

King's Town Construction Co., Ltd.

Parent Company Only Financial Statements and Independent Auditors' Report 2025 and 2024

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

King's Town Construction Co., Ltd.

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Independent Auditors' Report

March 12, 2026
(2026) ShineWing Taiwan Audit Report No. 006

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, 2025 and 2024, 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, 2025 and 2024.

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, 2025 and 2024, as well as the parent company only financial performance and parent company only cash flows for the periods from January 1 to December 31, 2025 and 2024.

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, 2025. These matters were addressed in the context of our audit of the Parent Company Only Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Parent Company Only Financial Statements of King's Town Construction Co., Ltd. for the year ended December 31, 2025 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. In addition, selective observations of the inventory count are performed at the end of the period, and the accuracy of inventory cost amounts is tested on a sample basis.

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(XXIII) 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 audit. We remain solely responsible for forming the audit opinion of King's Town Construction Co., Ltd.

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 2025 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.

Financial Supervisory Commission Approval
No.

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

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

King's Town Construction Co., Ltd.
Parent Company Only Balance Sheets
December 31, 2025 and 2024

Assets		Note	December 31, 2025		December 31, 2024	
			Amount	%	Amount	%
11XX Current assets						
1100	Cash and cash equivalents	VI.(I)	\$1,052,713	2.64	\$2,877,119	7.01
1136	Financial assets at amortized cost - current	VI.(III)	500,000	1.26	0	0.00
1150	Net notes receivable	VI.(IV)	0	0.00	20,200	0.05
1170	Net trade receivables	VI.(IV)	19,729	0.05	1,966	0.00
1200	Other receivables	VI.(V)	5,953	0.02	8,140	0.02
1210	Other receivables - related parties	VI.(V), VII	55	0.00	111	0.00
1320	Inventories	VI.(VI), VIII	36,508,992	91.65	36,463,012	88.83
1410	Prepayments	VI.(VII)	794,655	1.99	708,266	1.73
1470	Other current assets	VI.(VIII)	9,414	0.02	9,460	0.02
1476	Other financial assets - current	VI.(IX), VIII	19,416	0.05	19,324	0.05
11XX	Total current assets		\$38,910,927	97.68	\$40,107,598	97.71
15XX Non-current assets						
1510	Financial assets at fair value through profit and loss - non-current	VI.(II)	\$0	0.00	\$82	0.00
1550	Investments accounted for using the equity method	VI.(X)	129,680	0.32	133,531	0.32
1600	Property, plant, and equipment	VI.(XI)	16,527	0.04	12,218	0.03
1755	Net right-of-use assets	VI.(XII)	75,528	0.19	65,260	0.16
1760	Net investment properties	VI.(XIII) VII, VIII	444,927	1.12	502,729	1.22
1780	Intangible assets	VI.(XIV)	146,318	0.37	150,521	0.37
1840	Deferred tax assets	VI.(XXX)	76,889	0.19	40,236	0.10
1920	Refundable deposits	VIII	34,825	0.09	37,049	0.09
15xx	Total non-current assets		\$924,694	2.32	\$941,626	2.29
1xxx	Total assets		\$39,835,621	100.00	\$41,049,224	100.00

(Continued)

King's Town Construction Co., Ltd.
Parent Company Only Balance Sheets
December 31, 2025 and 2024

Liabilities and equity		Note	December 31, 2025		December 31, 2024	
			Amount	%	Amount	%
21XX	Current liabilities					
2100	Short-term borrowings	VI.(XV), VII, VIII	\$2,745,325	6.89	\$2,636,475	6.42
2110	Short-term bills payable	VI.(XV), VII, VIII	4,515,074	11.34	4,445,526	10.83
2130	Contract liabilities - current	VI.(XXIII)	339,049	0.85	699,605	1.71
2150	Notes payable		47,491	0.12	68,519	0.17
2160	Notes payable - related parties	VII	160,048	0.40	236,893	0.58
2170	Trade payables		215,621	0.54	13,712	0.03
2180	Trade payables - related parties	VII	0	0.00	188,314	0.46
2200	Other payables		37,056	0.09	137,002	0.33
2220	Other payables - related parties	VII	24	0.00	1,377	0.00
2230	Current tax liabilities		400,672	1.01	267,109	0.65
2250	Provisions - current	VI.(XVI)	44,469	0.11	47,062	0.12
2280	Lease liabilities - current	VI.(XIX)	1,566	0.00	1,305	0.00
2322	Long-term borrowings due within one operating cycle	VI.(XVIII), VII, VIII	5,694,610	14.30	674,695	1.64
2335	Collection	VI.(XVII)	15,576	0.04	72,844	0.18
21XX	Total current liabilities		\$14,216,581	35.69	\$9,490,438	23.12
25XX	Non-current liabilities					
2540	Long-term borrowings	VI.(XVIII), VII, VIII	\$4,494,139	11.28	\$10,913,456	26.59
2580	Lease liabilities - non-current	VI.(XIX)	77,154	0.19	66,708	0.16
2640	Net defined benefit liabilities - non-current	VI.(XXVIII)	13,502	0.04	14,293	0.03
2645	Deposits received		7,800	0.02	3,436	0.01
25xx	Total non-current liabilities		\$4,592,595	11.53	\$10,997,893	26.79
2XXX	Total liabilities		\$18,809,176	47.22	\$20,488,331	49.91
3XXX	Equity					
3110	Share capital - ordinary shares	VI.(XX)	\$3,659,835	9.19	\$3,694,196	9.00
3211	Capital surplus – premium on ordinary shares	VI.(XXI)	34,228	0.08	8,082	0.02
3300	Retained earnings					
3310	Legal reserve	VI.(XXII)	2,103,866	5.28	1,820,578	4.44
3350	Unappropriated earnings	VI.(XXII)	15,228,516	38.23	15,038,037	36.63
3300	Total retained earnings		\$17,332,382	43.51	\$16,858,615	41.07
3XXX	Total equity		\$21,026,445	52.78	\$20,560,893	50.09
	Total liabilities and equity		\$39,835,621	100.00	\$41,049,224	100.00

(Please refer to the accompanying notes in 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, 2025 and 2024

Code	Account titles	Note	2025		2024	
			Amount	%	Amount	%
4000	Operating revenue					
4100	Net sales	VI.(XXIII).VII	\$3,433,725	100.00	\$9,042,155	100.00
5000	Operating costs		1,895,514	55.20	5,001,852	55.32
5900	Gross profit		\$1,538,211	44.80	\$4,040,303	44.68
6000	Operating expenses	VI.(XXXI)				
6100	Selling and marketing expenses		254,433	7.41	397,633	4.40
6200	General and administrative expenses		119,374	3.48	169,664	1.87
6000	Total operating expenses		\$373,807	10.89	\$567,297	6.27
6900	Operating income		\$1,164,404	33.91	\$3,473,006	38.41
7000	Non-operating income and expenses					
7100	Interest income	VI.(XXIV)	\$24,072	0.70	\$6,884	0.08
7010	Other income	VI.(XXV)	1,799	0.05	1,984	0.02
7020	Other gains and losses	VI.(XXVI)	(31)	0.00	(547)	0.00
7050	Finance costs	VI.(XXVII)	(385,252)	(11.22)	(323,494)	(3.58)
7070	Share of profit or loss of subsidiaries accounted for using the equity method	VI.(X)	(3,851)	(0.11)	(17,001)	(0.19)
7000	Total non-operating income and expenses		(\$363,263)	(10.58)	(\$332,174)	(3.67)
7900	Income before tax		\$801,141	23.33	\$3,140,832	34.74
7950	Income tax expense	VI.(XXX)	172,463	5.02	309,139	3.42
8200	Current net income		\$628,678	18.31	\$2,831,693	31.32
8300	Other comprehensive income					
8310	Items not reclassified to profit or loss					
8311	Remeasurements of defined benefit plans	VI.(XXVIII)	\$786	0.02	\$1,481	0.01
8349	Incomes tax expense related to titles not subject to reclassification	VI.(XXX)	157	0.00	296	0.00
8300	Other comprehensive income (after tax)		\$629	0.02	\$1,185	0.01
8500	Total comprehensive income		\$629,307	18.33	\$2,832,878	31.33
9750	Basic earnings per share (NT\$)	VI.(XXXII)	\$1.71		\$7.67	
9850	Diluted earnings per share (NT\$)	VI.(XXXII)	\$1.71		\$7.66	

