-sale warranty liabilities, which are the present value of the Company's management's best estimate of future economic outflows resulting from warranty obligations. The estimates are based on contractual agreements and management's historical warranty experience, and are subject to adjustment due to construction materials, construction methods or other events that affect product quality. These estimates are primarily based on economic outflows over the future warranty period and are subject to change.

## VI. Descriptions of Material Accounting Items

### (I) Cash and cash equivalents

| Item                        | December 31, 2024  | December 31, 2023 |
|-----------------------------|--------------------|-------------------|
| Cash on hand and petty cash | \$70               | \$70              |
| Demand deposits             | 1,876,642          | 530,672           |
| Checking deposits           | 407                | 101               |
| Time deposits               | 1,000,000          | 0                 |
| Total                       | <u>\$2,877,119</u> | <u>\$530,843</u>  |

1. The Company has established relationships with financial institutions that have a good credit, and the Company collaborates with multiple financial institutions to diversify credit risk, anticipating that the likelihood of default is very low.
2. Bank time deposits with original maturities of less than three months, if intended to meet short-term cash commitments rather than for investment or other purposes, may be converted into fixed cash at any time, with minimal risk of value fluctuation, and should be reported as cash and cash equivalents.
3. The Company's pre-sale housing project trust funds and other portions with restrictions on use are classified under "Other financial assets – current." Please refer to Note VI(VIII) and Note VIII for details.
4. For the disclosed information on the interest rate risk and sensitivity analysis of the financial assets and liabilities of the Company, please refer to Note XII.

### (II) Financial assets at fair value through profit or loss

| Item                                       | December 31, 2024 | December 31, 2023 |
|--------------------------------------------|-------------------|-------------------|
| Current                                    |                   |                   |
| Non-derivative financial assets:           |                   |                   |
| Domestic listed stocks                     | <u>\$0</u>        | <u>\$0</u>        |
| Non-current                                |                   |                   |
| Domestic unlisted stocks (venture capital) | <u>\$82</u>       | <u>\$82</u>       |

1. The Company invests in domestic unlisted stocks, designating such investments as financial assets measured at fair value through profit or loss. The Company is currently in the liquidation process.
2. The Company reported net gains from financial assets measured at fair value through profit or loss for 2024 and 2023, totaling NT\$1,107 thousand and NT\$0 thousand, respectively.
3. The Company recognized dividend income from financial assets measured at fair value through profit or loss in the amounts of NT\$350 thousand and NT\$24 thousand for 2024 and 2023, respectively.
4. The Company has disclosed the market risk information related to financial instruments in Note XII.
5. None of the financial assets of the Company has been pledged as collateral.

(III) Receivables

| Item                       | December 31, 2024 | December 31, 2023 |
|----------------------------|-------------------|-------------------|
| Notes receivable           |                   |                   |
| Less than 1 year           | \$20,200          | \$16,676          |
| Over 1 year                | 0                 | 20,000            |
| Total                      | <u>\$20,200</u>   | <u>\$36,676</u>   |
| Trade receivables          |                   |                   |
| Less than 1 year           | \$2,015           | \$2,500           |
| Less: Allowance for losses | (49)              | 0                 |
| Total                      | <u>\$1,966</u>    | <u>\$2,500</u>    |

1. Long-term notes receivable of the Company that are due in more than one year are classified under non-current assets as long-term notes receivable and other receivables.
2. The Company's long-term notes receivable of more than one year represent advance payments from customers for decoration work. The period of one to three

years is due to the time required for design and construction for the purchase of the rough housing units, and revenue is recognized upon completion and acceptance of the decoration.

3. The Company applies the simplified approach on the estimation of expected credit losses for all notes receivable (including long-term notes receivable) and trade receivables, that is, a loss allowance is recognized based on the lifetime of expected credit losses. To measure the expected credit losses, notes and accounts receivables were grouped based on shared characteristics of credit risk on remaining payments before due date, and forward-looking information was incorporated as well. The expected credit loss of notes receivable (including long-term notes receivable) and trade receivables of the Company is as follows:

|                        | December 31, 2024                                                                                            |                                                   |                                                              |
|------------------------|--------------------------------------------------------------------------------------------------------------|---------------------------------------------------|--------------------------------------------------------------|
|                        | Carrying amount of<br>notes receivable<br>(including long-term<br>notes receivable) and<br>trade receivables | Weighted average<br>expected credit loss<br>ratio | Allowance for expected<br>credit losses during the<br>period |
| Not overdue            | \$22,166                                                                                                     | 0%                                                | \$0                                                          |
| Over 365 days          | 49                                                                                                           | 100%                                              | 49                                                           |
| Total                  | <u>\$22,215</u>                                                                                              |                                                   | <u>\$49</u>                                                  |
|                        | December 31, 2023                                                                                            |                                                   |                                                              |
|                        | Carrying amount of<br>notes receivable<br>(including long-term<br>notes receivable) and<br>trade receivables | Weighted average<br>expected credit loss<br>ratio | Allowance for expected<br>credit losses during the<br>period |
| Not overdue            | \$39,098                                                                                                     | 0%                                                | \$0                                                          |
| Less than 90 days      | 35                                                                                                           | 0%                                                | 0                                                            |
| Overdue 91 to 150 days | 43                                                                                                           | 0%                                                | 0                                                            |
| Total                  | <u>\$39,176</u>                                                                                              |                                                   | <u>\$0</u>                                                   |

The changes in the allowance for losses on notes and trade receivables of the Company were as follows

|                                | December 31, 2024 | December 31, 2023 |
|--------------------------------|-------------------|-------------------|
| Beginning balance              | \$0               | \$22              |
| Increase in the current period | 49                | 0                 |
| Decrease in the current period | 0                 | (22)              |
| Ending balance                 | <u>\$49</u>       | <u>\$0</u>        |

4. The decrease in the last period is due to the collection of overdue accounts receivable
5. The majority of the credit period of the Company's receivables is the date of transfer of ownership of the premises to the bank, or the date of credit card payment for the premises to the bank. Prepayments for decorations involve customers issuing long-term notes receivable that are contingent on design and construction; revenue is recognized only after the decoration is completed and inspected. The Company is in the construction industry and has a large and unrelated customer base, so the concentration of credit risk is limited. Please refer to Note XII for related credit risk information.
6. The Company's notes receivable (including long-term notes receivable) and accounts receivable were not provided as collaterals.

(IV) Other receivables

| Item                                | December 31, 2024 | December 31, 2023 |
|-------------------------------------|-------------------|-------------------|
| Other receivables                   | \$8,140           | \$7,964           |
| Other receivables - related parties | 111               | 141               |
| Total                               | <u>\$8,251</u>    | <u>\$8,105</u>    |

1. Other receivables - Related parties refer to the sales expenses that should be allocated by the receivable landowners and the payments made on behalf of related enterprises.
2. The Company's other receivables were assessed not to be impaired and were not past due.

(V) Inventories

| Item                                      | December 31, 2024   | December 31, 2023   |
|-------------------------------------------|---------------------|---------------------|
| Buildings held for sale                   | \$5,122,885         | \$5,042,191         |
| Land held for sale                        | 1,656,395           | 1,837,571           |
| Land under construction                   | 1,819,482           | 2,821,180           |
| Construction in progress                  | 1,536,170           | 2,401,690           |
| Land held for construction                | 26,038,037          | 21,900,303          |
| Prepayment for land                       | 290,210             | 786,044             |
| Less: llowance for reduction to valuation | (167)               | (167)               |
| Total                                     | <u>\$36,463,012</u> | <u>\$34,788,812</u> |

| Item                                      | December 31, 2024  | December 31, 2023  |
|-------------------------------------------|--------------------|--------------------|
| 1. Buildings held for sale                |                    |                    |
| King's Town                               | \$1,699,066        | \$1,754,647        |
| King's Town Hyatt                         | 587,096            | 614,839            |
| Hua Shang                                 | 114,478            | 114,478            |
| Yiwen Court                               | 39,335             | 59,364             |
| Ju Dan                                    | 79,592             | 105,137            |
| Tian Feng                                 | 131,270            | 145,518            |
| Shi Shang King's Town                     | 0                  | 13,569             |
| Mei Shu Huang Ju                          | 661,251            | 1,187,493          |
| King's Town Garden                        | 5,424              | 119,870            |
| World of Heart                            | 1,257,581          | 0                  |
| Yue He Di                                 | 28,824             | 42,965             |
| Fu +                                      | 518,801            | 884,144            |
| Other projects                            | <u>167</u>         | <u>167</u>         |
| Total                                     | \$5,122,885        | \$5,042,191        |
| Less: llowance for reduction to valuation | (167)              | (167)              |
| Net                                       | <u>\$5,122,718</u> | <u>\$5,042,024</u> |

| Item                  | December 31, 2024  | December 31, 2023  |
|-----------------------|--------------------|--------------------|
| 2. Land held for sale |                    |                    |
| King's Town           | \$171,425          | \$178,947          |
| King's Town Hyatt     | 43,219             | 44,555             |
| Yiwen Court           | 21,266             | 32,094             |
| Ju Dan                | 46,442             | 62,663             |
| Tian Feng             | 56,109             | 62,443             |
| Shi Shang King's Town | 0                  | 8,946              |
| Mei Shu Huang Ju      | 451,069            | 783,810            |
| King's Town Garden    | 2,967              | 54,048             |
| World of Heart        | 510,537            | 0                  |
| Yue He Di             | 28,078             | 41,853             |
| Fu +                  | 325,283            | 568,212            |
| Total                 | <u>\$1,656,395</u> | <u>\$1,837,571</u> |

| Item                                                    | December 31, 2024       |                          |                    |
|---------------------------------------------------------|-------------------------|--------------------------|--------------------|
| 3. Land under construction and construction in progress | Land under construction | Construction in progress | Total              |
| Kaohsiung Fuhe Section No. 698-1                        | \$358,073               | \$370,714                | \$728,787          |
| Kaohsiung Longzhong Section No. 191                     | 370,653                 | 439,969                  | 810,622            |
| Kaohsiung Bohsiao Section No.1140 (Jing Wu Tong)        | 655,287                 | 449,868                  | 1,105,155          |
| Tainan Yuguang Section No. 880, 4 in total              | 435,469                 | 275,619                  | 711,088            |
| Total                                                   | <u>\$1,819,482</u>      | <u>\$1,536,170</u>       | <u>\$3,355,652</u> |

| Item                                                       | December 31, 2023          |                             |                    |
|------------------------------------------------------------|----------------------------|-----------------------------|--------------------|
| Land under construction<br>and construction in<br>progress | Land under<br>construction | Construction in<br>progress | Total              |
| Kaohsiung Fuhe Section<br>No. 698-1                        | \$358,073                  | \$136,210                   | \$494,283          |
| Kaohsiung Longzhong<br>Section No. 191                     | 370,653                    | 186,598                     | 557,251            |
| Kaohsiung Ai Qun No.<br>2748 (World of Heart)              | 1,001,698                  | 1,775,817                   | 2,777,515          |
| Kaohsiung Bohsiao<br>Section No.1140 (Jing<br>Wu Tong)     | 655,287                    | 245,852                     | 901,139            |
| Tainan Yuguang Section<br>No. 880, 4 in total              | 435,469                    | 57,213                      | 492,682            |
| Total                                                      | <u>\$2,821,180</u>         | <u>\$2,401,690</u>          | <u>\$5,222,870</u> |

| Item                                                      | December 31, 2024 | December 31, 2023 |
|-----------------------------------------------------------|-------------------|-------------------|
| 4. Land held for construction                             |                   |                   |
| Kaohsiung Chenggong Section No.<br>60-1, 62-64 and others | \$0               | \$864,273         |
| Kaohsiung Longzhong Section No.<br>129-3, 129-4           | 1,610,110         | 1,610,110         |
| Kaohsiung Longzhong Section No.<br>128-4, etc, 3 in total | 716,926           | 716,926           |
| Kaohsiung Qinghai No. 229                                 | 4,278,594         | 4,278,594         |
| Kaohsiung Qinghai No. 126                                 | 1,726,876         | 685,719           |
| Kaohsiung Qinghai No. 127                                 | 0                 | 662,012           |
| Kaohsiung Qinghai No. 128                                 | 0                 | 379,145           |

| Item                                                 | December 31, 2024 | December 31, 2023 |
|------------------------------------------------------|-------------------|-------------------|
| Kaohsiung Longzhong Section No. 128-3                | 52,266            | 52,266            |
| Kaohsiung Lantian Middle Section No. 30-2            | 757,742           | 757,742           |
| Kaohsiung Xingnan Section No. 11                     | 259,585           | 259,585           |
| Kaohsiung Longzhong Section No. 22                   | 1,998,033         | 1,998,033         |
| Kaohsiung Xinmin No. 160                             | 792,708           | 792,708           |
| Kaohsiung Xinmin No. 159                             | 828,072           | 828,072           |
| Kaohsiung Qiaotou Shixing Section No. 924            | 119,233           | 14,055            |
| Kaohsiung Shixing Section 925, 2 in total            | 248,631           | 112,196           |
| Kaohsiung Shixing Section 927, 3 in total            | 0                 | 84,625            |
| Kaohsiung Shixing Section 928, 3 in total            | 0                 | 107,554           |
| Kaohsiung Qiaotou Shixing Section No. 967            | 0                 | 6,640             |
| Kaohsiung Qiaotou Shixing Section No. 968            | 0                 | 42,794            |
| Kaohsiung Longdong Section No. 1                     | 513,991           | 513,991           |
| Tainan Kanjiao North Section No. 820                 | 3,398,965         | 3,398,920         |
| Kaohsiung Xindu Section No. 49                       | 46,653            | 46,653            |
| Kaohsiung Xinzhuang 12 Sub-section No. 1167 and 1175 | 618,913           | 617,961           |
| Kaohsiung Shinkang Section No.25 and 29              | 188,458           | 188,458           |
| Kaohsiung Shinkang Section No. 25-1 and 29-1         | 188,548           | 188,548           |

| Item                                             | December 31, 2024   | December 31, 2023   |
|--------------------------------------------------|---------------------|---------------------|
| Kaohsiung Shinkang Section No. 26                | 34,123              | 34,123              |
| Kaohsiung Shinkang Section No. 30                | 59,256              | 59,256              |
| Kaohsiung Shinkang Section No. 31                | \$12,058            | \$12,058            |
| Kaohsiung Qinghai Section No. 565<br>and others  | 252,835             | 0                   |
| Kaohsiung Shinkang Section No. 32                | 25,233              | 0                   |
| Kaohsiung Hsinsheng Section No. 27<br>and others | 1,346,922           | 0                   |
| Kaohsiung Dapi Section No. 20.21                 | 909,094             | 0                   |
| Kaohsiung Longdong Section No. 3                 | 683,305             | 0                   |
| Kaohsiung Xinmin Section No.<br>289.290          | 1,018,706           | 0                   |
| Tainan Kanjiao South Section No.13               | 7,472               | 0                   |
| Transferable land and deformed land              | 3,344,729           | 2,587,286           |
| Total                                            | <u>\$26,038,037</u> | <u>\$21,900,303</u> |

| Item                                     | December 31, 2024 | December 31, 2023 |
|------------------------------------------|-------------------|-------------------|
| 5. Prepayment for land                   |                   |                   |
| Tainan Anan District, Caohu Phase I      | \$201,677         | \$201,677         |
| Kaohsiung Chenggong Section No.<br>65.66 | 0                 | 335,361           |
| Transferable land and deformed land      | 88,533            | 249,006           |
| Total                                    | <u>\$290,210</u>  | <u>\$786,044</u>  |

6. The information related to interest capitalization is as follows:

|                                    | December 31, 2024 | December 31, 2023 |
|------------------------------------|-------------------|-------------------|
| The amount of capitalized interest | <u>\$153,769</u>  | <u>\$122,630</u>  |

7. The land purchased or sold in Kaohsiung City and Tainan City is recorded as prepaid land at the time of signing the contract and paying for each installment and is transferred to the land for future construction after the transfer.
8. Please refer to Note VIII to the financial statements for the pledge of premises for sale, premises under construction and construction sites.
9. Cost of inventories transferred to cost of goods sold amounted to NT\$4,921,291 thousand and NT\$1,080,517 thousand for 2024 and 2023, respectively; inventory write-down reversal benefits were nil in both years.

(VI) Prepayments

| Item             | December 31, 2024 | December 31, 2023 |
|------------------|-------------------|-------------------|
| Prepaid expenses | \$708,203         | \$451,769         |
| Input tax        | 63                | 135               |
| Total            | <u>\$708,266</u>  | <u>\$451,904</u>  |

Prepaid expenses primarily consist of prepayments for various administrative expenses, costs related to uncommenced construction projects, and insurance premiums.

(VII) Other current assets

| Item                                     | December 31, 2024 | December 31, 2023 |
|------------------------------------------|-------------------|-------------------|
| Payments on behalf of others             | \$1,225           | \$1,381           |
| Incremental costs of obtaining contracts | 8,235             | 106,902           |
| Total                                    | <u>\$9,460</u>    | <u>\$108,283</u>  |

The incremental costs for obtaining a contract represent commissions paid by the Company to agencies for securing real estate sales contracts, which are expected to be recoverable. These costs are recognized as assets and amortized over the period in which the revenue from the sale of the properties is recognized. In 2024 and 2023, amortization expenses of NT\$123,490 thousand and NT\$17,861 thousand, respectively, were recognized under selling expenses.

(VIII) Other financial assets - current

| Item                     | December 31, 2024 | December 31, 2023 |
|--------------------------|-------------------|-------------------|
| Restricted bank deposits | \$19,324          | \$54,012          |

Other financial assets - current are the Company's trust accounts for the pre-sale housing land price and reserve accounts, which provide collateral for bank deposits. Please refer to Note VIII for details.

(IX) Investments accounted for using the equity method

| Name of Investee                | December 31, 2024 |              | December 31, 2023 |              |
|---------------------------------|-------------------|--------------|-------------------|--------------|
|                                 | Amount            | Shareholding | Amount            | Shareholding |
| H2O Hotel Co., Ltd. (H2O Hotel) | \$133,531         | 100%         | \$120,532         | 100%         |

1. For information about the Company's subsidiaries, please refer to the 2024 Consolidated Financial Statements of the Company.