(Please refer to the accompanying notes in 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, 2025 and 2024

Unit: NT\$ thousands

Code	Account name Summary	Share capital	Capital surplus	Retained earnings			Treasury shares	Total equity
				Legal reserve	Unappropriated earnings	Total		
A1	Balance as of January 1, 2024	\$3,694,196	\$8,082	\$1,776,451	\$12,249,286	14,025,737	\$0	\$17,728,015
	Allocation and distribution of earnings in 2023							
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	0	2,832,878
Z1	Balance as of December 31, 2024	\$3,694,196	\$8,082	\$1,820,578	\$15,038,037	\$16,858,615	\$0	\$20,560,893
A1	Balance as of January 1, 2025	\$3,694,196	\$8,082	\$1,820,578	\$15,038,037	\$16,858,615	\$0	\$20,560,893
	Allocation and distribution of earnings in 2024							
B1	Legal reserve			283,288	(283,288)	0		0
N1	Equity-based compensation transactions - employee compensation capital increase	5,209	26,516			0		31,725
D1	Net income in 2025				628,678	628,678		628,678
D3	Other comprehensive income in 2025				629	629		629
D5	Total comprehensive income in 2025				629,307	629,307	0	629,307
L1	Treasury stock repurchase						(195,480)	(195,480)
L3	Cancellation of treasury shares	(39,570)	(370)		(155,540)	(155,540)	195,480	0
Z1	Balance as of December 31, 2025	\$3,659,835	\$34,228	\$2,103,866	\$15,228,516	\$17,332,382	\$0	\$21,026,445

(Please refer to the accompanying notes in 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, 2025 and 2024

Unit: NT\$ thousands

Code	2025	2024			
AAAA Cash flow from operating activities:					
A10000 Current year net profit before tax	\$801,141	\$3,140,832	BBBB Cash flow from investing activities:		
A20000 Adjustment items:			B00040 Financial assets at amortized cost	(\$6,151,406)	\$0
A20010 Revenue, expense and loss that do not affect the cash flows:			B00050 Financial assets at amortized cost	5,651,406	0
A20100 Depreciation expenses and other operating expenses	\$65,446	\$66,673	B00100 Acquisition of financial assets at fair value through profit or loss	0	(188,426)
A20200 Amortization expenses and other operating expenses	4,203	4,194	B00200 Disposal of financial assets at fair value through profit or loss	82	189,533
A20300 Expected credit losses	0	49	B01800 Acquisition of investment accounted for using the equity method	0	(30,000)
A20400 Net gain on financial assets at fair value through profit or loss	0	(1,107)	B02700 Acquisition of property, plant, and equipment	(10,209)	0
A20900 Interest expenses	385,252	323,494	B03700 Increase in refundable deposits	(1,743)	(7,535)
A21200 Interest income	(24,072)	(6,884)	B03800 Decrease in refundable deposits	3,967	1,105
A21300 Dividend income	(537)	(350)	B04500 Acquisition of intangible assets	0	(272)
A22300 Share of profit or loss of subsidiaries accounted for using the equity method	3,851	17,001	B06500 (Increase) decrease in other financial assets - current	(92)	34,688
A20010 Total revenue, expense and loss that do not affect the cash flows:	\$434,143	\$403,070	BBBB Net cash outflow from investing activities	(\$507,995)	(\$907)
A30000 Changes in operating assets and liabilities					
A31000 Net changes in operating assets					
A31130 Decrease (increase) in notes receivable	\$20,200	\$16,476			
A31150 (Increase) decrease in trade receivable	(17,763)	485	Cash flows from financing activities:		
A31180 Decrease (increase) in other receivables	2,526	631	CCCC Proceeds from short-term borrowing	\$6,725,050	\$17,000,125
A31200 Increase in inventories	(45,980)	(1,674,200)	C00100 Repayments of short-term borrowings	(6,616,200)	(18,120,600)
A31230 Increase in prepayments	(86,389)	(258,930)	C00200 Proceeds from short-term bills payable	16,164,600	16,717,200
A31240 Decrease in other current assets	46	98,823	C00500 Repayments of short-term bills payable	(16,097,500)	(16,854,300)
A31000 Total net changes in operating assets	(\$127,360)	(\$1,816,715)	C00600 Proceeds from long-term borrowings	35,900	4,851,420
A32000 Net change in operating liabilities			C01600 Repayments of long-term borrowings	(1,435,302)	(2,845,006)
A32125 Increase (decrease) in contract liabilities - current	(\$360,556)	\$19,791	C01700 Increase in deposits received	6,703	191
A32130 Gain (loss) in notes payable	(97,873)	66,613	C03000 Decrease in deposits received	(2,339)	(1,951)
A32150 Increase in trade payable	13,595	113,622	C04020 Repayment of the principal portion of lease	(1,305)	(1,282)
A32180 Increase (decrease) in other payables	(68,162)	94,869	C04800 Treasury stock repurchase cost	(195,480)	0
A32200 Increase (decrease) in provisions	(2,593)	1,574	CCCC Net cash inflow (outflow) from financing activities	(\$1,415,873)	\$745,797
A32230 Increase (decrease) in other current liabilities	(57,268)	18,077			
A32240 Decrease in net defined benefit liabilities	(5)	(2,983)			
A32000 Total net changes in operating liabilities	(\$572,862)	\$311,563			
A33000 Cash inflow from operating activities	\$535,062	\$2,038,750	EEEE Increase (decrease) in current cash and cash equivalent	(\$1,824,406)	\$2,346,276
A33100 Interest received	23,789	6,106	E00100 Cash and cash equivalent at the beginning of the period	2,877,119	530,843
A33200 Dividend received	537	350	E00200 Cash and cash equivalent at the end of the period	\$1,052,713	\$2,877,119
A33300 Interest paid	(384,216)	(323,762)			
A33500 Income tax paid	(75,710)	(120,058)			
AAAA Net cash inflow from operating activities	\$99,462	\$1,601,386			

(Please refer to the accompanying notes in 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
2025 and 2024

(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 is 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 12, 2026.

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 2025:

Item	New, Revised, and Amended Standards and Interpretations	Effective Date of Issuance by the International Accounting Standards Board
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.

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

Item	New, Revised, and Amended Standards and Interpretations	Effective Date of Issuance by the International Accounting Standards Board
1	Amendments to IFRS 9 and IFRS 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	IFRS 17 Insurance Contracts	January 1, 2023
4	Amendment to IFRS 17 - Insurance Contracts	January 1, 2023
5	Amendments to IFRS 17 - Initial Application of IFRS 17 and IFRS 9 - Comparative Information	January 1, 2023
6	Annual Improvements to IFRS Accounting Standards – Cycle 11	January 1, 2026

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

- (III) The impact of the new or revised International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) not yet adopted by the Financial Supervisory Commission (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 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
2	IFRS 18 “Presentation and Disclosure of Financial Statements”	January 1, 2027 (Note)
3	IFRS 19 “Disclosure of Subsidiaries Not Subject to Public Accountability” (including amendments from 2025)	January 1, 2027
4	Amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

Note: The Financial Supervisory Commission (FSC) announced in a press release on September 25, 2025, that publicly listed companies will be required to apply International Financial Reporting Standard 18 (hereinafter referred to as IFRS 18) starting in the fiscal year 2028. Additionally, if enterprises have a need to adopt IFRS 18 early, they may choose to do so after the FSC has approved IFRS 18.

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.

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, in a single note to the financial statements, explanations for each measurement indicator as to why it provides useful information, how it is calculated, and how the measurement indicator is reconciled to the amounts recognized in accordance with IFRS Accounting Standards.

C. Summary of Useful Financial Statement Information

Enterprises must identify the assets, liabilities, equity, revenues, expenses, and cash flows arising from individual transactions or other matters, and classify and summarize them based on common characteristics, so that each line item reported in the primary financial statements has at least one similar characteristic. Items with dissimilar characteristics should be separately classified in the main financial statements and notes. Only when it is impossible to identify more informative indicators will such items be marked as “Other.”

The Company has continued to assess the effects of this standard and interpretation on its financial conditions and performance. Related impacts will be disclosed upon 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,” IFRS, IAS, and IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC.

(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. 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) Liabilities that are expected to be settled within 12 months after the end 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) Financial Liabilities and Equity Instruments

1. Classification of 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 repurchasing 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 expense and foreign exchange profit or loss are recognized in profit or loss. Any profit or loss at the time of derecognition 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 in 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, other than goodwill, 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 (according to the 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

The Company recognizes the sales commission paid under the presale real estate consignment contract incurred at the time the customer signs the agreement. Within the recoverable amount, such commission is recognized as an incremental cost of obtaining the contract and as an asset, which is subsequently amortized when revenue is recognized. 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 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 (including revenue and expenses related to transactions with other components of the Company). Operating results of the operating segments are regularly reviewed by the Company's chief operating decision-maker to make decisions about resources to be allocated to the segments and to assess their performance. Each operating segment consists of standalone financial information.

As the Company's Parent Company Only Financial Statements comprise a single operating segment, no segment information is disclosed therein and is instead disclosed in the Consolidated Financial Statements.

(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 Board of Directors. 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, 2025	December 31, 2024
Cash on hand and petty cash	\$81	\$70
Demand deposits	1,052,508	1,876,642
Checking deposits	124	407
Time Deposit	0	1,000,000
Total	\$1,052,713	\$2,877,119

- 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.
- 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.
- 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(IX) and Note VIII for details.
- 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, 2025	December 31, 2024
Financial assets mandatorily measured at fair value through profit or loss - non-current		
Non-derivative financial assets:		
Domestic unlisted stocks (venture capital)	\$0	\$82
	\$0	\$82

1. The Company invests in domestic unlisted stocks, designating such investments as financial assets measured at fair value through profit or loss. The invested company has completed the liquidation process and distributed the remaining assets to shareholders in proportion to their shareholdings on December 30, 2025.
2. The Company recognized net gains from financial assets measured at fair value through profit or loss for 2025 and 2024, totaling NT\$0 thousand and NT\$1,107 thousand, respectively.
3. The Company recognized dividend income from financial assets measured at fair value through profit or loss in the amounts of NT\$537 thousand and NT\$350 thousand for 2025 and 2024, 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) Financial Assets at Amortized Cost

Item	December 31, 2025	December 31, 2024
Current		
Short-term notes	\$500,000	\$0

1. The Company holds contractual terms for the financial assets that generate cash flows on specific dates, solely for the payments of principal and interest on the principal amount outstanding; therefore, they are classified as financial assets measured at amortized cost.
2. The Company has disclosed the credit risk information related to financial instruments in Note XII.
3. None of the Company's financial assets measured at amortized cost has been pledged as collateral.

(IV) Note and Trade Receivables

Item	December 31, 2025	December 31, 2024
Notes receivable		
Less than 1 year	\$0	\$20,200
Trade receivables		
Less than 1 year	\$19,778	\$2,015
Less: Allowance for losses	(49)	(49)
Total	\$19,729	\$1,966

1. The Company applies the simplified approach on the estimation of expected credit losses for all 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, including macroeconomic and relevant industry information. The expected credit loss of notes receivable and trade receivables of the Company is as follows:

	December 31, 2025		
	Carrying amount of notes receivable and trade receivables	Weighted average expected credit loss ratio	Allowance for expected credit losses during the period
Not overdue	\$19,729	0%	\$0
Over 365 days	49	100%	49
Total	\$19,778		\$49
	December 31, 2024		
	Carrying amount of notes receivable and trade receivables	Weighted average expected credit loss ratio	Allowance for expected credit losses during the period
Not overdue	\$22,166	0%	\$0
Over 365 days	49	100%	49
Total	\$22,215		\$49

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

	December 31, 2025	December 31, 2024
Beginning balance	\$49	\$0
Impairment losses recognized in this period	0	49
Ending balance	<u>\$49</u>	<u>\$49</u>

2. 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.
3. The Company's notes receivable and accounts receivable were not provided as collaterals.

(V) Other Receivables

Item	December 31, 2025	December 31, 2024
Other receivables	\$5,953	\$8,140
Other receivables - related parties	55	111
Total	<u>\$6,008</u>	<u>\$8,251</u>

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

(VI) Inventories

Item	December 31, 2025	December 31, 2024
Buildings held for sale	\$3,964,412	\$5,122,885
Land held for sale	1,082,695	1,656,395
Land under construction	2,187,346	1,819,482
Construction in progress	2,601,808	1,536,170
Land held for construction	26,613,186	26,038,037
Prepayment for land	59,712	290,210
Less: Allowance for reduction to valuation	(167)	(167)
Total	\$36,508,992	\$36,463,012

Item	December 31, 2025	December 31, 2024
1. Buildings held for sale		
King's Town	\$1,694,072	\$1,699,066
King's Town Hyatt	588,779	587,096
Hua Shang	114,478	114,478
Yiwen Court	15,288	39,335
Ju Dan	79,786	79,592
Tian Feng	79,189	131,270
Mei Shu Huang Ju	486,326	661,251
King's Town Garden	5,424	5,424
World of Heart	535,787	1,257,581
Yue He Di	28,824	28,824
Fu+	335,980	518,801
Other projects	479	167
Total	\$3,964,412	\$5,122,885
Less: Allowance for reduction to valuation	(167)	(167)
Net	\$3,964,245	\$5,122,718

Item	December 31, 2025	December 31, 2024
2. Land held for sale		
King's Town	\$168,776	\$171,425
King's Town Hyatt	43,219	43,219
Yiwen Court	8,475	21,266
Ju Dan	46,949	46,442
Tian Feng	32,895	56,109
Mei Shu Huang Ju	330,285	451,069
King's Town Garden	2,967	2,967
World of Heart	216,051	510,537
Yue He Di	28,078	28,078
Fu+	205,000	325,283
Total	<u>\$1,082,695</u>	<u>\$1,656,395</u>

Item	December 31, 2025		
	Land under construction	Construction in progress	Total
3. Land under construction and construction in progress			
Kaohsiung Fuhe Section No. 698-1	\$358,073	\$514,475	\$872,548
Kaohsiung Longzhong Section No. 191	370,653	742,354	1,113,007
Kaohsiung Bohsiao Section No. 1140 (Jing Wu Tong)	655,287	694,936	1,350,223
Tainan Yuguang Section No. 880, 4 in total	435,469	544,594	980,063
Kaohsiung Shixing Section No. 924, 4 in total	119,233	38,210	157,443
Kaohsiung Shixing Section No. 932, 5 in total	248,631	67,239	315,870
Total	<u>\$2,187,346</u>	<u>\$2,601,808</u>	<u>\$4,789,154</u>