2. The consolidated financial information of subsidiaries is as follows:

Balance Sheet

|                         | H2O Hotel Co., Ltd. (H2O Hotel) |                   |
|-------------------------|---------------------------------|-------------------|
|                         | December 31, 2024               | December 31, 2023 |
| Current assets          | \$152,480                       | \$136,936         |
| Non-current assets      | 1,512,094                       | 1,569,751         |
| Current liabilities     | (99,015)                        | (111,420)         |
| Non-current liabilities | (1,531,058)                     | (1,569,417)       |
| Net assets              | \$34,501                        | \$25,850          |

Comprehensive Income Statement

|                                                  | H2O Hotel Co., Ltd. (H2O Hotel) |                   |
|--------------------------------------------------|---------------------------------|-------------------|
|                                                  | December 31, 2024               | December 31, 2023 |
| Net Operating Revenue                            | \$289,987                       | \$304,949         |
| Gross profit                                     | \$129,122                       | \$128,783         |
| Net Income                                       | (\$21,348)                      | (\$41,476)        |
| Other comprehensive income/(loss)<br>(after tax) | \$0                             | \$0               |
| Total comprehensive income                       | (\$21,348)                      | (\$41,476)        |

3. The Company recognizes its share of the subsidiary's profit and loss using the equity method, based on the financial reports of the subsidiary that have been audited and certified by an accountant during the same period. In December 2024 and December 2023, H2O Hotel Co., Ltd. increased its capital by cash in the amount of NT\$30,000 thousand and NT\$50,000 thousand, respectively, all of which was invested by the Company. As of December 31, 2024 and 2023, the book value of the Company's investment in H2O Hotel Co., Ltd. was NT\$520,000 thousand and NT\$490,000 thousand, respectively. The share of loss recognized for the subsidiary was NT\$21,348 thousand and NT\$41,476 thousand in 2024 and 2023, respectively.
4. The Company leases real estate to its subsidiary, H2O Hotel Co., Ltd., which has classified the lease as a right-of-use asset and lease liability under IFRS 16 as of January 1, 2019, while the Company classifies it as an operating lease. This difference in classification results in a discrepancy in profit or loss recognition. The difference affected the Company's share of profit recognized under the equity method by NT\$4,347 thousand and NT\$26,391 thousand in 2024 and 2023, respectively.
5. The Company has not pledged any investments in subsidiaries as collateral.

(X) Property, plant, and equipment

|                                    | Transportation<br>Equipment | Other Equipment | Total    |
|------------------------------------|-----------------------------|-----------------|----------|
| Cost                               |                             |                 |          |
| Balance as of January 1, 2024      | \$4,709                     | \$15,291        | \$20,000 |
| Disposal and obsolescence          | 0                           | (102)           | (102)    |
| Balance as of December 31,<br>2024 | \$4,709                     | \$15,189        | \$19,898 |
| Balance as of January 1, 2023      | \$3,770                     | \$713           | \$4,483  |
| Increase                           | 939                         | 0               | 939      |

|                                            | Transportation<br>Equipment | Other Equipment | Total    |
|--------------------------------------------|-----------------------------|-----------------|----------|
| Re-classification                          | 0                           | 14,578          | 14,578   |
| Balance as of December 31,<br>2023         | \$4,709                     | \$15,291        | \$20,000 |
| Accumulated depreciation and<br>impairment |                             |                 |          |
| Balance as of January 1, 2024              | \$754                       | \$3,312         | \$4,066  |
| Depreciation                               | 798                         | 2,918           | 3,716    |
| Disposal and obsolescence                  | 0                           | (102)           | (102)    |
| Balance as of December 31,<br>2024         | \$1,552                     | \$6,128         | \$7,680  |
| Balance as of January 1, 2023              | \$52                        | \$384           | \$436    |
| Depreciation                               | 702                         | 2,928           | 3,630    |
| Balance as of December 31,<br>2023         | \$754                       | \$3,312         | \$4,066  |
| Carrying amount                            |                             |                 |          |
| Balance as of December 31,<br>2024         | \$3,157                     | \$9,061         | \$12,218 |
| Balance as of December 31,<br>2023         | \$3,955                     | \$11,979        | \$15,934 |
| Balance as of January 1, 2023              | \$3,718                     | \$329           | \$4,047  |

The Company didn't pledge any property, plant and equipment as collateral.

(XI) Right-of-use assets

1. Major lease activities and terms

The Company acquired the land right of the Kaohsiung Municipal Government located at No. 22, Longbei Section, Gushan District for the construction of a tourist hotel for a period of 50 years and agreed that the Company shall not assign, mortgage, lease or lend the land to others for construction use except with the prior

consent of the Kaohsiung Municipal Government, and upon the termination of the continuance period, the Company shall have no contractual preferential rights to acquire all the leased land. The annual land value will be adjusted in accordance with the declared land value of the site.

2. Below is the carrying amounts of right-of-use assets and their recognized depreciation expenses:

|                          | 2024            | 2023            |
|--------------------------|-----------------|-----------------|
| Cost                     |                 |                 |
| Balance on January 1     | \$74,676        | \$67,754        |
| Remeasurement            | 0               | 6,922           |
| Balance on December 31   | <u>\$74,676</u> | <u>\$74,676</u> |
| Accumulated depreciation |                 |                 |
| Balance on January 1     | \$7,672         | \$6,108         |
| Depreciation             | 1,744           | 1,564           |
| Balance on December 31   | <u>\$9,416</u>  | <u>\$7,672</u>  |
| Carrying amount          |                 |                 |
| Balance on January 1     | <u>\$67,004</u> | <u>\$61,646</u> |
| Balance on December 31   | <u>\$65,260</u> | <u>\$67,004</u> |

3. The rental income from the sublease of the right-of-use assets, along with the buildings constructed on the land use rights (recorded as investment properties), for the operation of a tourist hotel by the subsidiary is detailed in Note VI(XII).
4. Please refer to Note VI(XVIII) for the description of lease liabilities.

(XII) Investment properties

1. Investment properties refer to the Company acquiring the land use rights for Lot 22, Longbei Section from the Kaohsiung City Government for the purpose of constructing a tourist hotel. Upon completion, it will be leased to a subsidiary for operation. The book value and depreciation expense information are as follows:

|                           | 2024             | 2023             |
|---------------------------|------------------|------------------|
| Cost                      |                  |                  |
| Balance on January 1      | \$971,633        | \$971,633        |
| Disposal and obsolescence | (2,080)          | 0                |
| Balance on December 31    | <u>\$969,553</u> | <u>\$971,633</u> |
| Accumulated depreciation  |                  |                  |
| Balance on January 1      | \$407,691        | \$346,441        |
| Depreciation              | 61,213           | 61,250           |
| Disposal and obsolescence | (2,080)          | 0                |
| Balance on December 31    | <u>\$466,824</u> | <u>\$407,691</u> |
| Carrying amount           |                  |                  |
| Balance on January 1      | <u>\$563,942</u> | <u>\$625,192</u> |
| Balance on December 31    | <u>\$502,729</u> | <u>\$563,942</u> |

2. The rental income and direct operating expenses of investment properties are as follows:

|                                                                                                        | 2024     | 2023     |
|--------------------------------------------------------------------------------------------------------|----------|----------|
| Rental income from investment properties (recorded as operating income)                                | \$51,429 | \$44,286 |
| Direct operating expenses from investment properties that generate rental income in the current period | 76,859   | 75,815   |

3. The fair value of investment properties as of December 31, 2024 and 2023 was NT\$1,216,161 thousand and NT\$1,258,489 thousand, respectively. These fair values were determined by the Company's management based on the rental income from lease contracts signed in each respective year, discounted using the incremental borrowing rate. These valuations are classified as Level 3 fair values.
4. Please refer to Note VIII to the financial statements for the guarantees provided by investment properties.
5. Please refer to Note VI(XVIII) for information on investment properties and land held by the Company for construction and premises for sale that are leased to others under operating leases.

(XIII) Intangible assets

|                                            | Land use rights | Information<br>Software Systems | Total     |
|--------------------------------------------|-----------------|---------------------------------|-----------|
| Cost                                       |                 |                                 |           |
| Balance as of January 1, 2024              | \$200,020       | \$1,940                         | \$201,960 |
| Increase                                   | 0               | 272                             | 272       |
| Disposal and obsolescence                  | 0               | (101)                           | (101)     |
| Balance as of December 31,<br>2024         | \$200,020       | \$2,111                         | \$202,131 |
| Balance as of January 1, 2023              | \$200,020       | \$1,940                         | \$201,960 |
| Increase                                   | 0               | 0                               | 0         |
| Balance as of December 31,<br>2023         | \$200,020       | \$1,940                         | \$201,960 |
| Accumulated amortization and<br>impairment |                 |                                 |           |
| Balance as of January 1, 2024              | \$46,004        | \$1,513                         | \$47,517  |
| Amortization                               | 4,001           | 193                             | 4,194     |
| Disposal and obsolescence                  | 0               | (101)                           | (101)     |
| Balance as of December 31,<br>2024         | \$50,005        | \$1,605                         | \$51,610  |
| Balance as of January 1, 2023              | \$42,003        | \$1,331                         | \$43,334  |
| Amortization                               | 4,001           | 182                             | 4,183     |
| Balance as of December 31,<br>2023         | \$46,004        | \$1,513                         | \$47,517  |
| Carrying amount                            |                 |                                 |           |
| Balance as of December 31,<br>2024         | \$150,015       | \$506                           | \$150,521 |

|                                    | Land use rights | Information<br>Software Systems | Total     |
|------------------------------------|-----------------|---------------------------------|-----------|
| Balance as of December 31,<br>2023 | \$154,016       | \$427                           | \$154,443 |
| Balance as of January 1, 2023      | \$158,017       | \$609                           | \$158,626 |

1. The amortization expenses of intangible assets for 2024 and 2023 are reported under the following items in the consolidated income statement.

| Item                  | 2024    | 2023    |
|-----------------------|---------|---------|
| Other operating costs | \$4,001 | \$4,001 |
| Operating expenses    | 193     | 182     |
| Total                 | \$4,194 | \$4,183 |

2. In July 2012, the Company entered into a land right deed with the Kaohsiung City Government for the establishment of the land at Lot 22, Sec. 22, Longbei, Kaohsiung City, with a royalty amount of \$200,020 thousand for the period from July 2012 to July 2062 for the operation of a tourist hotel. The land leased from the Kaohsiung City Government is recognized as a right-of-use asset, and the structures built on it are recognized as investment properties.
3. As of December 31, 2024, and December 31, 2023, the Company has not provided any collateral guarantees for its intangible assets.

(XIV) Short-term borrowings/short-term bills payable

|                                              |                        |                        |
|----------------------------------------------|------------------------|------------------------|
| 1. Bank borrowings                           | December 31, 2024      | December 31, 2023      |
| Secured loans                                | \$2,636,475            | \$3,756,950            |
| Unused limit                                 | \$4,606,000            | \$997,050              |
| Interest rate range                          | 2.345%~3.14%           | 2.55%~2.89%            |
| Repayment period                             | 2025.02.28~2028.06.30  | 2024.01.19~2027.05.16  |
| 2. Short-term bills payable                  | December 31, 2024      | December 31, 2023      |
| Less: iscount on short-term<br>bills payable | \$4,454,000<br>(8,474) | \$4,591,100<br>(3,701) |
| Net                                          | \$4,445,526            | \$4,587,399            |

|                     |                      |                      |
|---------------------|----------------------|----------------------|
| Interest rate range | <u>1.808%~3.038%</u> | <u>1.558%~2.838%</u> |
| Unused limit        | <u>\$1,658,531</u>   | <u>\$2,918,550</u>   |

The Company pledged its inventories and real estate provided by related parties as collateral for bank loans and commercial paper issuance. Please refer to Notes VII and VIII.

(XV) Provisions - current

|                                  | <u>2024</u>     | <u>2023</u>     |
|----------------------------------|-----------------|-----------------|
| Warranty provision               |                 |                 |
| Balance on January 1             | \$45,488        | \$51,779        |
| Current Period Increase/Decrease | <u>1,574</u>    | <u>(6,291)</u>  |
| Balance on December 31           | <u>\$47,062</u> | <u>\$45,488</u> |

Warranty provision represents post-sale warranty expenses. The provision for warranty is based on historical experience and management's judgment of the present value of estimated future economic outflows, which are expected to be incurred within five years after the completion of the housing units.

(XVI) Collection

| <u>Item</u>            | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|------------------------|--------------------------|--------------------------|
| Land collections       | \$6,796                  | \$10,236                 |
| Building collections   | 13,196                   | 18,356                   |
| Decoration collections | 17,094                   | 14,094                   |
| Collections - others   | <u>35,758</u>            | <u>7,735</u>             |
| Total                  | <u>\$72,844</u>          | <u>\$50,421</u>          |

(XVII) Long-term borrowings

| Nature of borrowings      | Loan period and repayment method                                                                                                                                                                                                                          | December 31, 2024 | December 31, 2023 |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Long-term bank borrowings |                                                                                                                                                                                                                                                           |                   |                   |
| Secured borrowings        | From March 2020 to December 2028, interest will be paid monthly, with annual reviews of the loan conditions, and repayment will be made in accordance with the agreement.                                                                                 | \$1,511,600       | \$1,591,250       |
| Secured borrowings        | From June 2019 to June 2026, interest is paid monthly, with annual reviews of the loan terms, and repayments are made according to the agreement.                                                                                                         | 519,800           | 547,200           |
| Secured borrowings        | From April 2024 to October 2026, interest will be paid monthly, with annual reviews of the loan terms, and repayment will be made in accordance with the agreement.                                                                                       | 2,128,000         | 0                 |
| Secured borrowings        | From July 2017 to July 2032, the loan period is 15 years (including a 2-year grace period). During the grace period, interest will be paid monthly, and after the grace period ends, the principal will be amortized using the effective interest method. | 392,451           | 439,207           |
| Secured borrowings        | From January 2022 to January 2027, interest will be paid monthly, and the principal will be repaid in full at maturity.                                                                                                                                   | 175,175           | 184,395           |
| Secured borrowings        | From January 2022 to January 2027, interest will be paid monthly, with annual reviews of the loan conditions, and repayment will be made in accordance with the agreement.                                                                                | 167,233           | 176,035           |
| Secured borrowings        | From October 2024 to October 2028, interest will be paid monthly, with annual reviews of the loan terms, and repayment will be made in accordance with the agreement.                                                                                     | 214,420           | 0                 |
| Secured borrowings        | From December 2024 to December 2029, interest will be paid monthly, with annual reviews of the loan terms, and repayment will be made in accordance with the agreement.                                                                                   | 271,700           | 0                 |

| Nature of borrowings | Loan period and repayment method                                                                                                                                                                                   | December 31, 2024 | December 31, 2023 |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Secured borrowings   | From December 2022 to December 2027, interest will be paid monthly, and the principal will be repaid in full at maturity.                                                                                          | 415,000           | 415,000           |
| Secured borrowings   | From May 2023 to May 2026, interest will be paid monthly, and the principal will be repaid in full at maturity.                                                                                                    | 2,000,000         | 1,200,700         |
| Secured borrowings   | From May 2023 to May 2026, interest will be paid monthly, and repayment will be made in accordance with the agreement.                                                                                             | 1,113,000         | 50,000            |
| Secured borrowings   | From December 2023 to July 2027, interest will be paid monthly, with annual reviews of the loan terms, and repayment will be made in accordance with the agreement.                                                | \$172,140         | \$181,200         |
| Secured borrowings   | From March 2023 to September 2027, interest will be paid monthly, with annual reviews of the loan terms, and repayment will be made in accordance with the agreement.                                              | 132,900           | 139,900           |
| Secured borrowings   | Originally from March 2020 to March 2025, the term was extended to March 2029. Interest will be paid monthly, and the principal will be repaid in full at maturity.                                                | 1,178,000         | 1,240,000         |
| Secured borrowings   | Originally from October 2019 to October 2025, the term was extended to October 2026. In October 2023, the loan amount was reduced. Interest is paid monthly, and the principal will be repaid in full at maturity. | 560,350           | 598,000           |
| Secured borrowings   | From June 2023 to June 2025, interest will be paid monthly, and the principal will be repaid in full at maturity.                                                                                                  | 261,382           | 627,300           |
| Secured borrowings   | From December 2024 to December 2027, interest will be paid monthly, and the principal will be repaid in full at maturity.                                                                                          | 375,000           | 0                 |
| Secured borrowings   | From July 2023 to July 2028, interest will be paid monthly, and the principal will be repaid in full at maturity.                                                                                                  | 0                 | 191,550           |
| Secured borrowings   | Interest is payable on a monthly basis from October 2021 to October 2026. There is a three-year grace period starting from the initial drawdown                                                                    | 0                 | 2,000,000         |

| Nature of borrowings                                                      | Loan period and repayment method                                                                                                                   | December 31, 2024 | December 31, 2023 |
|---------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
|                                                                           | date. Beginning in the 37th month, NT\$100,000 thousand is repaid every six months, and the remaining balance is repaid in a lump sum at maturity. |                   |                   |
| Total                                                                     |                                                                                                                                                    | \$11,588,151      | \$9,581,737       |
| Less: Net long-term borrowings due within one year or one operating cycle | Use this segment                                                                                                                                   | (674,695)         | (146,936)         |
| Net                                                                       |                                                                                                                                                    | \$10,913,456      | \$9,434,801       |
| Unused limit                                                              |                                                                                                                                                    | \$2,081,900       | \$7,360,170       |
| Interest rate range                                                       |                                                                                                                                                    | 2.365%~3.252%     | 2.24%~3.05%       |

Long-term bank borrowings were secured by the Company's inventories, investment properties, and real estate provided by related parties. Please refer to Notes VII and VIII for details.

(XVIII) Lease agreements

- The Company's lease liabilities are as follows

|             | December 31, 2024 | December 31, 2023 |
|-------------|-------------------|-------------------|
| Current     | \$1,305           | \$1,282           |
| Non-current | \$66,708          | \$68,013          |

Please refer to Note XII for maturity analysis.

The Company leases land located at No. 22, Longbei Section, Gushan District, Kaohsiung City from the Kaohsiung City Government. The land use rights date back to 1961, and the rent is calculated at 5% of the assessed land value tax amount. On January 1, 2024, and January 1, 2023, the lease consideration was reassessed due to adjustments in the declared land value, leading to a re-evaluation of the lease liabilities and right-of-use assets, without any new or terminated leases resulting in significant lease liabilities, nor any circumstances of repurchase or repayment.