Item	December 31, 2024		
	Land under construction	Construction in progress	Total
Land under construction and construction in progress			
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, 2025	December 31, 2024
4. Land held for construction		
Kaohsiung Longzhong Section No. 129-3, 129-4	\$1,610,110	\$1,610,110
Kaohsiung Longzhong Section No. 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	1,726,876
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. 159	1,626,208	1,620,780
Tainan Annan District Caohu Section No. 908.909.911 (originally Caohu Phase I)	401,748	0
Kaohsiung Shixing Section No. 924, 4 in total	0	119,233
Kaohsiung Shixing Section No. 932, 5 in total	0	248,631
Kaohsiung Longdong Section No. 1	513,991	513,991
Tainan Kanjiao North Section No. 820	3,399,645	3,398,965
Kaohsiung Xindu Section No. 49	46,653	46,653
Kaohsiung Xin Zhuang 12 Sub-section No. 1175	265,530	265,530
Kaohsiung Shinkang Section No. 25	507,676	507,676
Kaohsiung Qinghai Section No. 565 and others	252,835	252,835
Kaohsiung Hsinsheng Section No. 27 and others	1,346,922	1,346,922
Kaohsiung Dapi Section No. 20.21	909,094	909,094
Kaohsiung Longdong Section No. 3	683,305	683,305
Kaohsiung Xinmin Section No. 289.290	1,018,706	1,018,706
Tainan Kanjiao South Section No. 13	7,472	7,472
Kaohsiung Qinghai Section No. 566	319,962	0
Tainan Kanjiao South Section No. 11	21,426	0
Kaohsiung Xin Zhuang 12 Sub-section No. 1167	353,383	353,383
Transferable land and deformed land	3,538,498	3,344,729
Total	<u>\$26,613,186</u>	<u>\$26,038,037</u>

Item	December 31, 2025	December 31, 2024
5. Prepayment for land		
Tainan Annan District, Caohu Phase I	\$0	\$201,677
Kaohsiung Fumin Section No. 18 and others	40,048	0
Transferable land and deformed land	19,664	88,533
Total	<u>\$59,712</u>	<u>\$290,210</u>

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
The amount of capitalized interest	<u>\$112,966</u>	<u>\$153,769</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. The Company and SanDi Properties Co., Ltd. jointly invest in the construction of 83 plots of land in Kanjiao North Section, Tainan, including No. 820, and 4 plots of land in Kanjiao South Section, including No. 32. Both parties have a joint venture ratio of 50% each, as detailed in Note IX.

9. Please refer to Note VIII to the financial statements for the pledge of premises for sale, premises under construction and construction sites.

10. Cost of inventories transferred to cost of goods sold amounted to NT\$1,810,445 thousand and NT\$4,921,291 thousand for 2025 and 2024, respectively; inventory write-down reversal benefits were nil in both years.

(VII) Prepayments

Item	December 31, 2025	December 31, 2024
Prepaid expenses	\$791,031	\$708,203
Input tax	13	63
Excess VAT paid	3,611	0
Total	<u>\$794,655</u>	<u>\$708,266</u>

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

(VIII) Other Current Assets

Item	December 31, 2025	December 31, 2024
Payments on behalf of others	\$1,179	\$1,225
Incremental costs of obtaining contracts	8,235	8,235
Total	\$9,414	\$9,460

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 2025 and 2024, amortization expenses of NT\$0 thousand and NT\$123,490 thousand, respectively, were recognized under selling expenses.

(IX) Other Financial Assets - Current

Item	December 31, 2025	December 31, 2024
Restricted bank deposits	\$19,416	\$19,324

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.

(X) Investments Accounted for Using the Equity Method

Name of Investee	December 31, 2025		December 31, 2024	
	Amount	Shareholding	Amount	Shareholding
H2O Hotel Co., Ltd. (H2O Hotel)	\$129,680	100%	\$133,531	100%

1. For information about the Company's subsidiaries, please refer to the 2025 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, 2025	December 31, 2024
Current assets	\$145,758	\$152,480
Non-current assets	1,474,150	1,512,094
Current liabilities	(97,741)	(99,015)
Non-current liabilities	(1,497,003)	(1,531,058)
Net assets	\$25,164	\$34,501

Comprehensive Income Statement

	H2O Hotel Co., Ltd. (H2O Hotel)	
	December 31, 2025	December 31, 2024
Net operating revenue	\$289,108	\$289,987
Gross profit	\$132,455	\$129,122
Net loss	(\$9,337)	(\$21,348)
Other comprehensive income/ (loss) (after tax)	\$0	\$0
Total comprehensive income	(\$9,337)	(\$21,348)

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, H2O Hotel Co., Ltd. increased its capital by cash in the amount of NT\$30,000 thousand, all of which was invested by the Company. As of December 31, 2025 and 2024, the book value of the Company's investment in H2O Hotel Co., Ltd. was NT\$520,000 thousand for both years. The share of loss recognized for the subsidiary was NT\$9,337 thousand and NT\$21,348 thousand in 2025 and 2024, 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\$5,486 thousand and NT\$4,347 thousand in 2025 and 2024, respectively.

5. The Company has not pledged any investments in subsidiaries as collateral.

(XI) Property, Plant, and Equipment

	Transportation Equipment	Other Equipment	Total
Cost			
Balance as of January 1, 2025	\$4,709	\$15,189	\$19,898
Increase	0	10,209	10,209
Disposal and obsolescence	0	(611)	(611)
Balance as of December 31, 2025	<u>\$4,709</u>	<u>\$24,787</u>	<u>\$29,496</u>
Balance as of January 1, 2024	\$4,709	\$15,291	\$20,000
Disposal and obsolescence	0	(102)	(102)
Balance as of December 31, 2024	<u>\$4,709</u>	<u>\$15,189</u>	<u>\$19,898</u>
Accumulated depreciation and impairment			
Balance as of January 1, 2025	\$1,552	\$6,128	\$7,680
Depreciation	798	5,102	5,900
Disposal and obsolescence	0	(611)	(611)
Balance as of December 31, 2025	<u>\$2,350</u>	<u>\$10,619</u>	<u>\$12,969</u>

	Transportation Equipment	Other Equipment	Total
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, 2024	<u>\$1,552</u>	<u>\$6,128</u>	<u>\$7,680</u>
Carrying amount			
Balance as of December 31, 2025	<u>\$2,359</u>	<u>\$14,168</u>	<u>\$16,527</u>
Balance as of December 31, 2024	<u>\$3,157</u>	<u>\$9,061</u>	<u>\$12,218</u>
Balance as of January 1, 2024	<u>\$3,955</u>	<u>\$11,979</u>	<u>\$15,934</u>

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

(XII) Right-of-use Assets

1. Major lease activities and terms

The Company acquired a land use right from the Kaohsiung Municipal Government over land 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 Company recognizes this land use right as a right-of-use asset and lease liability. Due to the adjustment of the declared land value in 2026, the Kaohsiung City Government adjusted the rent in accordance with the declared land value starting from January 1, 2026. The Company recalculated the adjusted lease liabilities and correspondingly adjusted the carrying amount of the right-of-use assets.