- The amount of leases recognized in profit or loss was as follows

| 2024 | 2023 |
|------|------|
|------|------|

|                                                    |         |         |
|----------------------------------------------------|---------|---------|
| Interest expense – lease obligations payable       | \$1,184 | \$419   |
| Short-term lease expenses                          | \$1,285 | \$1,418 |
| Expense on leases with low-value underlying assets | \$210   | \$224   |
| Total cash flows on lease                          | \$2,941 | \$3,177 |

The Company selects to apply recognition exemptions to leases of vehicles and low-value business machines that qualify as short-term leases, and does not recognize the related right-of-use assets and lease liabilities for the said leases.

3. Lessor lease (recorded as operating income)

- (1) The Company leases investment properties, premises for sale and construction sites, which are classified as operating leases because almost all the risks and remuneration attached to the ownership of the underlying assets have not been transferred.
- (2) The Company recognized fixed lease payments, rent income dependent on index or rate changes, and variable lease income calculated based on actual parking volume and duration under operating lease agreements (recorded as operating income) of NT\$88,929 thousand and NT\$82,920 thousand for the years from January 1 to December 31, 2024 and 2023, respectively.
- (3) The maturity analysis of lease payments under operating leases of the Company to report the total undiscounted lease payments to be received in the future is presented as follows:

|               | December 31, 2024 | December 31, 2023 |
|---------------|-------------------|-------------------|
| Within 1 year | \$74,188          | \$74,866          |
| 1 to 2 years  | 70,286            | 26,156            |
| 2 to 3 years  | 65,392            | 18,101            |

|                                           |           |           |
|-------------------------------------------|-----------|-----------|
| 3 to 5 years                              | 19,990    | 20,004    |
| Over 5 years                              | 4,497     | 7,843     |
| Non-discounted future cash flows of lease | \$234,353 | \$146,970 |

- (4) The Company originally had a lease agreement for the period from October 1, 2019 to February 28, 2035; however, litigation with the lessee commenced immediately after the agreement was signed. As no rent has been collected since the inception of the lease, it is not included in the above table. This lease was terminated on April 30, 2024.
- (5) The Company holds lands for construction provided for lease as a parking lot for a period ranging from 7 to 15 years. The rent is charged at 73% to 75% of the operating income of the leased property, which is not included in the above undiscounted rental payment since the monthly revenue is calculated according to the actual number and time of parking and is variable.

(XIX) Share capital

- As of December 31, 2024 and December 31, 2023, the Company's total authorized share capital was NT\$5,000,000 thousand, with a par value of NT\$10 per share. The paid-in capital was NT\$3,694,196 thousand in both years, with 369,419 thousand common shares issued, and payments for all issued shares had been received.

|                                                                            | 2024    | 2023    |
|----------------------------------------------------------------------------|---------|---------|
| Number of shares outstanding at the beginning of the period (in thousands) | 369,419 | 369,056 |
| Employee compensation to capital increase (in thousands)                   | 0       | 363     |
| Number of shares outstanding at the end of the period (in thousands)       | 369,419 | 369,419 |

2. On March 29, 2023, the Board of Directors of the Company resolved to distribute NT\$11,714 thousand in employee compensation for 2022 through the issuance of shares. The number of shares to be distributed was calculated based on the closing price of NT\$32.25 per share on the day before the Board's resolution, resulting in the issuance of 363,221 new shares. This capital increase was filed with the Financial Supervisory Commission on July 6, 2023, and was approved in a Board of Directors meeting on August 10, 2023, with the same date set as the capital increase record date. The registration of this transaction with the Ministry of Economic Affairs was completed on September 4, 2023.

(XX) Capital surplus

|                | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|----------------|--------------------------|--------------------------|
| Shares premium | <u>\$8,082</u>           | <u>\$8,082</u>           |

In accordance with the Company Act, capital surplus must first be used to cover losses before new shares or cash can be issued in proportion to the shareholders' original shares. The realized capital surplus referred to in the preceding paragraph includes the proceeds from the issuance of shares in excess of par value and the proceeds from the receipt of gifts. In accordance with the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital surplus may be capitalized in an amount not exceeding 10% of the paid-in capital each year.

(XXI) Retained earnings

Based on the Articles of Incorporation, the annual earnings of the Company shall be first appropriated to pay taxes and offset accumulated losses before allocating 10% of the remaining earning to the legal reserve (not applicable where accumulated legal reserve has reached the amount required by law and regulations) and a special reserve in accordance to CMP's operating needs and pursuant to the applicable law and

regulations. Any retained earnings available for distribution together with accumulated undistributed retained earnings may be proposed by the Board of Directors to appropriate and be resolved at the Annual General Meeting. The percentage of cash dividends shall not be less than 10% of the total amount distributed. The percentage shall be determined by the Board of Directors after considering the financial condition of the Company, except that no cash dividends may be paid when the debt ratio in the annual financial statements exceeds 50%. The ratio of stock dividends and cash dividends mentioned in the preceding paragraph shall be adjusted according to the relevant laws and regulations and regulations. The adjustment shall be proposed by the Board of Directors and submitted to the shareholders' meeting for resolution. Please refer to Note VI(XXVIII) for the employee compensation distribution policy set forth in the Articles of Incorporation.

1. Legal reserve

According to the Company Act, after-tax surplus profits shall first set aside 10% of said profits as legal reserve, unless legal reserve equals to the paid-in capital. Legal reserve funds can be used to offset company losses. When there are no losses, the distribution of new shares or cash can be decided by a shareholder meeting resolution, based on the proportion of the shareholders' existing shares. However, the distribution of new shares or cash is limited to the portion of the reserve that exceeds 25% of the paid-in capital amount.

2. Dividend distribution

The Company held its annual general shareholders' meetings on June 27, 2024 and June 28, 2023, during which the distribution of profits for 2023 and 2022 was approved, respectively. It was resolved to allocate the statutory reserve as required, with no distribution of the remaining profits.

3. The proposal for the distribution of earnings for 2024 was approved by the Company's Board of Directors on March 13, 2025, but has not yet been resolved by the shareholders' meeting; the proposal is as follows: to allocate the statutory reserve as required, with no distribution of the remaining earnings.

For related information, please visit the Market Observation Post System or other channels.

(XXII) Operating revenue

|                  | 2024               | 2023               |
|------------------|--------------------|--------------------|
| Land revenue     | \$5,413,312        | \$1,101,511        |
| Building revenue | 3,539,914          | 1,106,967          |
| Rental revenue   | 88,929             | 82,920             |
| Total            | <u>\$9,042,155</u> | <u>\$2,291,398</u> |

1. Revenue breakdown

|                                             | 2024               | 2023               |
|---------------------------------------------|--------------------|--------------------|
| Major regional markets                      |                    |                    |
| Taiwan                                      | <u>\$9,042,155</u> | <u>\$2,291,398</u> |
| Major products/service                      |                    |                    |
| Sales of premises                           | \$8,953,226        | \$2,208,478        |
| Rental revenue                              | 88,929             | 82,920             |
| Total                                       | <u>\$9,042,155</u> | <u>\$2,291,398</u> |
| Timing of revenue recognition:              |                    |                    |
| At a fixed point in time                    | \$8,953,226        | \$2,208,478        |
| Performance obligations fulfilled over time | 88,929             | 82,920             |
| Total                                       | <u>\$9,042,155</u> | <u>\$2,291,398</u> |

2. Contract balance

|                            | December 31,<br>2024 | December 31,<br>2023 | January 1, 2023 |
|----------------------------|----------------------|----------------------|-----------------|
| Notes receivable           | \$20,200             | \$16,676             | \$15,000        |
| Long-term notes receivable | 0                    | 20,000               | 2,785           |
| Trade receivables          | 1,966                | 2,422                | 908             |
| Less: Allowance for losses | 0                    | 0                    | (22)            |

|                                           |                  |                  |                  |
|-------------------------------------------|------------------|------------------|------------------|
| Total                                     | <u>\$22,166</u>  | <u>\$39,098</u>  | <u>\$18,671</u>  |
| Contract liabilities - Sale of premise    | \$698,296        | \$678,540        | \$585,115        |
| Contract liabilities - Advances from rent | 1,309            | 1,274            | 1,302            |
| Total                                     | <u>\$699,605</u> | <u>\$679,814</u> | <u>\$586,417</u> |

- (1) The amounts from the opening contract liabilities recognized in operating income were NT\$421,680 thousand and NT\$130,693 thousand for the periods from January 1 to December 31, 2024 and 2023, respectively.
- (2) The changes in contract liabilities primarily arise from the differences between the timing of the Company transferring goods or services and fulfilling performance obligations, and the timing of customer payments.
- (3) The Company's contracts for the sale of pre-sale premises and advances from gift cards contain provisions for pre-receipt of payments from customers, and the time interval between the pre-receipt and the transfer of merchandise control is longer than one year. According to IFRS 15, contract liabilities related to sales of pre-sale of premises and advances from gift cards contracts were recognized.

(XXIII) Interest income

|                                                 | <u>2024</u>    | <u>2023</u>    |
|-------------------------------------------------|----------------|----------------|
| Interest on bank deposits                       | \$6,882        | \$2,086        |
| Interest income from corporate bond investments | 0              | 34             |
| Other interest income                           | <u>2</u>       | <u>4</u>       |
| Total interest income                           | <u>\$6,884</u> | <u>\$2,124</u> |

The Company designated its investments in domestic corporate bonds as financial assets measured at fair value through profit or loss. These were disposed of by December 31, 2023, resulting in a balance of zero at the end of the period.

(XXIV) Other income

|                       | 2024           | 2023         |
|-----------------------|----------------|--------------|
| Dividend income       | \$350          | \$24         |
| Other income - others | 1,634          | 848          |
| Total                 | <u>\$1,984</u> | <u>\$872</u> |

(XXV) Other gains and losses

|                                                                             | 2024           | 2023          |
|-----------------------------------------------------------------------------|----------------|---------------|
| Net gains on financial assets measured at fair value through profit or loss | \$1,107        | \$0           |
| Miscellaneous Expenses                                                      | (1,654)        | (25)          |
| Total                                                                       | <u>(\$547)</u> | <u>(\$25)</u> |

(XXVI) Finance costs

|                                  | 2024             | 2023             |
|----------------------------------|------------------|------------------|
| Interest expenses                |                  |                  |
| Bank borrowings                  | \$477,198        | \$440,751        |
| Interest accrued on deposits     | 65               | 77               |
| Less: Capitalization of interest | (153,769)        | (122,630)        |
| Finance costs                    | <u>\$323,494</u> | <u>\$318,198</u> |

(XXVII) Employee Benefit

1. Defined contribution plans

Since July 1, 2005, the Company has adopted a defined contribution retirement plan in accordance with the Labor Pension Act. Regarding the portion of the retirement pension system prescribed by the “Labor Pension Act” applicable to employee, the Company contributes 6% of employees’ monthly salaries to the individual accounts of the Bureau of Labor Insurance. Under the plan, the Company has no legal or agreed obligation to make additional contributions after making fixed contributions to the Bureau of Labor Insurance. The Company recognizes the following pension

expenses related to the established allocation plan:

|                                                                    | 2024    | 2023    |
|--------------------------------------------------------------------|---------|---------|
| Selling and marketing expenses - Retirement benefits expenses      | \$262   | \$261   |
| General and administrative expenses - Retirement benefits expenses | \$1,539 | \$1,300 |

## 2. Defined benefit plans

In compliance with the requirements set forth in the Labor Standards Act, the Company has stipulated a defined benefit pension plan, which is applicable to the years of service rendered by regular employees prior to, and after (if employees elect to continue to apply the Labor Standards Act), the implementation of the Labor Pension Act on July 1, 2005. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company sets aside 2% of the employee's total salary each month as pension funds and deposit it to the designated account under the name of the Labor Pension Funds Supervisory Committee at the Bank of Taiwan. Before the end of each year, the Company shall assess the balance in the designated account. If the total available amount of the appropriation is less than the amount required for the payment of pensions to all the employees who are eligible to retire in the following year, calculated according to the above method, the Company will make up the deficiency in one single appropriation before the end of March in the following year. The designated account shall be accepted by the agency determined by the central competent authority, so the Company has no right to participate in the use of pension fund.

- (1) The amount of retirement benefits expenses recognized in the parent company only statement of income for the defined benefit plans were as followed:

|                                                                                                        | 2024             | 2023         |
|--------------------------------------------------------------------------------------------------------|------------------|--------------|
| Service costs for the current period                                                                   | \$120            | \$139        |
| Net interest on defined benefit liabilities<br>(assets)                                                | 256              | 291          |
| Recognized in profit or loss                                                                           | <u>\$376</u>     | <u>\$430</u> |
| Remeasurements                                                                                         |                  |              |
| Compensation on plan assets (excluding<br>net interest on net defined benefit liabilities<br>(assets)) | (\$2,731)        | (\$270)      |
| Actuarial losses (gains) - experience<br>adjustments                                                   | 1,933            | 955          |
| Actuarial losses (gains) - changes in<br>financial assumptions                                         | (683)            | 272          |
| Recognized in other comprehensive income                                                               | <u>(\$1,481)</u> | <u>\$957</u> |

- (2) Retirement benefits expenses recognized in profit or loss for the aforementioned defined benefit plans were included as follows:

|                                     | 2024         | 2023         |
|-------------------------------------|--------------|--------------|
| Selling and marketing expenses      | \$27         | \$42         |
| General and administrative expenses | 349          | 388          |
| Total                               | <u>\$376</u> | <u>\$430</u> |

- (3) The amounts recognized in the parent company only balance sheet for obligations from defined benefit plans were as follows:

|                                                | December 31, 2024 | December 31, 2023 |
|------------------------------------------------|-------------------|-------------------|
| Present value of defined benefit<br>obligation | \$44,941          | \$46,209          |
| Fair value of plan assets                      | (30,648)          | (27,452)          |

|                                 |          |          |
|---------------------------------|----------|----------|
| Net defined benefit liabilities | \$14,293 | \$18,757 |
|---------------------------------|----------|----------|

(4) The changes in the present value of the defined benefit obligation were as follows:

|                                                                | 2024     | 2023     |
|----------------------------------------------------------------|----------|----------|
| Beginning balance                                              | \$46,209 | \$48,912 |
| Service costs for the current period                           | 120      | 139      |
| Interest expenses                                              | 550      | 639      |
| Remeasurements                                                 |          |          |
| Actuarial losses (gains) -<br>experience adjustments           | 1,933    | 955      |
| Actuarial losses (gains) - changes<br>in financial assumptions | (683)    | 272      |
| Benefits paid on plan assets                                   | (3,188)  | (4,708)  |
| Ending balance                                                 | \$44,941 | \$46,209 |

(5) Change in fair value of plan assets were as follows:

|                                                                                                             | 2024     | 2023     |
|-------------------------------------------------------------------------------------------------------------|----------|----------|
| Fair value of plan assets at the beginning of the period                                                    | \$27,452 | \$29,355 |
| Expected return on plan assets                                                                              | 294      | 348      |
| Remeasurements of plan assets (excluding net interest included in net defined benefit liabilities (assets)) | 2,731    | 270      |
| Contribution by the employer                                                                                | 3,359    | 2,187    |
| Actual payment of employee benefits                                                                         | (3,188)  | (4,708)  |
| Fair value of plan assets at the end of the period                                                          | \$30,648 | \$27,452 |

- (6) The fund asset of the Company's defined benefit pension plan (hereinafter referred to as the "Fund") is entrusted to the Bank of Taiwan, which manages, or entrusts others to manage, the Fund in accordance with entrusted items enumerated in Article 6 of the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (i.e. deposit in domestic or foreign institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, and investment in domestic or foreign real estate and its securitization products) to the extent of limitations on investment percentage and amount as stipulated in the Fund's annual utilization plan. The status of utilization of the Fund is subject to supervision by the Labor Pension Fund Supervisory Committee. With regard to utilization of the Fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. In case any deficiency in the earnings arises, Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company is not entitled to participate in the operation and management of

the fund, it is not possible to disclose the classification of the fair value of the plan assets in accordance with paragraph 142 of IAS 19. For the composition of the fair value of the fund in total as of the years ended December 31, 2024 and 2023, please refer to the various labor pension utilization reports issued by the government.

The Company's contributions to the pension funds were deposited with Bank of Taiwan, were as follows:

| <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|--------------------------|--------------------------|
| <u>\$30,648</u>          | <u>\$27,452</u>          |

- (7) The present value of the Company's defined benefit obligations is calculated by certified actuaries. The major assumptions on the assessment date were as follows:

|                              | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|------------------------------|--------------------------|--------------------------|
| Discount rate                | 1.750%                   | 1.375%                   |
| Growth rate of future salary | 3.000%                   | 3.000%                   |

If changes occur in major actuarial assumptions with other assumptions unchanged, the present value of defined benefit obligations will increase (decrease) as follows:

|                               | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|-------------------------------|--------------------------|--------------------------|
| Discount rate                 |                          |                          |
| Increase by 0.25%             | <u>(\$441)</u>           | <u>(\$541)</u>           |
| Decrease by 0.25%             | <u>\$452</u>             | <u>\$554</u>             |
| Expected salary increase rate |                          |                          |
| Increase by 0.25%             | <u>\$433</u>             | <u>\$530</u>             |
| Decrease by 0.25%             | <u>(\$424)</u>           | <u>(\$520)</u>           |

With other assumptions unchanged, above sensitivity analysis analyzes effects of changes in single assumption. In practice, many changes in assumptions may be linked together. The sensitivity analysis is consistent with the methodology used to calculate the net pension liability on the balance sheet. The methods

and assumptions used for the sensitivity analysis in this period are the same as those in the previous period.

The Company is expected to make a contribution payment of NT\$275 thousand to the defined benefit plans for the one year period after the reporting date of 2024.

The weighted average period of the defined benefit plan is 9.16 years.

The maturity analysis of the pension payments is as follows:

|              |                 |
|--------------|-----------------|
| Under 1 year | \$16,747        |
| 1 to 2 years | 4,676           |
| 2 to 5 years | 7,207           |
| Over 5 years | 10,787          |
|              | <u>\$39,417</u> |

### 3. Short-term Paid Leave and Liabilities

As of December 31, 2024, and December 31, 2023, the Company has accrued liabilities for paid leave amounting to NT\$695,000 and NT\$717,000, respectively.

These amounts are included under other payables.

### (XXVIII) Employee bonus and remuneration to directors

The Company's Articles of Incorporation stipulates that, after annual earnings first offset against any deficit, a minimum of 1% shall be allocated as employee compensation and a maximum of 2% as directors' remuneration. However, when the Company has accumulated losses, it should reserve an amount in advance to offset these losses. The distribution can be made in the form of cash or stocks for employees. The Board of Directors shall resolve to distribute in the form of shares or cash to employees who meet specific criteria, and the distribution of employee compensation and remuneration to directors shall be reported to the shareholders' meeting.

The amounts accrued for employee compensation were NT\$31,726 thousand and NT\$4,998 thousand for the years 2024 and 2023, respectively, while the amounts accrued for directors' compensation were both NT\$0. These were estimated based on

the Company's net income before tax and before employee and directors' compensation for the respective periods, multiplied by the employee compensation distribution ratio stipulated in the Company's Articles of Incorporation. Directors' compensation was zero and both were recorded as operating expenses for the respective periods.

On March 13, 2025, the Board of Directors resolved to distribute NT\$31,726 thousand for employee compensation and NT\$0 for directors' remuneration for the year 2024, and on March 14, 2024, the Board of Directors resolved to distribute NT\$4,998 thousand for employee compensation and NT\$0 for directors' remuneration for 2023. There was no difference from the amounts recognized as expenses in 2024 and 2023.

If the Board of Directors resolves to distribute employee compensation in shares, the number of shares shall be calculated based on the closing price on the day prior to the date of the Board resolution.

For information on the Company's remunerations for employees and directors as resolved by the Board of Directors, please visit the "Market Observation Post System".

#### (XXIX)Income Tax

##### 1. Income tax expense

##### (1) Income tax recognized in profit or loss

|                                                          | 2024             | 2023            |
|----------------------------------------------------------|------------------|-----------------|
| Current income tax expenses                              |                  |                 |
| Income Tax Generated from Current Period Income          | \$255,910        | \$9,279         |
| Land value increment tax                                 | 52,539           | 12,221          |
| Levy on unappropriated earnings                          | 19,857           | 42,753          |
| Adjustment of Current Income Tax for the Previous Period | 7,000            | 0               |
| Deferred income tax expense (benefit)                    |                  |                 |
| Occurrence and reversal of temporary differences         | (26,167)         | (11,525)        |
| Income tax expense                                       | <u>\$309,139</u> | <u>\$52,728</u> |

(2) Income tax recognized in other comprehensive income

|                                                  | 2024  | 2023    |
|--------------------------------------------------|-------|---------|
| Deferred income tax gains<br>(expense)           |       |         |
| Remeasurements of defined<br>benefit obligations | \$296 | (\$191) |

2. Reconciliation of income tax expense to accounting profit.

|                                                                              | 2024        | 2023      |
|------------------------------------------------------------------------------|-------------|-----------|
| Income before tax                                                            | \$3,140,832 | \$494,769 |
| Income tax calculated at the statutory<br>tax rate applicable to the Company | \$657,319   | \$98,955  |
| Tax-exempt proceeds from land<br>transactions                                | (408,447)   | (101,111) |
| Losses recognized under the equity<br>method                                 | 3,400       | 3,017     |
| Impact of income tax adjustments<br>according to tax laws                    | 3,638       | 8,418     |
| Occurrence and reversal of<br>temporary differences                          | (26,167)    | (11,525)  |
| Levy on unappropriated earnings                                              | 19,857      | 42,753    |
| Land value increment tax                                                     | 52,539      | 12,221    |
| Adjustment of Current Income Tax for<br>the Previous Period                  | 7,000       | 0         |
| Income tax expense                                                           | \$309,139   | \$52,728  |

3. The breakdown of deferred income tax assets and liabilities was as follows:

|                                                      | Balance on<br>January 1 | Recognized in<br>profit or loss | Recognized in<br>other<br>comprehensive<br>income | Balance on<br>December 31 |
|------------------------------------------------------|-------------------------|---------------------------------|---------------------------------------------------|---------------------------|
| (1) January 1 to December 31,<br>2024                |                         |                                 |                                                   |                           |
| A. Deferred tax assets                               |                         |                                 |                                                   |                           |
| Inventories                                          | \$0                     | \$27,918                        | \$0                                               | \$27,918                  |
| Prepayments                                          | 5,503                   | (5,456)                         | 0                                                 | 47                        |
| Warranty provision<br>payable                        | 9,098                   | 314                             | 0                                                 | 9,412                     |
| Net defined benefit<br>liabilities - non-<br>current | 3,751                   | (596)                           | (296)                                             | 2,859                     |
| Total deferred tax<br>assets                         | \$18,352                | \$22,180                        | (\$296)                                           | \$40,236                  |
| B. Deferred tax liabilities                          |                         |                                 |                                                   |                           |

|                                               | Balance on<br>January 1 | Recognized in<br>profit or loss | Recognized in<br>other<br>comprehensive<br>income | Balance on<br>December 31 |
|-----------------------------------------------|-------------------------|---------------------------------|---------------------------------------------------|---------------------------|
| Inventories                                   | <u>\$3,987</u>          | <u>(\$3,987)</u>                | <u>\$0</u>                                        | <u>\$0</u>                |
| (2) January 1 to December 31,<br>2023         |                         |                                 |                                                   |                           |
| A. Deferred tax assets                        |                         |                                 |                                                   |                           |
| Prepayments                                   | \$5,503                 | \$0                             | \$0                                               | \$5,503                   |
| Warranty provision payable                    | 10,356                  | (1,258)                         | 0                                                 | 9,098                     |
| Net defined benefit liabilities - non-current | 3,911                   | (351)                           | 191                                               | 3,751                     |
| Total deferred tax assets                     | <u>\$19,770</u>         | <u>(\$1,609)</u>                | <u>\$191</u>                                      | <u>\$18,352</u>           |
| B. Deferred tax liabilities                   |                         |                                 |                                                   |                           |
| Inventories                                   | <u>\$17,121</u>         | <u>(\$13,134)</u>               | <u>\$0</u>                                        | <u>\$3,987</u>            |

4. The Company's business income tax settlement and declaration up until 2022 have been approved.

(XXX) Summary of employment, depreciation, operating costs, and amortization expenses incurred during the period by function

| Functional classification           | 2024            |                    |        | 2023            |                    |        |
|-------------------------------------|-----------------|--------------------|--------|-----------------|--------------------|--------|
|                                     | Operation costs | Operation expenses | Total  | Operation costs | Operation expenses | Total  |
| Employee benefit expenses           |                 |                    |        |                 |                    |        |
| Salary expenses                     | 0               | 79,334             | 79,334 | 0               | 46,507             | 46,507 |
| Labor and health insurance expenses | 0               | 4,493              | 4,493  | 0               | 4,349              | 4,349  |
| Retirement benefits expenses        | 0               | 2,177              | 2,177  | 0               | 1,991              | 1,991  |
| Remuneration to Directors           | 0               | 2,880              | 2,880  | 0               | 2,704              | 2,704  |
| Other employee benefits             | 0               | 11,020             | 11,020 | 0               | 3,741              | 3,741  |
| Depreciation expenses               | 65,742          | 931                | 66,673 | 65,600          | 844                | 66,444 |
| Amortization expenses               | 4,001           | 193                | 4,194  | 4,001           | 182                | 4,183  |

1. Additional information on the number of employees and employee benefit expenses for 2024 and 2023 is as follows:

|                                                   | 2024    | 2023    |
|---------------------------------------------------|---------|---------|
| Number of employees                               | 51      | 48      |
| Number of directors who do not serve as employees | 6       | 6       |
| Average employee benefit expenses                 | \$2,156 | \$1,347 |
| Average employee salary expenses                  | \$1,763 | \$1,107 |
| Average adjustment of employee salary expenses    | 59.26%  | -17.45% |

2. The Company has established the Audit Committee to replace the supervisors in accordance with the regulations.

3. Remuneration policy for directors and executives:

- (1) The remuneration policy for the Directors of the Company is as follows:

The main components include remuneration and transportation expenses for attending various meetings. According to Article 16 of the Company's bylaws, the Directors are entitled to receive remuneration for the performance of their duties, regardless of the Company's profitability. The amount of such compensation shall be determined by the Board of Directors in accordance with the customary levels within the industry. The amount of transportation expenses shall be determined by the Board of Directors.

- (2) The remuneration policy for executives is as follows:

The remuneration for executives is determined based on the position held and the responsibilities undertaken, referencing industry standards. It also takes into account factors such as the individual's education, experience, work performance, work evaluations, market salary levels, years of service, and the

specific position held. Additionally, remuneration is flexibly adjusted based on operational conditions, and annual salary adjustments are determined according to each executive's rank and performance evaluation, with specific salary adjustment items and amounts formulated accordingly.

4. The remuneration policy for employees is as follows:

The remuneration for employees is determined based on the position held and the responsibilities undertaken, referencing industry standards. It also takes into account factors such as the individual's education, experience, work performance, work evaluations, market salary levels, years of service, and the specific position held. Additionally, remuneration is flexibly adjusted based on operational conditions, and annual salary adjustments are determined according to each executive's rank and performance evaluation, with specific salary adjustment items and amounts formulated accordingly.

(XXXI) Earnings per share

The calculation of earnings per share and the weighted-average number of common shares outstanding were as follows:

1. Basic earnings per share

|                                                                      | 2024        | 2023      |
|----------------------------------------------------------------------|-------------|-----------|
| Profit attributable to the holders of ordinary shares of the Company | \$2,831,693 | \$442,041 |
| calculation of diluted earnings per share (in thousand shares)       | 369,419     | 369,333   |
| Basic earnings per share                                             | \$7.67      | \$1.20    |

|                                                                                                                                | 2024        | 2023      |
|--------------------------------------------------------------------------------------------------------------------------------|-------------|-----------|
| 2. Diluted earnings per share                                                                                                  |             |           |
| Attributable to the ordinary shares of the Company                                                                             |             |           |
| Profit attributable to holders (diluted)                                                                                       | \$2,831,693 | \$442,041 |
| calculation of diluted earnings per share (in thousand shares)                                                                 | 369,419     | 369,333   |
| Effect of potentially dilutive ordinary shares:                                                                                |             |           |
| Impact on employee remuneration                                                                                                | 485         | 244       |
| Weighted average number of ordinary shares outstanding used for calculation of diluted earnings per share (in thousand shares) | 369,904     | 369,577   |
| Diluted earnings per share                                                                                                     | \$7.66      | \$1.20    |

If the Company chooses to offer employee compensation or share profits in the form of cash or stock, while calculating diluted earnings per share, and assuming that the compensation is paid in the form of stock, the dilutive potential common shares will be included in the weighted average number of outstanding shares to calculate diluted earnings per share. Weighted average number of ordinary shares outstanding used for calculation of diluted earnings per share (thousand shares) The dilutive effect of such potential common shares shall continue to be considered when calculating diluted earnings per share before the number of shares to be distributed as employee compensation is approved at the Board of Directors' meeting in the following year.

(XXXII) Changes in liabilities from financing activities

Reconciliation of liabilities from financing activities was as follows:

|                                           | 2024.1.1     | Cash flows    | Non-cash changes | 2024.12.31   |
|-------------------------------------------|--------------|---------------|------------------|--------------|
| Short-term borrowings                     | \$3,756,950  | (\$1,120,475) | \$0              | \$2,636,475  |
| Face value of short-term bills payable    | 4,591,100    | (137,100)     | 0                | 4,454,000    |
| Long-term borrowings                      | 9,581,737    | 2,006,414     | 0                | 11,588,151   |
| Deposits received                         | 5,196        | (1,760)       | 0                | 3,436        |
| Lease liabilities                         | 69,295       | (1,282)       | 0                | 68,013       |
| Liabilities from the financing activities | \$18,004,278 | \$745,797     | \$0              | \$18,750,075 |

|                                           | 2023.1.1     | Cash flows  | Non-cash changes | 2023.12.31   |
|-------------------------------------------|--------------|-------------|------------------|--------------|
| Short-term borrowings                     | \$4,401,950  | (\$645,000) | \$0              | \$3,756,950  |
| Face value of short-term bills payable    | 3,740,400    | 850,700     | 0                | 4,591,100    |
| Long-term borrowings                      | 8,412,550    | 1,169,187   | 0                | 9,581,737    |
| Deposits received                         | 5,202        | (6)         | 0                | 5,196        |
| Lease liabilities                         | 63,507       | (1,134)     | 6,922            | 69,295       |
| Liabilities from the financing activities | \$16,623,609 | \$1,373,747 | \$6,922          | \$18,004,278 |

VII. Related Party Transactions

(I) Names of related parties and their relationship

| Name                                     | Relationship with the Company                                                                                |
|------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| Chieh Chih Construction Co., Ltd.        | Relative within the second degree of kinship of the Chairman of the Company is the Chairman of such company. |
| Baihong Construction Co., Ltd.           | The Company's Chairman is the supervisor of such company                                                     |
| King's Town Construction Co., Ltd.       | The Company's Chairman is the chairman of such company                                                       |
| H2O Hotel Co., Ltd. (H2O Hotel)          | Subsidiary of the Company                                                                                    |
| Yangmin International Catering Co., Ltd. | Associate of the Company                                                                                     |
| Tsai, Tien-Tsan                          | Chairman of the Company                                                                                      |
| Meiyun S. Tsai                           | Spouse of the chairman of the Company                                                                        |

(II) Significant transactions with related parties

1. Operating revenue

| Name                            | 2024     | 2023     |
|---------------------------------|----------|----------|
| H2O Hotel Co., Ltd. (H2O Hotel) | \$52,095 | \$46,006 |
| Other related parties           | 38,833   | 0        |
| Total                           | \$90,928 | \$46,006 |

The sales of real estate to related parties were conducted at normal market prices.

The sales of real estate to other related parties amounted to NT\$38,833 thousand and NT\$0 thousand in 2024 and 2023, respectively, with payments received upon the transfer and delivery of the properties.

2. Lease income from operating activities

(1) The Company and H2O Hotel Co., Ltd. entered into a lease agreement for the use of investment properties, premises for sale and construction sites for the business and staff quarters of H2O Hotel Co., Ltd.

(2) The lease details are as follows:

| Lessee                             | Lease subject                                                                                   | Lease period              | Rent and Collection Status                                                                                                                                                                                                                                                                                                                                                        | 2024     | 2023     |
|------------------------------------|-------------------------------------------------------------------------------------------------|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|
| H2O Hotel Co., Ltd.<br>(H2O Hotel) | 1F., No. 366,<br>Minghua Rd.,<br>Gushan Dist.,<br>Kaohsiung City<br>(Longbei Section<br>No. 22) | 2019/02/01~<br>2025/01/31 | The monthly rental income<br>of NT\$6,500 thousand<br>(including business tax)<br>is collected by bank<br>transfer on a monthly<br>basis. Due to the<br>pandemic, the rent was<br>reduced by half from<br>January to June, 2023.<br>Starting from July, 2023,<br>the rent has been<br>changed to NT\$4,500<br>thousand with reference<br>to the rental market in<br>nearby areas. | \$51,429 | \$44,286 |

| Lessee                             | Lease subject                                                                                                                          | Lease period              | Rent and Collection Status                                                                                                                                                                                                                                                                                                                                                                                                       | 2024     | 2023     |
|------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|
| H2O Hotel Co., Ltd.<br>(H2O Hotel) | 8 levels at No. 300,<br>Funong Rd.,<br>Gushan Dist.,<br>Kaohsiung City,<br>1 building in total<br>(Longzhong<br>Section No. 128-<br>3) | 2019/02/01~<br>2025/01/31 | The monthly rent is NT\$32<br>thousand (including<br>business tax), which is<br>determined based on the<br>rental market rates of the<br>nearby area. Rent is<br>collected monthly via<br>bank transfer.                                                                                                                                                                                                                         | \$366    | \$366    |
| H2O Hotel Co., Ltd.<br>(H2O Hotel) | No. 620, Meishu E.<br>2nd Rd., Gushan<br>Dist., Kaohsiung<br>City (Mei Shu<br>Huang Ju)                                                | 2019/09/01~<br>2027/08/31 | The rent will be calculated<br>from November 1, 2019<br>at NT\$158 thousand per<br>month (including<br>business tax). The rent is<br>determined based on the<br>rental market rates of the<br>nearby area, and is<br>collected monthly via<br>bank transfer. Due to the<br>pandemic<br>Regarding the reduction of<br>rent by half from<br>January to June 2023,<br>the contract will be<br>terminated early on<br>March 1, 2024. | 300      | 1,354    |
| Total                              |                                                                                                                                        |                           |                                                                                                                                                                                                                                                                                                                                                                                                                                  | \$52,095 | \$46,006 |

### 3. Contracting work (Purchases)

Chieh Chih Construction Co., Ltd. and Baihong Construction Co., Ltd. are related parties of the Company, and the Company's projects are contracted by these two companies. The contract price is based on the cost of the two companies plus appropriate profit, and the payment terms are similar to those of a general contractor, but the actual date of cashing the notes is subject to the Company's capital situation.