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

	<u>2025</u>	<u>2024</u>
Cost		
Balance on January 1	\$74,676	\$74,676
Remeasurement impact	<u>12,012</u>	<u>0</u>
Balance on December 31	<u>\$86,688</u>	<u>\$74,676</u>
Accumulated depreciation		
Balance on January 1	\$9,416	\$7,672
Depreciation	<u>1,744</u>	<u>1,744</u>
Balance on December 31	<u>\$11,160</u>	<u>\$9,416</u>
Carrying amount		
Balance on January 1	<u>\$65,260</u>	<u>\$67,004</u>
Balance on December 31	<u>\$75,528</u>	<u>\$65,260</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(XIII).
4. Please refer to Note VI(XIX) for the description of lease liabilities.

(XIII) 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:

	<u>2025</u>	<u>2024</u>
Cost		
Balance on January 1	\$969,553	\$971,633
Disposal and obsolescence	<u>0</u>	<u>(2,080)</u>
Balance on December 31	<u>\$969,553</u>	<u>\$969,553</u>
Accumulated depreciation		

	2025	2024
Balance on January 1	\$466,824	\$407,691
Depreciation	57,802	61,213
Disposal and obsolescence	0	(2,080)
Balance on December 31	<u>\$524,626</u>	<u>\$466,824</u>
Carrying amount		
Balance on January 1	<u>\$502,729</u>	<u>\$563,942</u>
Balance on December 31	<u>\$444,927</u>	<u>\$502,729</u>

2. The rental income and direct operating expenses of investment properties are as follows:
3. The fair value of investment properties as of December 31, 2025 and 2024 was NT\$1,174,392 thousand and NT\$1,216,161 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(XIX) 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. Cost

(XIV) Intangible Assets

	Land use rights	Information Software Systems	Total
Cost			
Balance as of January 1, 2025	\$200,020	\$2,111	\$202,131
Balance as of December 31, 2025	\$200,020	\$2,111	\$202,131
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, 2024	\$200,020	\$2,111	\$202,131
Accumulated amortization and impairment			
Balance as of January 1, 2025	\$50,005	\$1,605	\$51,610
Amortization	4,001	202	4,203
Balance as of December 31, 2025	\$54,006	\$1,807	\$55,813
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, 2024	\$50,005	\$1,605	\$51,610
Carrying amount			
Balance as of December 31, 2025	\$146,014	\$304	\$146,318
Balance as of December 31, 2024	\$150,015	\$506	\$150,521
Balance as of January 1, 2024	\$154,016	\$427	\$154,443

- The amortization expenses of intangible assets for 2025 and 2024 are reported under the following items in the consolidated income statement.

Item	2025	2024
Other operating costs	\$4,001	\$4,001
Operating expenses	202	193
Total	\$4,203	\$4,194

- In July 2012, the Company entered into a land right deed with the Kaohsiung City Government for the establishment of the land at Lot No. 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.
- As of the end of each reporting period, the Company has not provided any collateral guarantees for its intangible assets.

(XV) Short-term Borrowings/Short-term Bills Payable

	December 31, 2025	December 31, 2024
1. Bank borrowings		
Secured loans	\$2,745,325	\$2,636,475
Unused limit	\$5,810,000	\$4,606,000
Interest rate range	2.345%~3.15%	2.345%~3.14%
Repayment period	2026.03.21~2028.06.30	2025.02.28~2028.06.30
2. Short-term bills payable	\$4,521,100	\$4,454,000
Less: Discount on short-term bills payable	(6,026)	(8,474)
Net	\$4,515,074	\$4,445,526
Interest rate range	2.758%~3.098%	1.808%~3.038%
Unused limit	\$1,470,950	\$1,658,531

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.

(XVI) Provisions - Current

	2025	2024
	<u> </u>	<u> </u>
Warranty provision		
Balance on January 1	\$47,062	\$45,488
Current Period Increase/Decrease	(2,593)	1,574
Balance on December 31	<u>\$44,469</u>	<u>\$47,062</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.

(XVII) Collection

Item	December 31, 2025	December 31, 2024
<u> </u>	<u> </u>	<u> </u>
Land collections	\$0	\$6,796
Building collections	1,557	13,196
Decoration collections	10,000	17,094
Collections - others	4,019	35,758
Total	<u>\$15,576</u>	<u>\$72,844</u>

(XVIII) Long-term Borrowings

<u>Nature of borrowings</u>	<u>Loan period and repayment method</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Long-term bank borrowings			
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	\$1,178,000
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.	1,436,000	1,511,600
Secured borrowings	From June 2019 to June 2026, interest will be paid monthly, with annual reviews of the loan terms, and repayments are made according to the agreement.	493,800	519,800
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.	2,126,000	2,128,000
Secured borrowings	From January 2022 to January 2027, interest will be paid monthly, with annual reviews of the loan terms, and repayment will be made in accordance with the agreement.	158,871	167,233
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	214,420
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.	258,115	271,700
Secured	From July 2017 to July 2032, the	344,634	392,451

Nature of borrowings	Loan period and repayment method	December 31, 2025	December 31, 2024
borrowings	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.		
Secured borrowings	From December 2024 to December 2027, interest will be paid monthly, with annual reviews of the loan terms, and repayment will be made in accordance with the agreement.	374,129	375,000
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.	163,530	172,140
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.	\$126,250	\$132,900
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	2,000,000
Secured borrowings	From May 2023 to May 2026, interest will be paid monthly, and repayment will be made in accordance with the agreement.	900,000	1,113,000
Secured borrowings	From January 2022 to January 2027, interest will be paid monthly, and the loan terms will be reviewed annually. Repayments will be made in accordance with the agreement. In September 2025, due to the collateral of construction land being invested in ongoing projects, the	0	175,175

Nature of borrowings	Loan period and repayment method	December 31, 2025	December 31, 2024
	borrowings were reclassified as short-term borrowings.		
Secured borrowings	Originally from October 2019 to October 2025, the term was extended to October 2026. The interest was to be paid monthly. The principal was fully repaid in accordance with the agreement in advance in September 2025.	0	560,350
Secured borrowings	From June 2023 to June 2025, interest was paid monthly, and the principal was repaid in full at maturity.	0	261,382
Total		<u>\$10,188,749</u>	<u>\$11,588,151</u>
Less: Net long-term borrowings due within one year or one operating cycle		<u>(5,694,610)</u>	<u>(674,695)</u>
Net		<u>\$4,494,139</u>	<u>\$10,913,456</u>
Unused limit		<u>\$2,189,604</u>	<u>\$2,081,900</u>
Interest rate		2.365%	2.365%
range		<u>~3.377%</u>	<u>~3.252%</u>

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.

(XIX) Lease Agreements

- The Company's lease liabilities are as follows:

	December 31, 2025	December 31, 2024
Current	<u>\$1,566</u>	<u>\$1,305</u>
Non-current	<u>\$77,154</u>	<u>\$66,708</u>

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, 2026, and January 1, 2024, 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. In 2025 and 2024, there were no new or terminated leases resulting in significant lease liabilities, nor any circumstances of repurchase or repayment.

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

	2025	2024
Interest expense – lease obligations payable	\$1,161	\$1,184
Short-term lease expenses	\$1,168	\$1,285
Expense on leases with low-value underlying assets	\$210	\$210
Total cash flows on lease	\$4,872	\$2,941

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\$110,916 thousand and NT\$88,929 thousand for the years from January 1 to December 31, 2025 and 2024, 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, 2025	December 31, 2024
Within 1 year	\$88,794	\$74,188
1 to 2 years	68,584	70,286
2 to 3 years	16,402	65,392
3 to 5 years	11,473	19,990
Over 5 years	4,887	4,497
Non-discounted future cash flows of lease	<u>\$190,140</u>	<u>\$234,353</u>

- (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 9 to 15 years. The rent is charged at 73% 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.