- (1) The Company has commissioned Chieh Chih Construction Co., Ltd. to undertake various construction projects for 2024 and 2023. The contract price and current purchases are as follows:

| Site name                                             | Contract price<br>(including tax) | Purchases        |                  |
|-------------------------------------------------------|-----------------------------------|------------------|------------------|
|                                                       |                                   | 2024             | 2023             |
| Kaohsiung Fuhe Section<br>No. 698-1 Renovation        | \$2,486,986                       | \$0              | \$0              |
| Kaohsiung Ai Qun Section<br>No. 2748 (World of Heart) | \$2,211,730                       | 593,929          | 407,652          |
| Kaohsiung Bohsiao Section<br>No.1140 (Jing Wu Tong)   | \$1,405,500                       | 172,415          | 159,076          |
| Total                                                 |                                   | <u>\$766,344</u> | <u>\$566,728</u> |

- (2) The Company has commissioned EPILEDS Construction Co., Ltd. to undertake various construction projects for 2024 and 2023. The contract price and current purchases are as follows:

| Site name                                                  | Contract price<br>(including tax) | Purchases        |                  |
|------------------------------------------------------------|-----------------------------------|------------------|------------------|
|                                                            |                                   | 2024             | 2023             |
| Kaohsiung Fuhe Section<br>No. 698-1 Structural Engineering | \$2,006,214                       | \$214,310        | \$0              |
| Kaohsiung Longzhong<br>Section No. 191                     | \$1,072,320                       | 228,601          | 57,146           |
| Kaohsiung Shindu Section<br>163 (Fu +)                     | \$970,200                         | 0                | 276,311          |
| Tainan Yuguang Section<br>No. 880, 3 in total              | \$1,377,360                       | 200,015          | 0                |
| Total                                                      |                                   | <u>\$642,926</u> | <u>\$333,457</u> |

4. Land held for construction

- (1) The Company purchased 82 plots of road-use land from related party Tsai, Tian-Tsan, located at Ren De Zhong Cuo Section, plot no. 718, among others. The contract was signed on November 1, 2022, with an original total contract price of NT\$230,772 thousand. This price included the transaction price with a related party plus the necessary interest on capital, with payments made according to the contract terms. Due to some of the land being occupied, a refund of NT\$1,452 thousand was processed, resulting in a net payment of NT\$229,320 thousand for the land. The transfer of ownership was completed in January, 2023.
- (2) The Company purchased 174 plots of road-use land from related parties Tsai, Tian-Tsan, Meiyun S. Tsai, and other related parties, located at You Chang Section, Third Subsection 1061 and other plots. The contract was signed on November 11, 2022, with a total contract price of NT\$305,995 thousand. This price was determined based on the transaction price with related parties plus the necessary interest on capital, with payments made according to the contract terms. The transfer of ownership was completed in March 2023.

5. Receivables from related parties

|                                    | December 31, 2024 | December 31, 2023 |
|------------------------------------|-------------------|-------------------|
| Name of project and related party  | Balance           | Balance           |
| Other receivables                  |                   |                   |
| Meiyun S. Tsai                     | \$111             | \$109             |
| King's Town Construction Co., Ltd. | 0                 | 25                |
| Other related parties              | 0                 | 7                 |
| Total                              | \$111             | \$141             |

Other receivables represent amounts receivable for the landlords' share of selling expenses and payments made on behalf of related parties.

6. Payables to related parties.

|                                   | December 31, 2024 | December 31, 2023 |
|-----------------------------------|-------------------|-------------------|
| Name of project and related party | Balance           | Balance           |
| (1) Notes payable                 |                   |                   |
| Chieh Chih Construction Co., Ltd. | \$91,884          | \$40,011          |
| Baihong Construction Co., Ltd.    | 145,009           | 103,104           |
| Total                             | <u>\$236,893</u>  | <u>\$143,115</u>  |

(2) Trade payables

|                                   |                  |                 |
|-----------------------------------|------------------|-----------------|
| Chieh Chih Construction Co., Ltd. | \$188,314        | \$0             |
| Baihong Construction Co., Ltd.    | 0                | 85,714          |
| Total                             | <u>\$188,314</u> | <u>\$85,714</u> |

(3) Other payables

|                                          |                |              |
|------------------------------------------|----------------|--------------|
| King's Town Construction Co., Ltd.       | \$1,132        | \$0          |
| H2O Hotel Co., Ltd. (H2O Hotel)          | 184            | 4            |
| Yangmin International Catering Co., Ltd. | 61             | 97           |
| Total                                    | <u>\$1,377</u> | <u>\$101</u> |

7. Lease expenses

|                                    | Price payment  |                |
|------------------------------------|----------------|----------------|
| Lease expenses                     | 2024           | 2023           |
| King's Town Construction Co., Ltd. | <u>\$1,029</u> | <u>\$1,029</u> |

The lease details are as follows:

| Lessor                             | Lease subjects                                              | Lease period | Rent and payment status                                                                                                                                                | 2024    | 2023    |
|------------------------------------|-------------------------------------------------------------|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|
| King's Town Construction Co., Ltd. | 12F., No. 150, Bo'ai 2nd Rd., Zuoying Dist., Kaohsiung City | 2022/07/01~  | The monthly rent is NT\$90 thousand (including business tax), which is determined based on the rental market rates of the nearby area, paid monthly via bank transfer. | \$1,029 | \$1,029 |
|                                    |                                                             | 2023/06/30 , |                                                                                                                                                                        |         |         |
|                                    |                                                             | 2023/07/01~  |                                                                                                                                                                        |         |         |
|                                    |                                                             | 2024/06/30   |                                                                                                                                                                        |         |         |
|                                    |                                                             | 2024/07/01~  |                                                                                                                                                                        |         |         |
|                                    |                                                             | 2025/06/30   |                                                                                                                                                                        |         |         |

#### 8. Others

- (1) The Chairman of the Company and Director Meiyun S. Tsai provided land plots No. 551 and 554 in the Shi Jia Section, which are her personal assets, as collateral for the Company's bank loans. The loan amounts secured by this collateral were NT\$798,000 thousand and NT\$1,000,000 thousand as of December 31, 2024 and 2023, respectively.
- (2) Director Meiyun S. Tsai of the Company and other related parties provided their own assets, including land at Guo Tian Zi Section No. 687 and other plots, as collateral for the Company to issue commercial paper through a bills finance company. As of December 31, 2024 and 2023, the amounts of commercial paper issued were NT\$0 thousand and NT\$350,000 thousand, respectively.
- (3) The Chairman of the Company and Director Meiyun S. Tsai provided land at Qinghai Lot No. 216 together with the Company's construction site at Qinghai Lot No. 229 as joint collateral for bank loans and the issuance of commercial paper. As of December 31, 2024 and 2023, the loan amounts were NT\$1,511,600 thousand and NT\$1,591,250 thousand, respectively, and the amounts of commercial paper issued were NT\$1,591,200 thousand and NT\$1,675,000 thousand, respectively.

- (4) The Company's investment in subsidiaries is described in Note VI(IX).
- (5) In 2024 and 2023, the Company paid the related party, H2O Hotel Co., Ltd., expenses such as hospitality and venue fees, which were recorded as NT\$927 thousand and NT\$953 thousand for social expenses, and NT\$208 thousand and NT\$150 thousand for miscellaneous expenses, respectively.
- (6) In 2024 and 2023, the Company paid the related party, Yangmin International Catering Co., Ltd., expenses such as customer hospitality, which were recorded as NT\$535 thousand and NT\$409 thousand for social expenses, and NT\$0 and NT\$298 thousand for miscellaneous expenses, respectively.
- (7) The Company's affiliate, Chien Chih Construction Co., Ltd., provided guaranteed and performance promissory notes for the Company's construction projects. The guaranteed promissory notes recorded as of December 31, 2024 and 2023 were NT\$590,649 thousand and NT\$678,061 thousand, respectively.
- (8) (8) The Company's affiliate, Baihong Construction Co., Ltd., provided guaranteed and performance promissory notes for the Company's construction projects. The guaranteed promissory notes recorded as of December 31, 2024 and 2023 were both NT\$580,155 thousand.

9. Information on remuneration to the management

|                              | 2024     | 2023     |
|------------------------------|----------|----------|
| Short-term employee benefits | \$24,568 | \$19,050 |

### VIII. Pledged Assets

The carrying values of the Company's assets pledged as collateral for loans and short-term notes issued were as follows:

| Name of assets                   | Secured subject                                                      | December 31, 2024   | December 31, 2023   |
|----------------------------------|----------------------------------------------------------------------|---------------------|---------------------|
| Buildings and land held for sale | Collateralized borrowing and issuance of commercial promissory notes | \$4,014,274         | \$5,565,214         |
| Construction in progress         | Collateralized borrowing and issuance of commercial promissory notes | 3,355,652           | 5,222,870           |
| Land held for construction       | Collateralized borrowing and issuance of commercial promissory notes | 22,386,348          | 19,266,364          |
| Investment properties            | Secured borrowings                                                   | 502,729             | 563,942             |
| Other financial assets - current | Presale housing payment trust accounts and performance guarantees    | 19,324              | 54,012              |
| Refundable deposits              | Disaster management guarantee                                        | 33,369              | 27,046              |
| Total                            |                                                                      | <u>\$30,311,696</u> | <u>\$30,699,448</u> |

### IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

1. As of December 31, 2024, the total contract value (including tax) of the construction contracts that had been signed was NT\$8,348,380 thousand, with an outstanding payment amount of NT\$7,255,239 thousand.
2. As of December 31, 2024, the total contract value of the signed agreements for the acquisition of construction land was NT\$395,000 thousand, with an outstanding payment amount of NT\$200,000 thousand.

3. The Company has signed the Tainan Rende Smart Technology Park Cooperative Development Project with SanDi Properties Co., Ltd., to develop in the way of “joint investment and construction” for 83 parcels of land including Plot No. 820 at Kanjiao North Section, Rende District, Tainan City, and 4 parcels of land including Plot No. 32 at Kanjiao Southern Section, Rende District, Tainan City, covering an area of 111,797.54 square meters. Both parties shall invest in the construction and bear the profits and losses and risks related to the planning, construction and sales of the project in proportion of 50% as joint venture. The Company acted as the “host operator” of this project to handle and represent externally for the execution of this joint venture project.
4. The Company signed the Contract for Cooperative Development of Tainan Rende Smart Technology Park with SanDi Properties Co., Ltd., and acts as joint constructors with SanDi Properties Co., Ltd., and they provide guarantee to each other for financing.

As of the years ended December 31, 2024 and 2023, the Company’s financing endorsement/guarantee is as follows:

| Endorser/<br>Guarantor                   | Endorsee/<br>Guarantee        | December 31,<br>2024 | December 31,<br>2023 | Guarantee<br>purpose                     |
|------------------------------------------|-------------------------------|----------------------|----------------------|------------------------------------------|
| King’s Town<br>Construction<br>Co., Ltd. | SanDi Properties<br>Co., Ltd. | \$3,000,000          | \$2,000,000          | Loan<br>financing<br>credit<br>guarantee |

5. As of December 31, 2024 and December 31, 2023, the Company had entrusted banks to issue price performance guarantee for the pre-sale cases with a guarantee amount of NT\$18,580.
6. In 2024, the Company applied to the bank for a performance guarantee limit of NT\$200,000 thousand. This limit is exclusively intended to provide the performance guarantee documents required for the energy management incentive items associated with the “Tainan Urban Planning Industrial Zone Renewal and Vertical Development” project, as submitted to the Tainan City Government.

X. Significant Disaster Loss

None.

XI. Significant Subsequent Events

None.

XII. Others

(I) Capital Risk Management

The objective of the Company's capital management is to ensure that the Consolidated Company can continue as a going concern, that an optimal capital structure is maintained to lower the cost of capital, and that returns are provided to stockholders. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. The Company regulates the borrowing amount based on the progress of the project and the funds required for the operation.

(II) Financial Instruments

1. Type of Financial Instrument

|                                                                        | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|------------------------------------------------------------------------|--------------------------|--------------------------|
| <u>Financial assets</u>                                                |                          |                          |
| Financial assets at fair value through profit or loss                  |                          |                          |
| Non-current                                                            |                          |                          |
| Domestic un-listed stocks                                              | <u>\$82</u>              | <u>\$82</u>              |
| Financial assets at amortized cost                                     |                          |                          |
| Cash and cash equivalents                                              | \$2,877,119              | \$530,843                |
| Net notes receivable and trade receivables (including related parties) | 22,166                   | 19,176                   |

|                                                            | December 31, 2024 | December 31, 2023 |
|------------------------------------------------------------|-------------------|-------------------|
| Other receivables (including related parties)              | 8,251             | 8,105             |
| Other financial assets (including current and non-current) | 19,324            | 54,012            |
| Refundable deposits                                        | 37,049            | 30,619            |
| Long-term notes and trade receivable                       | 0                 | 20,000            |
| Subtotal                                                   | \$2,963,909       | \$662,755         |
| Total                                                      | \$2,963,991       | \$662,837         |

#### Financial liabilities

##### Measured at amortized cost

|                                                                                     |              |              |
|-------------------------------------------------------------------------------------|--------------|--------------|
| Short-term borrowings                                                               | \$2,636,475  | \$3,756,950  |
| Short-term bills payable                                                            | 4,445,526    | 4,587,399    |
| Notes payable and trade payables (including related parties)                        | 507,438      | 319,608      |
| Other payables (including related parties)                                          | 138,379      | 41,574       |
| Long-term borrowings (including long-term borrowing due within one operating cycle) | 11,588,151   | 9,581,737    |
| Lease liabilities (including current and non-current)                               | 68,013       | 69,295       |
| Long-term notes payable                                                             | 0            | 7,595        |
| Deposits received                                                                   | 3,436        | 5,196        |
| Total                                                                               | \$19,387,418 | \$18,369,354 |

## 2. Financial risk management policy

- (1) The Company's daily operations are subject to a number of financial risks, including market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial position and financial performance.
- (2) Financial risk management of the Company is carried out by its finance department based on the policies approved by the Board of Directors. Through cooperation with the Company's operating units, the finance department is responsible for identifying, evaluating and hedging financial risks.
- (3) The Company does not undertake derivatives for hedging financial risks.

## 3. Significant financial risks and degrees of financial risks

### (1) Market risks

#### A. Price risks

The Company is exposed to price risk associated with equity instruments, which are classified in the balance sheet as financial assets measured at fair value through profit or loss. To manage the price risk of equity instrument investments, the Company invests based on established limits and investment targets. These investments are in non-public venture capital funds, and due to the insignificance of the investment amounts, the consolidated company is not exposed to price risk related to equity instruments.

#### B. Cash flow and fair value interest rate risk

The Company's interest rate risks come from short-term borrowings, and long-term borrowings. The funds borrowed at floating interest rates expose

the Company to cash flow interest rate risk. In 2024 and 2023, the Company's borrowings at floating interest rate were denominated in the NTD.

The Company simulates a number of scenarios and analyzes interest rate risk, including consideration of refinancing, extending contracts of existing positions, and other available financing options to calculate the impact of changes in specific interest rates on profit or loss.

The following sensitivity analysis is determined based on the interest rate exposure of non-derivative instruments as of the reporting date. For floating rate liabilities, the analysis assumes that the outstanding liability amount as of the reporting date remains outstanding throughout the entire year. The floating rate used by the Company to report interest rates to the senior management is an increase or decrease of 0.25%. This also represents the management's assessment of the reasonable possible range of fluctuations in interest rates.

If the interest rate changes by 0.25% on the reporting date, with all other variables held constant, the Company will incur an increase or decrease in cash outflows related to financial liabilities of NT\$35,562 thousand and NT\$33,347 thousand for 2024 and 2023, respectively. The Company's exposure to interest rate risk is primarily attributable to its floating rate borrowings.

## (2) Credit risks

- A. Credit risk refers to the risk of financial loss of the Company arising from default by clients or counterparties of financial instruments on the contractual obligations. Credit risk mainly derives from cash and cash

equivalents, derivative financial instruments, and deposits within banks and financial institutions, as well as trade receivables not yet collected in cash and committed transactions. The banks and financial institutions with which transactions are conducted are all of good credit standing, therefore, the credit risk associated with deposits held at these financial institutions is considered limited.

- B. The Company primarily engages in the business of renting and selling residential properties and land. Revenue from the sale of properties is recognized when the full contract price is received, the transfer of ownership is completed, and the property is physically handed over. Consequently, the amount of receivables arising from property sales should be minimal, and the likelihood of non-recovery is low. Furthermore, the Company has a large customer base and does not significantly concentrate transactions with a single customer; therefore, the credit risk of accounts receivable is not significantly concentrated. The Company categorizes accounts receivable and installment receivables based on the characteristics of customer types, employing a simplified approach to estimate expected credit losses based on a preparation matrix. This includes forward-looking adjustments to the loss rates established from historical and current information for specific periods, in order to assess the allowance for losses on installment receivables. The Company's assessed credit impairment losses on December 31, 2024 and 2023 were not significant.
- C. No written-off debts with recourse existed as of December 31, 2024 and 2023.

(3) Liquidity risks

- A. The cash flow forecast is performed by each operating entity of the Company and compiled by the Company's finance department. The Company's finance department monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.
- B. The following table presents the Company's non-derivative financial liabilities grouped by the relevant maturity dates, which are analyzed based on the remaining period from the end of the reporting period to the contractual maturity date, including estimated interest. The contractual cash flow amounts disclosed in the table below are undiscounted amounts.

| Non-derivative financial liabilities                                                | Within 6 months | 6 to 12 months | 1 to 3 years | Over 3 years |
|-------------------------------------------------------------------------------------|-----------------|----------------|--------------|--------------|
| December 31, 2024                                                                   |                 |                |              |              |
| Short-term borrowings                                                               | \$1,360,203     | \$563,455      | \$540,099    | \$243,826    |
| Short-term bills payable                                                            | 4,454,000       | 0              | 0            | 0            |
| Notes and accounts receivable (including amounts to related parties)                | 499,624         | 95             | 7,595        | 124          |
| Other payables (including amounts to related parties)                               | 138,378         | 0              | 0            | 1            |
| Provisions - current                                                                | 7,410           | 7,800          | 17,950       | 16,900       |
| Long-term borrowings (including long-term borrowing due within one operating cycle) | 667,221         | 307,641        | 7,943,037    | 3,435,959    |
| Lease liabilities (including current)                                               | 1,233           | 1,233          | 4,932        | 84,869       |
| December 31, 2023                                                                   |                 |                |              |              |
| Short-term borrowings                                                               | \$2,714,466     | \$560,414      | \$26,010     | \$514,894    |

| Non-derivative financial liabilities                                                   | Within 6 months | 6 to 12 months | 1 to 3 years | Over 3 years |
|----------------------------------------------------------------------------------------|-----------------|----------------|--------------|--------------|
| Short-term bills payable                                                               | 4,591,100       | 0              | 0            | 0            |
| Notes and accounts receivable<br>(Including amounts to related parties)                | 319,484         | 0              | 3,255        | 4,464        |
| Other payables<br>(Including amounts to related parties)                               | 36,560          | 5,013          | 0            | 1            |
| Provisions - current                                                                   | 7,650           | 4,500          | 18,400       | 17,850       |
| Long-term borrowings<br>(including long-term borrowing due within one operating cycle) | 145,618         | 245,158        | 6,603,699    | 3,309,194    |
| Lease liabilities<br>(including current)                                               | 1,233           | 1,233          | 4,932        | 87,335       |

C. The Company does not expect that the cash flows for the maturity analysis will occur at a significantly earlier time point or that actual amounts will be significantly different.