(XX) Share Capital

1. As of December 31, 2025 and December 31, 2024, 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\$3,659,835 thousand and NT\$3,694,196 thousand, respectively, with 365,983 thousand and 369,419 thousand common shares issued, respectively, and payments for all issued shares had been received.

	2025	2024
Number of shares outstanding at the beginning of the period (in thousands)	<u>369,419</u>	<u>369,419</u>

Employee compensation to capital increase (in thousands)	521	0
Cancellation of repurchase treasury shares (in thousands)	(3,957)	0
Number of shares outstanding at the beginning of the period (in thousands)	365,983	369,419

2. On March 13, 2025, the Board of Directors of the Company resolved to distribute NT\$31,725 thousand in employee compensation by issuing 520,945 new shares. The number of shares to be distributed was calculated based on the closing price on the day before the Board's resolution. This capital increase was filed with the Financial Supervisory Commission on June 23, 2025, and was approved in a Board of Directors meeting on June 26, 2025, 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 October 2, 2025.
3. Treasury shares
 - (1) On April 8, 2025, the Board of Directors of the Company resolved, in accordance with Article 28-2 of the Securities and Exchange Act, to repurchase shares and cancel them in order to maintain the Company's credit and protect shareholder equity. From April 9, 2025, to June 6, 2025, the Company may repurchase up to 10,000 thousand shares of common stock from the Taiwan Stock Exchange at a price range of NT\$38.5 to NT\$70. However, if the Company's stock price falls below the lower limit of the repurchase price range, the repurchase will continue to be executed. As of December 31, 2025, a total of 3,957 thousand treasury shares were repurchased at an average repurchase price of NT\$49.40 per share, resulting in a total repurchase cost of NT\$195,480 thousand.
 - (2) On September 24, 2025, the Company's Board of Directors resolved to cancel

3,957 thousand of the repurchased treasury shares, reducing capital by NT\$39,570 thousand, with the base date of September 25, 2025, and after the cancellation of 3,957 thousand shares issued, the number of common shares outstanding was 365,983 thousand. The difference between the carrying amount and the par value of treasury shares is adjusted to the capital surplus in proportion to the cancellation, and any deficit is then transferred to retained earnings.

- (3) According to the Securities and Exchange Act, the number of shares outstanding repurchased by the Company shall not exceed 10% of the number of issued shares, and the total amount repurchased shall not exceed the sum of the Company's retained earnings, share premium, and realized capital surplus.
- (4) Treasury shares held by the Company shall not be pledged in accordance with the Securities and Exchange Act, and prior to their transfer, shall not be entitled to dividend distributions, voting rights or other shareholder's rights.

(XXI) Capital Surplus

	December 31, 2025	December 31, 2024
Shares premium	\$34,598	\$8,082
Cancellation of treasury shares transactions	(370)	0
Total	<u>\$34,228</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.

(XXII) Retained Earnings

1. 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. At the shareholders' meeting held on June 26, 2025, the Company resolved to amend its Articles of

Incorporation to include the following provision: dividends and bonuses to be distributed, capital surplus or legal reserve may be distributed, in whole or in part, in cash pursuant to a resolution of the Board of Directors attended by two-thirds or more of the directors and approved by a majority of the directors present, and such distribution shall be reported to the shareholders' meeting. Such distribution shall not be subject to the aforementioned provision requiring shareholders' meeting resolution. Please refer to Note VI(XXIX) for the employee compensation distribution policy set forth in the Articles of Incorporation.

2. 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.

3. Dividend distribution

The Company held its annual general shareholders' meetings on June 26, 2025 and June 27, 2024, during which the distribution of profits for 2024 and 2023 was approved, respectively. It was resolved to allocate the statutory reserve as required, with no distribution of the remaining profits.

4. On March 12, 2026, the Board of Directors resolved to approve the proposed earnings distribution for 2025. It was resolved to allocate the statutory reserve as required, with the remaining earnings not to be distributed.

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

(XXIII) Operating Revenue

	2025	2024
Land revenue	\$1,578,056	\$5,413,312
Building revenue	1,744,753	3,539,914
Rental revenue	110,916	88,929
Total	<u>\$3,433,725</u>	<u>\$9,042,155</u>

1. Revenue breakdown

	2025	2024
Major regional markets		
Taiwan	<u>\$3,433,725</u>	<u>\$9,042,155</u>
Major products/service		
Sales of premises	\$3,332,809	\$8,953,226
Rental revenue	110,916	88,929
Total	<u>\$3,443,725</u>	<u>\$9,042,155</u>
Timing of revenue recognition:		
At a fixed point in time	\$3,322,809	\$8,953,226
Performance obligations fulfilled over time	110,916	88,929
Total	<u>\$3,433,725</u>	<u>\$9,042,155</u>

2. Contract balance

	December 31, 2025	December 31, 2024	January 1, 2024
Notes receivable	\$0	\$20,200	\$16,676
Long-term notes receivable	0	0	20,000
Trade receivables	19,729	1,966	2,422
Total	<u>\$19,729</u>	<u>\$22,166</u>	<u>\$39,098</u>
Contract liabilities - Sale of premise	\$336,560	\$698,296	\$678,540
Contract liabilities - Advances from rent	2,489	1,309	1,274
Total	<u>\$339,049</u>	<u>\$699,605</u>	<u>\$679,814</u>

- (1) The amounts from the opening contract liabilities recognized in operating income were NT\$631,633 thousand and NT\$421,680 thousand for the periods from January 1 to December 31, 2025 and 2024, 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.
- (4) To ensure the smooth construction and delivery of its presale projects, the Company placed the aforementioned amounts received in advance into trust and classified them as "Other financial assets - current."

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other financial assets - current	\$18,915	\$18,801

As of December 31, 2025 and 2024, the Company has entered into trust agreements with banks regarding the aforementioned construction projects, entrusting them to manage the funds related to the payments made by pre-sale purchasers. The trust period is agreed to last until the project is completed, the occupancy permit is obtained, and the first ownership registration of the property is completed.

- (5) As of December 31, 2025, details of the Jing Wu Tong Project, for which the Company has established a pre-sale proceeds trust as a result of property pre-sales, are described as follows:

- a. As of record date, the amounts required to be delivered into trust were consistent with the actual amounts deposited or remitted.
- b. All payments made by purchasers were deposited (remitted) by the settlor into the designated trust account within the same period, with no instances of delayed delivery.

(XXIV) Interest income

	2025	2024
Interest on bank deposits	\$15,185	\$6,882
Interest income from corporate bond investments	8,886	0
Other interest income	1	2
Total interest income	<u>\$24,072</u>	<u>\$6,884</u>

(XXV) Other Income

	2025	2024
Dividend income	\$537	\$350
Other income - others	1,262	1,634
Total	<u>\$1,799</u>	<u>\$1,984</u>

(XXVI) Other Gains and Losses

	2025	2024
Net gains on financial assets measured at fair value through profit or loss	\$0	\$1,107
Miscellaneous expenses	(31)	(1,654)
Total	<u>(\$31)</u>	<u>(\$547)</u>

(XXVII) Finance Costs

	2025	2024
Interest expenses		
Bank borrowings	\$498,110	\$477,198
Interest accrued on deposits	108	65
Less: Capitalization of interest	(112,966)	(153,769)
Finance costs	<u>\$385,252</u>	<u>\$323,494</u>

(XXVIII) 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:

	2025	2024
Selling and marketing expenses - Retirement benefits expenses	<u>\$257</u>	<u>\$262</u>
General and administrative expenses - Retirement benefits expenses	<u>\$1,620</u>	<u>\$1,539</u>

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:

	2025	2024
Service costs for the current period	\$43	\$120
Net interest on defined benefit liabilities (assets)	248	256
Recognized in profit or loss	\$291	\$376
Remeasurements		
Compensation on plan assets (excluding net interest on net defined benefit liabilities (assets))	(\$2,239)	(\$2,731)
Actuarial losses (gains) - experience adjustments	1,247	1,933
Actuarial losses (gains) - changes in financial assumptions	206	(683)
Recognized in other comprehensive income	(\$786)	(\$1,481)

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

	2025	2024
Selling and marketing expenses	\$13	\$27
General and administrative expenses	278	349
Total	<u>\$291</u>	<u>\$376</u>

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

	December 31, 2025	December 31, 2024
Present value of defined benefit obligation	\$43,828	\$44,941
Fair value of plan assets	(30,326)	(30,648)
Net defined benefit liabilities	<u>\$13,502</u>	<u>\$14,293</u>

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

	2025	2024
Beginning balance	\$44,941	\$46,209
Service costs for the current period	43	120
Interest expenses	640	550
Remeasurements		
Actuarial losses (gains) - experience adjustments	1,247	1,933
Actuarial losses (gains) - changes in financial assumptions	206	(683)
Benefits paid on plan assets	(3,249)	(3,188)
Ending balance	<u>\$43,828</u>	<u>\$44,941</u>

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

	2025	2024
Fair value of plan assets at the beginning of the period	\$30,648	\$27,452
Expected return on plan assets	392	294
Remeasurements of plan assets (excluding net interest included in net defined benefit liabilities (assets))	2,239	2,731
Contribution by the employer	296	3,359
Actual payment of employee benefits	(3,249)	(3,188)
Fair value of plan assets at the end of the period	<u>\$30,326</u>	<u>\$30,648</u>

(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, 2025 and 2024, 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, 2025</u>	<u>December 31, 2024</u>
Discount rate	1.625%	1.750%
Growth rate of future salary	3.000%	3.000%

- (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, 2025</u>	<u>December 31, 2024</u>
Discount rate	1.625%	1.750%
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, 2025</u>	<u>December 31, 2024</u>
Discount rate		
Increase by 0.25%	(\$408)	(\$441)
Decrease by 0.25%	\$428	\$452
Expected salary increase rate		
Increase by 0.25%	\$409	\$433
Decrease by 0.25%	(\$393)	(\$424)

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\$299 thousand to the defined benefit plans for the one year period after the reporting date of 2026.

The weighted average period of the defined benefit plan is 8.81 years.

The maturity analysis of the pension payments is as follows:

Under 1 year	\$17,549
1 to 2 years	1,704
2 to 5 years	10,671
Over 5 Years	8,628
	\$38,552
	\$38,552

3. Short-term paid leave and liabilities

As of December 31, 2025, and December 31, 2024, the Company has accrued liabilities for paid leave amounting to NT\$583,000 and NT\$695,000, respectively.

These amounts are included under other payables.

(XXIX) Employee bonus and remuneration to directors

The Company resolved to amend its Articles of Incorporation at the shareholders' meeting on June 26, 2025. According to the amended Articles, after annual earnings first offset against any deficit, a minimum of 1% of the profit before tax for the year shall be allocated as employee compensation, of which no less than 0.5% shall be allocated as compensation for frontline employees, and a maximum of 2% of the profit

before tax for the year shall be allocated as directors' remuneration. However, when the Company has accumulated losses, it should reserve an amount in advance to offset these losses. Employee compensation may be distributed in stock or cash, while director remuneration may only be distributed in cash. 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 Company's Articles of Incorporation prior to amendment 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\$8,092 thousand and NT\$31,725 thousand for the years 2025 and 2024, 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 NT\$0 thousand and both were recorded as operating expenses for the respective periods.

On March 12, 2026, the Board of Directors resolved to distribute NT\$8,092 thousand for employee compensation and NT\$0 thousand for directors' remuneration for 2025, and on March 13, 2025, the Board of Directors resolved to distribute NT\$31,725 thousand for employee compensation and NT\$0 thousand for directors' remuneration for 2024. There was no difference from the amounts recognized as expenses in 2025 and 2024.

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".

(XXX) Income Tax

1. Income tax expense

(1) Income tax recognized in profit or loss

	2025	2024
Current income tax expenses		
Income tax generated from current period income	\$60,816	\$255,910
Land value increment tax	20,977	52,539
Levy on unappropriated earnings	127,480	19,857
Adjustment of current income tax for the previous period	0	7,000
Deferred income tax expense (benefit)		
Occurrence and reversal of temporary differences	(36,810)	(26,167)
Income tax expense	\$172,463	\$309,139

(2) Income tax recognized in other comprehensive income

2. Reconciliation of income tax expense to accounting profit

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

	Balance on January 1	Recognized in profit or loss	Recognized in other comprehensive income	Balance on December 31
(1) January 1 to December 31, 2025				
A. Deferred tax assets				
Inventories	\$27,918	\$37,329	\$0	\$65,247
Prepayments	47	0	0	47
Warranty provision payable	9,412	(518)	0	8,894
Net defined benefit liabilities - non-current	2,859	(1)	(157)	2,701
Total deferred tax assets	<u>\$40,236</u>	<u>\$36,810</u>	<u>(\$157)</u>	<u>\$76,889</u>
(2) January 1 to December 31, 2024				
A. Deferred tax assets				
Inventories	\$0	\$27,918	\$0	\$27,918
Prepayments	5,503	(5,456)	0	47
Warranty provision payable	9,098	314	0	9,412
Net defined benefit liabilities - non-current	3,751	(596)	(296)	2,859
Total deferred tax assets	<u>\$18,352</u>	<u>\$22,180</u>	<u>(\$296)</u>	<u>\$40,236</u>
B. Deferred tax liabilities				
Inventories	\$3,987	(\$3,987)	\$0	\$0

4. The Company's business income tax settlement and declaration up until 2023 have been approved.

(XXXI) Summary of Employment, Depreciation, Operating Costs, and Amortization Expenses

Incurred During the Period by Function

By function By nature	2025			2024		
	Operation costs	Operation expenses	Total	Operation costs	Operation expenses	Total
Employee benefit expenses						
Salary expenses	0	51,271	51,271	0	79,334	79,334
Labor and health insurance expenses	0	4,451	4,451	0	4,493	4,493
Retirement benefits expenses	0	2,168	2,168	0	2,177	2,177
Remuneration to Directors	0	2,880	2,880	0	2,880	2,880
Other employee benefits	0	5,650	5,650	0	11,020	11,020
Depreciation expenses	64,528	918	65,446	65,742	931	66,673
Amortization expenses	4,001	202	4,203	4,001	193	4,194

1. Additional information on the number of employees and employee benefit expenses for 2025 and 2024 is as follows:
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.

(XXXII) 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

	2025	2024
Profit attributable to the holders of ordinary shares of the Company	\$628,678	\$2,831,693
Calculation of diluted earnings per share (in thousands)	367,269	369,419
Basic earnings per share	\$1.71	\$7.67

2. Diluted earnings per share

	2025	2024
Profit attributable to the holders of ordinary shares of the Company (diluted)	\$628,678	\$2,831,693
Calculation of diluted earnings per share (in thousands)	367,269	369,419
Effect of potentially dilutive ordinary shares:		
Impact on employee remuneration	291	485
Weighted average number of ordinary shares outstanding used for calculation of diluted earnings per share (in thousands)	367,560	369,904
Diluted earnings per share	\$1.71	\$7.66

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.