(4) Information on fair value

A. The different levels of inputs used in the valuation techniques for measuring the fair value of financial and non-financial instruments have been defined as follows:

Level 1: The quoted price in an active market for identical assets or liabilities available to the enterprise at the measurement date. A market is regarded as active where transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investments in listed stocks, beneficiary certificates, and derivatives with quoted prices in an active market are all Level 1 inputs.

Level 2: The inputs are observable for the asset or liability, either directly or indirectly, excluding quoted prices included within Level 1.

The fair values of certain derivative instruments and equity instruments invested by the Company are all Level 2 inputs.

Level 3: The unobservable input value of an asset or liability. The Company's investments in certain derivative instruments and investments in equity instruments with no active market are all level 3 inputs.

- B. For information on the fair value of investment properties measured at cost, please refer to Note VI (XII).
- C. For financial instruments with active markets, their fair value is measured at the market quoted prices on balance sheet date. When quoted prices can be obtained immediately and regularly from stock exchanges and regulatory agencies, and such quoted prices represent actual and regular market transactions under normal conditions, the markets are deemed active markets. The financial assets held by the Company are equity instruments without an active market, designated as financial assets - current measured at fair value through profit or loss. Due to their minimal amount, they are valued at cost, which corresponds to Level 3 of the fair value hierarchy. However, if the net asset value method is used as the valuation technique for fair value, there is no impairment.
- D. The Company measures financial assets at fair value through profit or loss on a recurring basis. As of December 31, 2024, and December 31, 2023, the financial instruments measured at fair value are classified by the nature, characteristics, risks, and fair value hierarchy of the assets and liabilities. The relevant information is as follows:

| December 31, 2024                                      |         |         |         |       |
|--------------------------------------------------------|---------|---------|---------|-------|
|                                                        | Level 1 | Level 2 | Level 3 | Total |
| Assets                                                 |         |         |         |       |
| <u>Repetitive fair value</u>                           |         |         |         |       |
| Financial assets at fair value through profit and loss |         |         |         |       |
| Domestic unlisted stocks (Venture Capital Fund)        | \$0     | \$0     | \$82    | \$82  |

| December 31, 2023                                      |         |         |         |       |
|--------------------------------------------------------|---------|---------|---------|-------|
|                                                        | Level 1 | Level 2 | Level 3 | Total |
| Assets                                                 |         |         |         |       |
| <u>Repetitive fair value</u>                           |         |         |         |       |
| Financial assets at fair value through profit and loss |         |         |         |       |
| Domestic unlisted stocks (Venture Capital Fund)        | \$0     | \$0     | \$82    | \$82  |

E. The methods and assumptions used by the Company to measure fair value are explained as follows:

- (1) The fair value of the Company's domestic listed stocks and beneficiary certificates are input based on the closing price and net value of the market price, respectively (i.e. Level 1).
- (2) In addition to the aforementioned financial instruments with an active market, the fair value of other financial instruments is acquired by valuation technique or by reference to the counterparty quotes. The current fair value of financial instruments obtained through valuation techniques, discounted cash flow method or other valuation techniques, including the use of models based on market information available at the end of the reporting period (i.e. Level 3).

(3) In 2024 and 2023, the Company did not experience any transfers between Level 1 and Level 2 of the fair value hierarchy.

(4) In 2024 and 2023, there was no transfers into or out of Level 3. The details of the changes are as follows:

|                                              | Investments in equity instruments<br>without an active market |
|----------------------------------------------|---------------------------------------------------------------|
| December 31, 2024 (i.e.,<br>January 1, 2024) | \$82                                                          |
| December 31, 2023 (i.e.,<br>January 1, 2023) | \$82                                                          |

F. Financial instruments not measured at fair value include cash and cash equivalents, accounts and notes receivable (including long-term notes receivable), other receivables, deposits paid, restricted bank deposits, short-term borrowings, short-term notes payable, notes payable, accounts payable, other payables, long-term borrowings, and the carrying amounts of deposits received, which are reasonable approximations of fair value.

### XIII. Supplementary Disclosure

(I) Information on significant transactions was as follow:

| No. | Summary                                                                                                                                              | Description |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| 1   | Loaning to others.                                                                                                                                   | None        |
| 2   | Endorsements/guarantees to others.                                                                                                                   | Table I     |
| 3   | Marketable securities held at the end of the period. (Excluding investment in Subsidiaries and Associates)                                           | Table II    |
| 4   | Cumulative amount of the stock of the same marketable securities purchased or sold totaling NT\$300 million or more than 20% of the paid-in capital. | None        |
| 5   | Acquisition of real estate totaling NT\$300 million or more than 20% of the paid-in capital:                                                         | Table III   |
| 6   | Disposal of real estate totaling NT\$300 million or more than 20% of the paid-in capital.                                                            | Table IV    |
| 7   | Purchases or sales with related parties totaling NT\$100 million or more than 20% of the paid-in capital.                                            | Table V     |
| 8   | Receivables from related party totaling NT\$100 million or more than 20% of the paid-in capital.                                                     | None        |
| 9   | Engaging in derivatives trading.                                                                                                                     | None        |

Table I

King's Town Construction Co., Ltd.  
Details on endorsements/guarantees to others.  
December 31, 2024

Unit: NT\$ thousands

| No.<br>(Note 1) | Name of<br>Endorser/<br>Guarantor        | Object of<br>Endorsements/Guarantees |                          | Amount of<br>Endorsements/<br>Guarantees for<br>a Single<br>Enterprise<br>(Note 3) | Maximum<br>Balance of<br>Endorsements/<br>Guarantees in<br>Current Period | Ending<br>Balance of<br>Endorsements/<br>Guarantees | Actual<br>Drawdown | Amount of<br>Endorsements/<br>Guarantees by<br>Property | Ratio of<br>Accumulated<br>Endorsements/<br>Guarantees to<br>the Net Worth<br>of the Most<br>Recent<br>Financial<br>Statement | Aggregate<br>Endorsement/<br>Guarantee<br>Limit<br>(Note 3) | Guarantee<br>Provided<br>by Parent<br>Company<br>to a<br>Subsidiary | Guarantee<br>Provided<br>by a<br>Subsidiary<br>to Parent<br>Company | Guarantee<br>Provided to<br>Subsidiaries<br>in Mainland<br>China |
|-----------------|------------------------------------------|--------------------------------------|--------------------------|------------------------------------------------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------------------|--------------------|---------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------|------------------------------------------------------------------|
|                 |                                          | Name of<br>Company                   | Relationship<br>(Note 2) |                                                                                    |                                                                           |                                                     |                    |                                                         |                                                                                                                               |                                                             |                                                                     |                                                                     |                                                                  |
| 0               | King's Town<br>Construction<br>Co., Ltd. | SanDi<br>Properties<br>Co., Ltd.     | 5                        | 6,168,267                                                                          | 3,000,000                                                                 | 3,000,000                                           | 2,059,760          | 0                                                       | 14.59%                                                                                                                        | 10,280,446                                                  | N                                                                   | N                                                                   | N                                                                |

Note 1: Instructions for the number column:

- (1) The Company is "0".
- (2) The investee companies are numbered in order starting from "1".

Note 2: Listed below are the 7 types of companies to which the Company may provide endorsement/guarantee:

- (1) A company with which it does business.
- (2) A company in which the Company directly and indirectly holds more than 50 percent of the voting shares.
- (3) A company that directly and indirectly holds more than 50 percent of the voting shares in the Company.
- (4) A company in which the Company directly and indirectly holds more than 90 percent of the voting shares.
- (5) A company for which the peers or co-constructors guarantee mutually as agreed in the contract.
- (6) A company that is endorsed and guaranteed by all shareholders based on their shareholding ratio due to the joint investment relationship.
- (7) The joint and several guarantee for the performance of the pre-sale house sales contract between the peers in accordance with the Consumer Protection Act.

Note 3:

- (1) The total amount of the endorsement guarantees of the Company and its subsidiaries as a whole is limited to less than 50% of the net value of the Company.
- (2) When the Company and its subsidiaries as a whole endorse a single enterprise, the maximum amount shall not exceed thirty percent of the net value of the Company, and shall not exceed fifty percent of the paid-up capital of the enterprise. With the exception of a subsidiary of the Company which holds 100% of the equity interest.

Table II

King's Town Construction Co., Ltd.  
Marketable securities held (excluding investments in subsidiaries and associates)  
December 31, 2024

Unit: NT\$ thousands

| Securities holding company         | Type and name of securities | Relationship with issuer of securities | Ledger account                                         | Ending balance            |                 |                        |            | Remark |
|------------------------------------|-----------------------------|----------------------------------------|--------------------------------------------------------|---------------------------|-----------------|------------------------|------------|--------|
|                                    |                             |                                        |                                                        | Number of shares (shares) | Carrying amount | Shareholding Ratio (%) | Fair value |        |
| King's Town Construction Co., Ltd. | Huazhi Venture Capital      | None                                   | Financial assets at fair value through profit and loss | 8,152                     | 82              | 1.63%                  | *          |        |

\* Huazhi Venture Capital was not fair valued because the amount was not material.

Table III

## King's Town Construction Co., Ltd.

Acquisition of real estate totaling NT\$300 million or more than 20% of the paid-in capital.

Unit: NT\$ thousands

| Acquirer of real estate            | Name of property                                                                                                                          | Date of occurrence | Transaction amount | Payment collection status | Counterparty                      | Relationship with the Company | Information on prior transaction if the counterparty is related |                              |               |        | Basis or reference for price setting                        | Purpose of acquisition and usage status            | Other agreements |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|---------------------------|-----------------------------------|-------------------------------|-----------------------------------------------------------------|------------------------------|---------------|--------|-------------------------------------------------------------|----------------------------------------------------|------------------|
|                                    |                                                                                                                                           |                    |                    |                           |                                   |                               | Owner                                                           | Relationship with the issuer | Transfer date | Amount |                                                             |                                                    |                  |
| King's Town Construction Co., Ltd. | Prepaid Land Payment - Cost equivalent land in the rezoning of self-administered municipal land at Caohu, Annan District, Tainan City (I) | 2020.12.17         | \$395,000          | \$195,000                 | Natural person Chung, Chun        | None                          | —                                                               | —                            | —             | —      | Real estate valuation report by professional valuation firm | Land held for construction for business operations |                  |
| King's Town Construction Co., Ltd. | Construction Land - Kaohsiung City, Lingya District, Chenggong Section, Land Plots No. 65 and 66.                                         | 2023.08.29         | \$334,410          | \$334,410                 | First Commercial Bank Ltd.        | None                          | —                                                               | —                            | —             | —      | Real estate valuation report by professional valuation firm | Land held for construction for business operations |                  |
| King's Town Construction Co., Ltd. | Construction Land - No. 27-30, Hsinsheng Section, Zuoying District, Kaohsiung City                                                        | 2024.06.12         | \$1,336,821        | \$1,336,821               | 23 natural persons including Chen | None                          | —                                                               | —                            | —             | —      | Real estate valuation report by professional valuation firm | Land held for construction for business operations |                  |
| King's Town Construction Co., Ltd. | Construction land – Kaohsiung City, Niasong District, Dapi Section, No. 20 and 21.                                                        | 2024.07.29         | \$899,739          | \$899,739                 | 36 natural persons including Chou | None                          | —                                                               | —                            | —             | —      | Real estate valuation report by professional valuation firm | Land held for construction for business operations |                  |
| King's Town Construction Co., Ltd. | Construction Land - Lot 3, Longdong Section, Gushan District, Kaohsiung City                                                              | 2024.07.03         | \$679,270          | \$679,270                 | 11 natural persons including Yu,  | None                          | —                                                               | —                            | —             | —      | Real estate valuation report by professional valuation firm | Land held for construction for business operations |                  |
| King's Town Construction Co., Ltd. | Construction land – Kaohsiung City, Zuoying District, Xinmin Section, Lots 289 and 290.                                                   | 2024.08.06         | \$1,011,551        | \$1,011,551               | 6 natural persons including Hsu   | None                          | —                                                               | —                            | —             | —      | Real estate valuation report by professional valuation firm | Land held for construction for business operations |                  |

The transfer of the above cost equivalent land in the rezoning of self-administered municipal land at Caohu, Annan District, Tainan City (I) is not yet completed by the end of December 2024, therefore, recorded as land prepayment.

Table IV

King's Town Construction Co., Ltd.

Disposal of real estate totaling NT\$300 million or more than 20% of the paid-in capital.

Unit: NT\$ thousands

| Disposal company of property       | Name of property                                                                                                                          | Date of occurrence | Original acquisition date | Carrying amount | Transaction amount | Payment collection status | Profit or loss on disposal | Counterparty                    | Relationship with the Company | Purpose of Disposal                                          | Basis or reference for price setting                        | Other agreements |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------------|-----------------|--------------------|---------------------------|----------------------------|---------------------------------|-------------------------------|--------------------------------------------------------------|-------------------------------------------------------------|------------------|
| King's Town Construction Co., Ltd. | Land and buildings located at Lot 60-1, 62-64, Chenggong Section, Lingya District, Kaohsiung City.                                        | 2024.07.10         | 2008.10.16                | \$540,345       | \$1,311,842        | \$1,311,842               | \$771,409                  | Run Long Construction Co., Ltd. | None                          | Disposal of idle and undeveloped land to boost profitability | Real estate valuation report by professional valuation firm |                  |
| King's Town Construction Co., Ltd. | Land parcels No. 65 to 86 and 20 other lots (total of 22 lots) and their buildings in Chenggong Section, Lingya District, Kaohsiung City. | 2024.07.26         | 2008.11.18~2024.01.16     | \$660,270       | \$988,047          | \$988,047                 | \$322,458                  | Jin Jyun Construction Co., Ltd. | None                          | Disposal of idle and undeveloped land to boost profitability | Real estate valuation report by professional valuation firm |                  |

Table IV

## King's Town Construction Co., Ltd.

Purchases or sales with related parties totaling NT\$100 million or more than 20% of the paid-in capital

Unit: NT\$ thousands

| Name of company                    | Counterparty                      | Relationship                                                                                                 | Transaction details |           |                                       |                                            | Transaction with terms different from others |              | Notes and trade receivable (payable)               |                                                      | Remark |
|------------------------------------|-----------------------------------|--------------------------------------------------------------------------------------------------------------|---------------------|-----------|---------------------------------------|--------------------------------------------|----------------------------------------------|--------------|----------------------------------------------------|------------------------------------------------------|--------|
|                                    |                                   |                                                                                                              | Purchase (sale)     | Amount    | Percentage of total purchase/ (sales) | Payment term                               | Unit price                                   | Payment term | Balance                                            | Percentage of total notes/trade receivable (payable) |        |
|                                    |                                   |                                                                                                              |                     |           |                                       |                                            |                                              |              |                                                    |                                                      |        |
| King’s Town Construction Co., Ltd. | Chieh Chih Construction Co., Ltd. | Relative within the second degree of kinship of the Chairman of the Company is the Chairman of such company. | Purchases           | \$766,344 | 11.88%                                | In accordance with the contract provisions | —                                            | —            | Notes payable \$91,884<br>Trade payables \$188,314 | 30.09%<br>93.21%                                     |        |
| King’s Town Construction Co., Ltd. | Baihong Construction Co., Ltd.    | The Company’s Chairman is the supervisor of such company                                                     | Purchases           | \$642,926 | 9.97%                                 | In accordance with the contract provisions | —                                            | —            | Notes payable \$145,009<br>Trade payables \$0      | 47.48%<br>0.00%                                      |        |

## (II) Information on reinvestment:

| Name of Investor                   | Name of Investee    | Location                                           | Main business activities | Initial investment amount             |                  | Ending balance       |                |                 | Profit (Loss) of investee for the period | Investment profit (loss) recognized | Remark |
|------------------------------------|---------------------|----------------------------------------------------|--------------------------|---------------------------------------|------------------|----------------------|----------------|-----------------|------------------------------------------|-------------------------------------|--------|
|                                    |                     |                                                    |                          | Ending balance for the current period | End of last year | Shares (in thousand) | Percentage (%) | Carrying amount |                                          |                                     |        |
| King's Town Construction Co., Ltd. | H2O Hotel Co., Ltd. | No. 366, Minghua Rd., Gushan Dist., Kaohsiung City | Hotel and restaurant     | \$520,000                             | \$490,000        | 52,000               | 100%           | \$133,531       | (\$21,348)                               | (\$17,001)                          | -      |

Note 1: The Company recognized a loss share of NT\$21,348 thousand in the investee company. In addition, due to the lease of real estate to a subsidiary, H2O Hotel Co., Ltd., the leasing subsidiary was classified as a right-of-use asset and lease liability under IFRS 16 as of January 1, 2019, while the Consolidated Company was classified as an operating lease, resulting in a difference in profit or loss recognition, which affected the Company's share of profit recognized using the equity method. The difference affected the Company's share of benefit recognized under the equity method by NT\$4,347 thousand.

(III) Disclosure of information on investments in Mainland China:

None.

(IV) Information on major shareholders:

| Name of major shareholders        | Shareholding (shares) | Shareholding |
|-----------------------------------|-----------------------|--------------|
| Tsai, Tien-Tsan                   | 85,577,838            | 23.16%       |
| Tiangang Investment Co., Ltd.     | 63,328,801            | 17.14%       |
| Tianye Investment Co., Ltd.       | 49,652,072            | 13.44%       |
| Chien-Chih Construction Co., Ltd. | 31,651,513            | 8.56%        |
| Tsai                              | 23,616,339            | 6.39%        |
| Meiyun S. Tsai                    | 20,209,951            | 5.47%        |

- (1) The major shareholders in this table are shareholders holding more than 5% of the common and preference shares that have completed delivery of non-physical registration (including treasury shares) on the last business day of each quarter calculated by the Taiwan Depository & Clearing Corporation. However, the share capital recorded in the Company's financial report and the number of shares actually delivered by the company without physical registration may differ due to calculation basis.
- (2) For the above are shares entrusted by the shareholders, the information thereto shall base on the shares disclosed by the individual trust account of opened by the trustees. For information on shareholders, who declare to be insiders holding more than 10% of shares

in accordance with the Securities and Exchange Act, and their shareholdings include their shareholdings plus their delivery of trust and shares with the right to make decisions on trust property, please refer to MOPS.

#### XIV. Operating Segment Financial Information

Please refer to the 2024 consolidated financial report.

# King's Town Construction Co., Ltd.

## Statements of Accounting Items

2024

(In Thousands of New Taiwan Dollars, unless otherwise specified)

Statements of significant accounting subjects

| Item                                                                                              | Number/Index    |
|---------------------------------------------------------------------------------------------------|-----------------|
| Statements of assets, liabilities and equity Items                                                |                 |
| Statement s of cash and cash equivalents                                                          | Statement I     |
| Statement of financial assets at fair value through profit or loss - non-current                  | Statement II    |
| Statement of buildings and land held for sale                                                     | Statement III   |
| Statement of changes in construction in progress                                                  | Statement IV    |
| Statement of changes in land held for construction                                                | Statement V     |
| Statement of prepaid premises                                                                     | Statement VI    |
| Statement of prepayments, other current assets and other financial assets - current               | Statement VII   |
| Statement of change in long-term equity investments accounted for using the equity method         | Statement VIII  |
| Statement of change in property, plant and equipment                                              | Note VI.(X)     |
| Statement of change in accumulated depreciation of property, plant and equipment                  | Note VI.(X)     |
| Statement of change in right-of-use assets                                                        | Note VI.(XI)    |
| Statement of change in accumulated depreciation and accumulated impairment of right-of-use assets | Note VI.(XI)    |
| Statement of change in investment properties                                                      | Note VI.(XII)   |
| Statement of change in accumulated depreciation of investment properties                          | Note VI.(XII)   |
| Statement of change in intangible assets                                                          | Note VI.(XIII)  |
| Statement of change in accumulated depreciation of intangible assets                              | Note VI.(XIII)  |
| Statement of short-term loans                                                                     | Statement IX    |
| Statement of short-term bills payable                                                             | Statement X     |
| Statement of contract liabilities - current                                                       | Statement XI    |
| Statement of other payables                                                                       | Statement XII   |
| Statement of provisions                                                                           | Note VI.(XV)    |
| Statement of collections                                                                          | Note VI.(XVI)   |
| Statement of long-term borrowings                                                                 | Statement XIII  |
| Statement of lease liabilities                                                                    | Statement XIV   |
| Statement of profit or loss items                                                                 |                 |
| Statement of operating revenue                                                                    | Statement XV    |
| Statement of operating costs                                                                      | Statement XVI   |
| Statement of selling and marketing expenses                                                       | Statement XVII  |
| Statement of general and administrative expenses                                                  | Statement XVIII |

## Statement I

King's Town Construction Co., Ltd.  
Statement s of cash and cash equivalents  
As of December 31, 2024

| Item          | Summary                     | Amount             | Remark |
|---------------|-----------------------------|--------------------|--------|
| Cash          | Cash on hand and petty cash | \$70               |        |
| Bank deposits | Demand deposits             | 1,876,642          |        |
|               | Checking deposits           | 407                |        |
|               | Time deposits               | 1,000,000          |        |
| Total         |                             | <u>\$2,877,119</u> |        |

## King's Town Construction Co., Ltd.

## Statement of change in financial assets at fair value through profit or loss - non-current

As of December 31, 2024

| Investee                         | Beginning balance |        | Increase in the current period |        | Decrease in the current period |        | Category        | Ending balance   |              |        | Guarantee or pledge |
|----------------------------------|-------------------|--------|--------------------------------|--------|--------------------------------|--------|-----------------|------------------|--------------|--------|---------------------|
|                                  | Number of shares  | Amount | Number of shares               | Amount | Number of shares               | Amount |                 | Number of shares | Shareholding | Amount |                     |
| Huazhi Venture Capital Co., Ltd. | 8,152             | \$82   | 0                              | \$0    | 0                              | \$0    | Ordinary shares | 8,152            | 1.63%        | \$82   | None                |

King's Town Construction Co., Ltd.  
Statement of buildings and land held for sale  
As of December 31, 2024

| Item                                       | Summary | Amount      |                      | Remark                            |
|--------------------------------------------|---------|-------------|----------------------|-----------------------------------|
|                                            |         | Cost        | Net realizable value |                                   |
| King's Town                                |         | \$1,870,491 | \$6,231,685          | Pledged to financial institutions |
| King's Town Hyatt                          |         | 630,315     | 781,986              | None                              |
| Hua Shang                                  |         | 114,478     | 456,717              | None                              |
| Yiwen Court                                |         | 60,601      | 114,761              | None                              |
| Ju Dan                                     |         | 126,034     | 316,542              | None                              |
| Tian Feng                                  |         | 187,379     | 385,036              | Pledged to financial institutions |
| Mei Shu Huang Ju                           |         | 1,112,320   | 2,388,593            | Pledged to financial institutions |
| King's Town Garden                         |         | 8,391       | 33,324               | None                              |
| World of Heart                             |         | 1,768,118   | 3,480,936            | None                              |
| Yue He Di                                  |         | 56,902      | 136,935              | None                              |
| Fu +                                       |         | 844,084     | 1,544,207            | Pledged to financial institutions |
| Other projects                             |         | 167         | 0                    | None                              |
| Subtotal                                   |         | \$6,779,280 | \$15,870,722         |                                   |
| Less: Allowance for reduction to valuation |         | (167)       |                      |                                   |
| Net                                        |         | \$6,779,113 |                      |                                   |

King's Town Construction Co., Ltd.  
Statement of changes in construction in progress  
As of December 31, 2024

| Construction name                                | Beginning balance | Current increase        |                    |                      | Current decrease            |  | Ending balance | Remark                            |
|--------------------------------------------------|-------------------|-------------------------|--------------------|----------------------|-----------------------------|--|----------------|-----------------------------------|
|                                                  |                   | Land under construction | Construction costs | Capitalized interest | Completion and transfer out |  |                |                                   |
| Kaohsiung Fuhe Section No. 698-1                 | \$494,283         | \$0                     | \$218,516          | \$15,988             | \$0                         |  | \$728,787      | Pledged to financial institutions |
| Kaohsiung Longzhong Section No. 191              | 557,251           | 0                       | 235,120            | 18,251               | 0                           |  | 810,622        | Pledged to financial institutions |
| Kaohsiung Ai Qun No. 2748 (World of Heart)       | 2,777,515         | 0                       | 632,070            | 59,211               | (3,468,796)                 |  | 0              | None                              |
| Kaohsiung Bohsiao Section No.1140 (Jing Wu Tong) | 901,139           | 0                       | 178,171            | 25,845               | 0                           |  | 1,105,155      | Pledged to financial institutions |
| Tainan Yuguang Section No. 880, 4 in total       | 492,682           | 0                       | 202,339            | 16,067               | 0                           |  | 711,088        | Pledged to financial institutions |
| Total                                            | \$5,222,870       | \$0                     | \$1,466,216        | \$135,362            | (\$3,468,796)               |  | \$3,355,652    |                                   |

## Statement V

King's Town Construction Co., Ltd.  
Statement of changes in land held for construction  
As of December 31, 2024

| Construction name                                      | Beginning balance | Current increase |                      |                   | Current decrease |                 |                   | Ending balance | Remark                            |
|--------------------------------------------------------|-------------------|------------------|----------------------|-------------------|------------------|-----------------|-------------------|----------------|-----------------------------------|
|                                                        |                   | Land costs       | Capitalized interest | Re-classification | For Sale         | Volume transfer | Re-classification |                |                                   |
| Kaohsiung Chenggong Section No. 60-1, 62-64 and others | \$864,273         | \$334,651        | \$1,692              | \$0               | \$1,200,616      | \$0             | \$0               | \$0            | None                              |
| Kaohsiung Longzhong Section No. 129-3, 129-4           | 1,610,110         | 0                | 0                    | 0                 | 0                | 0               | 0                 | 1,610,110      | Pledged to financial institutions |
| Kaohsiung Longzhong Section No. 128-4, etc, 3 in total | 716,926           | 0                | 0                    | 0                 | 0                | 0               | 0                 | 716,926        | Pledged to financial institutions |
| Kaohsiung Qinghai No. 229                              | 4,278,594         | 0                | 0                    | 0                 | 0                | 0               | 0                 | 4,278,594      | Pledged to financial institutions |
| Kaohsiung Qinghai Section No. 126                      | 685,719           | 0                | 0                    | 1,041,157         | 0                | 0               | 0                 | 1,726,876      | Pledged to financial institutions |
| Kaohsiung Qinghai Section No. 127                      | 662,012           | 0                | 0                    | 0                 | 0                | 0               | 662,012           | 0              | None                              |
| Kaohsiung Qinghai Section No. 128                      | 379,145           | 0                | 0                    | 0                 | 0                | 0               | 379,145           | 0              | None                              |
| Kaohsiung Longzhong Section No. 128-3                  | 52,266            | 0                | 0                    | 0                 | 0                | 0               | 0                 | 52,266         | Pledged to financial institutions |
| Kaohsiung Lantian Middle Section No. 30-2              | 757,742           | 0                | 0                    | 0                 | 0                | 0               | 0                 | 757,742        | Pledged to financial institutions |
| Kaohsiung Xingnan Section No. 11                       | 259,585           | 0                | 0                    | 0                 | 0                | 0               | 0                 | 259,585        | Pledged to financial institutions |
| Kaohsiung Longzhong Section No. 22                     | 1,998,033         | 0                | 0                    | 0                 | 0                | 0               | 0                 | 1,998,033      | Pledged to financial institutions |
| Kaohsiung Xinmin Section No. 160                       | 792,708           | 0                | 0                    | 0                 | 0                | 0               | 0                 | 792,708        | Pledged to financial institutions |
| Kaohsiung Xinmin Section No. 159                       | 828,072           | 0                | 0                    | 0                 | 0                | 0               | 0                 | 828,072        | Pledged to financial institutions |
| Kaohsiung Qiaotou Shixing Section No. 924              | 14,055            | 0                | 0                    | 105,178           | 0                | 0               | 0                 | 119,233        | Pledged to financial institutions |

| Construction name                                    | Beginning balance | Current increase |                      |                   | Current decrease |                 |                   | Ending balance | Remark                            |
|------------------------------------------------------|-------------------|------------------|----------------------|-------------------|------------------|-----------------|-------------------|----------------|-----------------------------------|
|                                                      |                   | Land costs       | Capitalized interest | Re-classification | For Sale         | Volume transfer | Re-classification |                |                                   |
| Kaohsiung Shixing Section 925, 2 in total            | 112,196           | 0                | 0                    | 209,355           | 0                | 0               | 72,920            | 248,631        | Pledged to financial institutions |
| Kaohsiung Shixing Section 927, 3 in total            | 84,625            | 0                | 0                    | 0                 | 0                | 0               | 84,625            | 0              | None                              |
| Kaohsiung Shixing Section 928, 3 in total            | 107,554           | 0                | 0                    | 0                 | 0                | 0               | 107,554           | 0              | None                              |
| Kaohsiung Qiaotou Shixing Section No. 967            | 6,640             | 0                | 0                    | 0                 | 0                | 0               | 6,640             | 0              | None                              |
| Kaohsiung Qiaotou Shixing Section No. 968            | 42,794            | 0                | 0                    | 0                 | 0                | 0               | 42,794            | 0              | None                              |
| Kaohsiung Longdong Section No. 1                     | 513,991           | 0                | 0                    | 0                 | 0                | 0               | 0                 | 513,991        | Pledged to financial institutions |
| Tainan Kanjiao North Section No. 820                 | 3,398,920         | 45               | 0                    | 0                 | 0                | 0               | 0                 | 3,398,965      | Pledged to financial institutions |
| Kaohsiung Xindu Section No. 49                       | 46,653            | 0                | 0                    | 0                 | 0                | 0               | 0                 | 46,653         | None                              |
| Kaohsiung Xinzhuang 12 Sub-section No. 1167 and 1175 | 617,961           | 952              | 0                    | 0                 | 0                | 0               | 0                 | 618,913        | Pledged to financial institutions |
| Kaohsiung Shinkang Section No.25 and 29              | 188,458           | 0                | 0                    | 0                 | 0                | 0               | 0                 | 188,458        | Pledged to financial institutions |
| Kaohsiung Shinkang Section No. 25-1 and 29-1         | 188,548           | 0                | 0                    | 0                 | 0                | 0               | 0                 | 188,548        | Pledged to financial institutions |
| Kaohsiung Shinkang Section No. 26                    | 34,123            | 0                | 0                    | 0                 | 0                | 0               | 0                 | 34,123         | Pledged to financial institutions |
| Kaohsiung Shinkang Section No. 30                    | 59,256            | 0                | 0                    | 0                 | 0                | 0               | 0                 | 59,256         | Pledged to financial institutions |
| Kaohsiung Shinkang Section No. 31                    | 12,058            | 0                | 0                    | 0                 | 0                | 0               | 0                 | 12,058         | Pledged to financial institutions |
| Kaohsiung Qinghai Section No. 565 and others         | 0                 | 252,225          | 610                  | 0                 | 0                | 0               | 0                 | 252,835        | None                              |
| Kaohsiung Shinkang Section No. 32                    | 0                 | 25,178           | 55                   | 0                 | 0                | 0               | 0                 | 25,233         | Pledged to financial institutions |
| Kaohsiung Hsinsheng Section No. 27 and others        | 0                 | 1,340,844        | 6,078                | 0                 | 0                | 0               | 0                 | 1,346,922      | Pledged to financial institutions |

| Construction name                    | Beginning balance   | Current increase   |                      |                    | Current decrease   |                 |                    | Ending balance      | Remark                            |
|--------------------------------------|---------------------|--------------------|----------------------|--------------------|--------------------|-----------------|--------------------|---------------------|-----------------------------------|
|                                      |                     | Land costs         | Capitalized interest | Re-classification  | For Sale           | Volume transfer | Re-classification  |                     |                                   |
| Kaohsiung Dapi Section No. 20.21     | 0                   | 904,270            | 4,824                | 0                  | 0                  | 0               | 0                  | 909,094             | Pledged to financial institutions |
| Kaohsiung Longdong Section No. 3     | 0                   | 681,316            | 1,989                | 0                  | 0                  | 0               | 0                  | 683,305             | Pledged to financial institutions |
| Kaohsiung Xinmin Section No. 289.290 | 0                   | 1,014,665          | 4,041                | 0                  | 0                  | 0               | 0                  | 1,018,706           | Pledged to financial institutions |
| Tainan Kanjiao South Section No.13   | 0                   | 7,446              | 26                   | 0                  | 0                  | 0               | 0                  | 7,472               | None                              |
| Transferable land and deformed land  | 2,587,286           | 776,674            | 42                   | 0                  | 0                  | 19,273          | 0                  | 3,344,729           | None                              |
|                                      | <u>\$21,900,303</u> | <u>\$5,338,266</u> | <u>\$19,357</u>      | <u>\$1,355,690</u> | <u>\$1,200,616</u> | <u>\$19,273</u> | <u>\$1,355,690</u> | <u>\$26,038,037</u> |                                   |

## Statement VI

King's Town Construction Co., Ltd.  
Statement of change in prepaid premises  
As of December 31, 2024

| Name of<br>project/construction                     | Beginning<br>balance | Current increase |                         | Current decrease                          | Ending<br>balance |
|-----------------------------------------------------|----------------------|------------------|-------------------------|-------------------------------------------|-------------------|
|                                                     |                      | Cost             | Capitalized<br>interest | Transfer of land held<br>for construction |                   |
| Tainan Anan District,<br>Caohu Phase I              | \$201,677            | \$0              | \$0                     | \$0                                       | \$201,677         |
| Kaohsiung Chenggong<br>Section No. 65.66            | 335,361              | 79               | 0                       | 335,440                                   | 0                 |
| Kaohsiung Qinghai<br>Section No. 565 and<br>others  | 0                    | 249,740          | 28                      | 249,768                                   | 0                 |
| Kaohsiung Shinkang<br>Section No. 32                | 0                    | 25,056           | 14                      | 25,070                                    | 0                 |
| Kaohsiung Hsinsheng<br>Section No. 27 and<br>others | 0                    | 1,340,843        | 2,100                   | 1,342,943                                 | 0                 |
| Kaohsiung Dapi Section<br>No. 20.21                 | 0                    | 904,271          | 1,362                   | 905,633                                   | 0                 |
| Kaohsiung Longdong<br>Section No. 3                 | 0                    | 681,316          | 354                     | 681,670                                   | 0                 |
| Kaohsiung Xinmin<br>Section No. 289.290             | 0                    | 1,014,665        | 492                     | 1,015,157                                 | 0                 |
| Tainan Kanjiao South<br>Section No.13               | 0                    | 7,446            | 0                       | 7,446                                     | 0                 |
| Transferable land and<br>deformed land              | 249,006              | 616,009          | 76                      | 776,558                                   | 88,533            |
| Subtotal                                            | \$786,044            | \$4,839,425      | \$4,426                 | \$5,339,685                               | \$290,210         |

## Statement VII

## King's Town Construction Co., Ltd.

## Statement of prepayments, other current assets and other financial assets - current

As of December 31, 2024

| Item                                     | Summary                                                                                                                         | Amount    | Remark |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|-----------|--------|
| Prepaid expenses                         | Prepaid construction expenses                                                                                                   | \$645,870 |        |
|                                          | Prepaid construction permit fees                                                                                                | 58,062    |        |
|                                          | Prepaid parking lot site preparation fees                                                                                       | 2,409     |        |
|                                          | Others (Note)                                                                                                                   | 1,862     |        |
| Subtotal                                 |                                                                                                                                 | \$708,203 |        |
| Input tax                                | Business tax not yet filed at the end of December 2024                                                                          | \$63      |        |
| Toto prepayments                         |                                                                                                                                 | \$708,266 |        |
| Payments on behalf of others             | Management fees and payments on behalf                                                                                          | \$1,225   |        |
| Incremental costs of obtaining contracts | Commission paid to the agent for obtaining the agreement for sale and purchase of premises which the Company expects to recover | 8,235     |        |
| Total other current assets               |                                                                                                                                 | \$9,460   |        |
| Other financial assets - current         | Advances from construction project trust funds and performance bond                                                             | \$19,324  |        |

Note: The balance of each item is less than NT\$1,000 thousand.

King's Town Construction Co., Ltd.  
Long-term equity investments accounted for using the equity method  
As of December 31, 2024

| Investee                        | Beginning balance    |           | Increase in the current period |          |                                                                                       | Decrease in the current period (Note 1) |          | Ending balance       |              |           | Net equity |                     | Guarantee or pledge | Remark |
|---------------------------------|----------------------|-----------|--------------------------------|----------|---------------------------------------------------------------------------------------|-----------------------------------------|----------|----------------------|--------------|-----------|------------|---------------------|---------------------|--------|
|                                 | Shares (in thousand) | Amount    | Shares (in thousand)           | Amount   | Share of profit or loss recognized using the equity method in accordance with IFRS 16 | Shares (in thousand)                    | Amount   | Shares (in thousand) | Shareholding | Amount    | Total      | Unit price (Dollar) |                     |        |
| H2O Hotel Co., Ltd. (H2O Hotel) | 49,000               | \$120,532 | 3,000                          | \$30,000 | \$4,347                                                                               | 0                                       | \$21,348 | 52,000               | 100.00%      | \$133,531 | \$34,501   | 0.66                | None                |        |

Note 1: The decrease in this period is due to the recognition of investment losses under the equity method.

## Statement IX

## King's Town Construction Co., Ltd.

## Statement of short-term loans

As of December 31, 2024

| Type of Loans      | Summary                          | Ending balance     | Contract period           | Interest rate range | Line of credit     | Pledge or guarantee                                         |
|--------------------|----------------------------------|--------------------|---------------------------|---------------------|--------------------|-------------------------------------------------------------|
| Secured borrowings | Financial institution borrowings | \$750,000          | 2024/10/09~<br>2025/09/30 | 2.76945%            | \$800,000          | Buildings and land held for sale: King's Town               |
| Secured borrowings | Financial institution borrowings | 798,000            | 2024/12/31~<br>2025/02/28 | 3.14%               | 1,030,000          | Land provided by related parties                            |
| Secured borrowings | Financial institution borrowings | 337,475            | 2024/12/31~<br>2025/02/28 | 3.14%               | 337,475            | Land held for construction: Lantian Middle Section No. 30-2 |
| Secured borrowings | Financial institution borrowings | 510,000            | 2019/05/16~<br>2027/05/16 | 2.675%              | 840,000            | Construction in progress: Jing Wu Tong                      |
| Secured borrowings | Financial institution borrowings | 241,000            | 2024/06/28~<br>2028/06/30 | 2.345%              | 4,235,000          | Construction in progress - Fuhe Section No. 698-1           |
| Total              |                                  | <u>\$2,636,475</u> |                           |                     | <u>\$7,242,475</u> |                                                             |

King's Town Construction Co., Ltd.  
Statement of short-term bills payable  
As of December 31, 2024

| Item                         | Guarantor/accepting institution  | Contract period       | Interest rate range | Issued amount      | Unamortized discount on short-term bills payable | Carrying amount    | Pledge or guarantee                                                                               |
|------------------------------|----------------------------------|-----------------------|---------------------|--------------------|--------------------------------------------------|--------------------|---------------------------------------------------------------------------------------------------|
| Issuance of commercial paper | Mega Bank - Lingyarong Co., Ltd. | 2024/07/16~2025/01/14 | 2.845%              | \$1,591,200        | \$1,737                                          | \$1,589,463        | Land held for construction - Qinghai Section No. 229 and private land provided by related parties |
| Issuance of commercial paper | Mega Bank - Lingyarong Co., Ltd. | 2024/07/16~2025/01/14 | 2.695%              | 547,200            | 566                                              | 546,634            | Land held for construction - Longzhong Section No. 22                                             |
| Issuance of commercial paper | DBS BANK                         | 2024/10/08~2025/01/06 | 1.808%              | 282,400            | 130                                              | 282,270            | Construction in progress - Yuguang Section No. 880, 4 in total                                    |
| Issuance of commercial paper | DBS BANK                         | 2024/10/08~2025/01/06 | 1.808%              | 890,000            | 426                                              | 889,574            | Construction in progress - Longzhong Section 191                                                  |
| Issuance of commercial paper | DBS BANK                         | 2024/12/05~2025/03/05 | 1.838%              | 510,400            | 2,629                                            | 507,771            | Construction Land - Hsin Sheng Section 27, 4 lots in total                                        |
| Issuance of commercial paper | DBS BANK                         | 2024/12/19~2025/03/05 | 1.838%              | 364,000            | 1,907                                            | 362,093            | Construction land – Dapi Section, No. 20 and 21                                                   |
| Issuance of commercial paper | Grand Bills Finance Corp.        | 2024/12/18~2025/01/20 | 2.938%              | 180,200            | 290                                              | 179,910            | Buildings and land held for sale - Tian Feng                                                      |
| Issuance of commercial paper | Grand Bills Finance Corp.        | 2024/12/18~2025/04/17 | 3.038%              | 88,600             | 789                                              | 87,811             | Land held for construction - Xingnan Section No. 11                                               |
| Total                        |                                  |                       |                     | <u>\$4,454,000</u> | <u>\$8,474</u>                                   | <u>\$4,445,526</u> |                                                                                                   |

King's Town Construction Co., Ltd.  
Statement of contract liabilities - current  
As of December 31, 2024

| Item             | Summary                                            | Amount    | Remark |
|------------------|----------------------------------------------------|-----------|--------|
| Sale of premises | King's Town                                        | \$46,781  |        |
|                  | King's Town Hyatt                                  | 11,428    |        |
|                  | Yiwen Court                                        | 2,959     |        |
|                  | Mei Shu Huang Ju                                   | 238,299   |        |
|                  | World of Heart                                     | 355,264   |        |
|                  | Fu +                                               | 18,839    |        |
|                  | Jing Wu Tong                                       | 18,138    |        |
|                  | Kaohsiung Zhuzijiao<br>Section 289-6 and<br>others | 6,588     |        |
|                  | Two lot numbers                                    |           |        |
|                  | Subtotal                                           | \$698,296 |        |
| Advance Rent     | American Institute in<br>Taiwan                    | \$770     |        |
|                  | Li Yu Chu Co., Ltd.                                | 95        |        |
|                  | Jingzhi Yuehe                                      | 68        |        |
|                  | Bao Sheng Parking                                  | 336       |        |
|                  | Others                                             | 40        |        |
|                  | Subtotal                                           | \$1,309   |        |
|                  | Total                                              | \$699,605 |        |

King's Town Construction Co., Ltd.  
Statement of other payables  
As of December 31, 2024

| Item                         | Summary                                                                                                   | Amount           | Remark                                                                     |
|------------------------------|-----------------------------------------------------------------------------------------------------------|------------------|----------------------------------------------------------------------------|
| Salary payable               | December salary and year-end bonus                                                                        | \$11,119         |                                                                            |
| Bonuses payable to employees | Employee compensation accruals for 2024                                                                   | 31,726           |                                                                            |
| Interest expense payable     | December interest expense                                                                                 | 17,589           |                                                                            |
| Tax payable                  | Handling of business tax for November to December                                                         | 52,211           |                                                                            |
| Others                       | Labor costs, labor and health insurance premiums, labor pension, welfare payments, and rent expense, etc. | 25,734           | (Including trade payable from other related parties of NT\$1,377 thousand) |
| Total                        |                                                                                                           | <u>\$138,379</u> |                                                                            |

## Statement XIII

King's Town Construction Co., Ltd.  
Statement of long-term borrowings  
As of December 31, 2024

| Type of Loans      | Summary                          | Amount                         |                              |             | Contract period       | Interest rate range | Line of credit | Pledge or guarantee                                                                               |
|--------------------|----------------------------------|--------------------------------|------------------------------|-------------|-----------------------|---------------------|----------------|---------------------------------------------------------------------------------------------------|
|                    |                                  | Due within one operating cycle | Due over one operating cycle | Total       |                       |                     |                |                                                                                                   |
| Secured borrowings | Financial institution borrowings | \$75,580                       | \$1,436,020                  | \$1,511,600 | 2020/03/11-2028/12/31 | 2.98%               | \$1,511,600    | Land held for construction - Qinghai Section No. 229 and private land provided by related parties |
| Secured borrowings | Financial institution borrowings | 25,990                         | 493,810                      | 519,800     | 2019/06/28-2026/06/30 | 2.95%               | 994,800        | Land held for construction - Longzhong Section No. 22                                             |
| Secured borrowings | Financial institution borrowings | 3,000                          | 2,125,000                    | 2,128,000   | 2024/04/22-2026/10/22 | 2.555%~2.575%       | 3,000,000      | Land held for construction - Kanjiao North Section No. 820                                        |
| Secured borrowings | Financial institution borrowings | 47,816                         | 344,635                      | 392,451     | 2018/07/17-2032/07/17 | 2.365%              | 392,451        | Investment properties Longbei Section No. 22                                                      |
| Secured borrowings | Financial institution borrowings | 0                              | 175,175                      | 175,175     | 2022/01/10-2027/01/10 | 2.745%              | 211,075        | Land held for construction - Section 924, 9 in total                                              |
| Secured borrowings | Financial institution borrowings | 8,361                          | 158,872                      | 167,233     | 2022/01/10-2027/01/10 | 2.745%              | 201,933        | Land held for construction - Longdong Section No. 1                                               |
| Secured borrowings | Financial institution borrowings | 10,721                         | 203,699                      | 214,420     | 2024/10/30-2028/10/30 | 3.00%               | 268,030        | Land held for construction - Shinkang Section No. 25, etc, 8 in total                             |
| Secured borrowings | Financial institution borrowings | 13,585                         | 258,115                      | 271,700     | 2024/12/30-2029/12/30 | 3.00%               | 339,630        | Land held for construction - Longdong Section No. 3                                               |

| Type of Loans      | Summary                          | Amount                         |                              |                     | Contract period       | Interest rate range | Line of credit      | Pledge or guarantee                                                       |
|--------------------|----------------------------------|--------------------------------|------------------------------|---------------------|-----------------------|---------------------|---------------------|---------------------------------------------------------------------------|
|                    |                                  | Due within one operating cycle | Due over one operating cycle | Total               |                       |                     |                     |                                                                           |
| Secured borrowings | Financial institution borrowings | 0                              | 415,000                      | 415,000             | 2022/12/06-2027/12/06 | 2.71%               | 570,000             | Land held for construction - Longzhong Section No. 128-3, etc, 4 in total |
| Secured borrowings | Financial institution borrowings | 0                              | 2,000,000                    | 2,000,000           | 2023/05/16-2026/05/16 | 2.4573%             | 2,000,000           | Land held for construction - Longzhong Section No. 129-3, etc, 2 in total |
| Secured borrowings | Financial institution borrowings | 213,000                        | 900,000                      | 1,113,000           | 2023/05/16-2026/05/16 | 2.4573%             | 1,151,860           | Buildings and land held for sale: King's Town                             |
| Secured borrowings | Financial institution borrowings | 8,610                          | 163,530                      | 172,140             | 2023/12/11-2027/07/31 | 2.852%              | 383,940             | Land held for construction - Xinzhuang 12 Sub-section No. 1175            |
| Secured borrowings | Financial institution borrowings | 6,650                          | 126,250                      | 132,900             | 2023/03/01-2027/09/30 | 3.252%              | 175,000             | Land held for construction - Xinzhuang 12 Sub-section No. 1167            |
| Secured borrowings | Financial institution borrowings | 0                              | 1,178,000                    | 1,178,000           | 2020/03/12-2029/03/12 | 2.520%              | 1,178,000           | Land held for construction - Qinghai No. 126-128                          |
| Secured borrowings | Financial institution borrowings | 0                              | 560,350                      | 560,350             | 2019/10/17-2026/10/17 | 2.925%              | 560,350             | Land held for construction - Xinmin Section No. 159, 160                  |
| Secured borrowings | Financial institution borrowings | 261,382                        | 0                            | 261,382             | 2023/06/30-2025/06/30 | 2.882071%           | 261,382             | Buildings and land held for sale: Mei Shu Huang Ju                        |
| Secured borrowings | Financial institution borrowings | 0                              | 375,000                      | 375,000             | 2024/12/09-2027/12/09 | 3.1935%             | 470,000             | Land held for construction - Xinmin No. 289, 290                          |
| Total              |                                  | <u>\$674,695</u>               | <u>\$10,913,456</u>          | <u>\$11,588,151</u> |                       |                     | <u>\$13,670,051</u> |                                                                           |

King's Town Construction Co., Ltd.  
Statement of lease liabilities  
As of December 31, 2024

| Item | Amount              |                   |          | Contract period                                                                                                                      | Discount rate |
|------|---------------------|-------------------|----------|--------------------------------------------------------------------------------------------------------------------------------------|---------------|
|      | Due within one year | Due over one year | Total    |                                                                                                                                      |               |
| Land | \$1,305             | \$66,708          | \$68,013 | Land leased from Kaohsiung City Finance Bureau for NT\$2,466 thousand per year for the lease period of July 7, 2012 to June 7, 2062. | 1.73%         |

## King's Town Construction Co., Ltd.

## Statement of operating revenue

As of December 31, 2024

| Item                       | Summary                                                      | Land        | Building    | Total              |
|----------------------------|--------------------------------------------------------------|-------------|-------------|--------------------|
| Construction Revenue       | King's Town                                                  | \$162,882   | \$161,674   | \$324,556          |
|                            | King's Town Hyatt                                            | 10,195      | 33,822      | 44,017             |
|                            | Yiwen Court                                                  | 24,868      | 47,240      | 72,108             |
|                            | Ju Dan                                                       | 62,922      | 39,951      | 102,873            |
|                            | Tian Feng                                                    | 27,360      | 17,371      | 44,731             |
|                            | Shi Shang King's Town                                        | 27,000      | 25,714      | 52,714             |
|                            | Mei Shu Huang Ju                                             | 850,338     | 885,288     | 1,735,626          |
|                            | King's Town Garden                                           | 165,001     | 236,256     | 401,257            |
|                            | World of Heart                                               | 1,167,921   | 1,474,516   | 2,642,437          |
|                            | Yue He Di                                                    | 35,585      | 27,729      | 63,314             |
|                            | Fu +                                                         | 579,351     | 590,353     | 1,169,704          |
|                            | Kaohsiung Chenggong<br>Section No. 60-1, 62-64<br>and others | 2,299,889   | 0           | 2,299,889          |
|                            | Subtotal                                                     | \$5,413,312 | \$3,539,914 | \$8,953,226        |
| Other operating<br>revenue | Rental income                                                |             |             | 88,929             |
|                            |                                                              |             |             | <u>\$9,042,155</u> |

## King's Town Construction Co., Ltd.

## Statement of operating costs

As of December 31, 2024

| Subject name                                                      | Summary | Amount       | Remark |
|-------------------------------------------------------------------|---------|--------------|--------|
| Prepayment for land and buildings at the beginning of the period  |         | \$786,044    |        |
| Purchase of land and buildings during the period                  |         | 4,843,851    |        |
| Prepayment for land and buildings at the end of the period        |         | (290,210)    |        |
| Transfer to land held for construction                            |         | \$5,339,685  |        |
| Land held for construction at the beginning of the period         |         | 21,900,303   |        |
| Add: Purchase of land held for construction in the current period |         | 17,938       |        |
| Less: Cost of sales for construction land                         |         | (1,200,616)  |        |
| Less: Volume transfer of land held for construction               |         | (19,273)     |        |
| Land held for construction at the end of the period               |         | (26,038,037) |        |
| Construction in progress - Land held for construction             |         | \$0          |        |
| Construction project                                              |         | 1,435,083    |        |
| Construction expenses                                             |         | 166,495      |        |
| Construction costs                                                |         | \$1,601,578  |        |
| Construction in Progress at the beginning of the period           |         | 5,222,870    |        |
| Construction in Progress at the end of the period                 |         | (3,355,652)  |        |
| Building costs                                                    |         | \$3,468,796  |        |
| Buildings and land held for sale at the beginning of the period   |         | 6,879,762    |        |
| Buildings and land held for sale at the end of the period         |         | (6,779,280)  |        |
| Add: Increase in renovation work during the period                |         | 144,924      |        |
| Maintenance expenses for remaining properties                     |         | 7,234        |        |
| Cost of sales for construction land                               |         | 1,200,616    |        |
| Construction costs                                                |         | \$4,922,052  |        |
| Other operating costs                                             |         | \$79,800     |        |
| Operating costs                                                   |         | \$5,001,852  |        |

## Statement XVII

King's Town Construction Co., Ltd.  
Statement of selling and marketing expenses  
As of December 31, 2024

| Subject name                          | Summary | Amount           | Remark |
|---------------------------------------|---------|------------------|--------|
| Salary expenses                       |         | \$10,073         |        |
| Repairs and<br>maintenance<br>expense |         | 17,656           |        |
| Advertising fee                       |         | 261,304          |        |
| Utility fee                           |         | 4,149            |        |
| Tax expense                           |         | 51,822           |        |
| Commission expenses                   |         | 8,538            |        |
| Miscellaneous<br>expenses             |         | 42,648           |        |
| Others (Note)                         |         | 1,443            |        |
| Total                                 |         | <u>\$397,633</u> |        |

Note: Amounts for each item did not reach NT\$1,000 thousand.

King's Town Construction Co., Ltd.  
Statement of general and administrative expenses  
As of December 31, 2024

| Subject name              | Summary | Amount           | Remark |
|---------------------------|---------|------------------|--------|
| Salary expenses           |         | \$72,141         |        |
| Rental expenses           |         | 1,495            |        |
| Insurance fee             |         | 4,582            |        |
| Entertainment<br>expense  |         | 11,346           |        |
| Tax expense               |         | 41,557           |        |
| Food expenses             |         | 1,317            |        |
| Employee benefits         |         | 9,042            |        |
| Service fees              |         | 2,753            |        |
| Retirement benefit        |         | 1,888            |        |
| Miscellaneous<br>expenses |         | 18,265           |        |
| Others (Note)             |         | 5,278            |        |
| Total                     |         | <u>\$169,664</u> |        |

Note: Amounts for each item did not reach NT\$1,000 thousand.