(XXXIII) Changes in Liabilities from Financing Activities

Reconciliation of liabilities from financing activities was as follows:

	2025.1.1	Cash flows	Non-cash changes	2025.12.31
Short-term borrowings	\$2,636,475	\$108,850	\$0	\$2,745,325
Face value of short-term bills payable	4,454,000	67,100	0	4,521,100
Long-term borrowings (including long-term borrowing due within one year)	11,588,151	(1,399,402)	0	10,188,749
Deposits received	3,436	4,364	0	7,800
Lease liabilities (current and non-current)	68,013	(1,305)	12,012	78,720
Liabilities from the financing activities	<u>\$18,750,075</u>	<u>(\$1,220,393)</u>	<u>\$12,012</u>	<u>\$17,541,694</u>
	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 (including long-term borrowing due within one year)	9,581,737	2,006,414	0	11,588,151
Deposits received	5,196	(1,760)	0	3,436
Lease liabilities (current and non-current)	69,295	(1,282)	0	68,013
Liabilities from the financing activities	<u>\$18,004,278</u>	<u>\$745,797</u>	<u>\$0</u>	<u>\$18,750,075</u>

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	Chairman of the Company

(II) Significant Transactions with Related Parties

1. Operating revenue

Name	2025	2024
H2O Hotel Co., Ltd. (H2O Hotel)	\$51,795	\$52,095
Other related parties	0	38,833
Total	\$51,795	\$90,928

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\$0 thousand and NT\$38,833 thousand in 2025 and 2024, 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	2025	2024
H2O Hotel Co., Ltd. (H2O Hotel)	1F., No. 366, Minghua Rd., Gushan Dist., Kaohsiung City (Longbei Section No. 22)	2019/02/01 ~2028/1/31	The monthly rental income of NT\$6,500 thousand (including business tax) is collected by bank transfer on a monthly basis. Starting from July, 2023, the rent has been changed to NT\$4,500 thousand with reference to the rental market in nearby areas.	\$51,429	\$51,429
H2O Hotel Co., Ltd. (H2O Hotel)	8 levels at No. 300, Funong Rd., Gushan Dist., Kaohsiung City, 1 building in total (Longzhong Section No. 128-3)	2019/02/01 ~2026/1/31	The monthly rent is NT\$32 thousand (including business tax), which is determined based on the rental market rates of the nearby area. Rent is collected monthly via bank transfer.	\$366	\$366
H2O Hotel Co., Ltd. (H2O Hotel)	No. 620, Meishu E. 2nd Rd., Gushan Dist., Kaohsiung City (Mei Shu Huang Ju)	2019/09/01 ~2027/08/31	The rent will be calculated from November 1, 2019 at NT\$158 thousand per month (including business tax). The rent is determined based on the rental market rates of the nearby area, and is collected monthly via bank transfer. On March 1, 2024, the contract was terminated early.	0	300
Total				<u>\$366</u>	<u>\$666</u>

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 2025 and 2024. The contract price and current purchases are as follows:

Site name	Contract price (including tax)	Purchases	
		2025	2024
Kaohsiung Fuhe Section No. 698-1 Renovation	\$2,486,986	\$0	\$0
Kaohsiung Ai Qun Section No. 2748 (World of Heart)	\$2,211,730	0	593,929
Kaohsiung Bohsiao Section No. 1140 (Jing Wu Tong)	\$1,405,500	204,806	172,415
Kaohsiung Xinzhuang 12 Sub-section No. 1175	\$358,720	0	0
Total		<u>\$204,806</u>	<u>\$766,344</u>

(2) The Company has commissioned Baihong Construction Co., Ltd. to undertake various construction projects for 2025 and 2024. The contract price and current purchases are as follows:

Site name	Contract price (including tax)	Purchases	
		2025	2024
Kaohsiung Fuhe Section No. 698-1 Structural Engineering	\$2,006,214	\$114,310	\$214,310
Kaohsiung Longzhong Section No. 191	\$1,072,320	269,572	228,601
Tainan Yuguang Section No. 880, 3 in total	\$1,377,360	242,902	200,015
Kaohsiung Shixing Section No. 924, 4 in total	\$446,240	28,577	0
Kaohsiung Shixing Section No. 932, 5 in total	\$941,280	47,624	0
Total		<u>\$702,985</u>	<u>\$642,926</u>

4. Properties for sale and land held for construction

- (1) The Company purchased three parking spaces at Yiwen Court, Lingya District, Kaohsiung City from the related party, King's Town Construction Co., Ltd., signing the contract on March 18, 2025. The total price of the sales contract was NT\$6,950 thousand (including tax). The transaction conditions were not significantly different from those of ordinary transactions, and there were no contractual restrictions or other important agreements. Payment was made according to the contract, and the transfer was completed in April 2025.
- (2) The Company paid NT\$5,429 thousand to Chieh Chih Construction Co., Ltd. for the demolition of old buildings on the construction site, which is recorded under land held for construction.

5. Receivables from related parties

Other receivables represent amounts receivable for the landlords' share of selling expenses.

Name of project and related party	December 31, 2025	December 31, 2024
	Balance	Balance
Other receivables		
Meiyun S. Tsai	\$55	\$111

6. Payables to related parties.

Name of project and related party	December 31, 2025	December 31, 2024
	Balance	Balance
(1) Notes payable		
Chieh Chih Construction Co., Ltd.	\$20,015	\$91,884
Baihong Construction Co., Ltd.	140,033	145,009
Total	\$160,048	\$236,893

Name of project and related party	December 31, 2025	December 31, 2024
	Balance	Balance
(2) Trade payables		
Chieh Chih Construction Co., Ltd.	\$0	\$188,314
(3) Other payables		
King's Town Construction Co., Ltd.	\$0	\$1,132
H2O Hotel Co., Ltd. (H2O Hotel)	11	184
Yangmin International Catering Co., Ltd.	13	61
Total	\$24	\$1,377

7. Lease expenses

Lease expenses	Price payment	
	2025	2024
King's Town Construction Co., Ltd.	\$1,029	\$1,029

The lease details are as follows:

Lessor	Lease subjects	Lease period	Rent and payment status	2025	2024
King's Town Construction Co., Ltd.	12F., No. 150, Bo'ai 2nd Rd., Zuoying Dist., Kaohsiung City	2023/07/01~2024/6/30 2024/07/01~2025/6/30 2025/07/01~2026/6/30	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

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\$490,250 thousand and NT\$798,000 thousand as of December 31, 2025 and 2024, respectively.

- (2) 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, 2025 and 2024, the loan amounts were NT\$1,436,000 thousand and NT\$1,511,600 thousand, respectively, and the amounts of commercial paper issued were NT\$1,511,600 thousand and NT\$1,591,200 thousand, respectively.
- (3) The Company's investment in subsidiaries is described in Note VI(X).
- (4) In 2025 and 2024, the Company paid the related party, H2O Hotel Co., Ltd., expenses such as hospitality and venue fees, which were recorded as NT\$431 thousand and NT\$927 thousand for social expenses, and NT\$40 thousand and NT\$208 thousand for miscellaneous expenses, respectively.
- (5) In 2025 and 2024, the Company paid the related party, Yangmin International Catering Co., Ltd., expenses such as customer hospitality, which were recorded as NT\$580 thousand and NT\$535 thousand for social expenses, respectively.
- (6) In 2025 and 2024, the Company paid the related party, King's Town Construction Co., Ltd., expenses such as utilities and cleaning fees, which were recorded as NT\$50 thousand for miscellaneous expenses.
- (7) The Company's related party, Chieh 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, 2025 and 2024 were NT\$626,521 thousand and NT\$590,649 thousand, respectively.

- (8) The Company's related party, 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, 2025 and 2024 were NT\$672,361 thousand and NT\$580,155 thousand, respectively.
- (9) The Company entered into a joint construction contract for the property located at Qinghai Section Lot No. 76 with related party Tsai Tien-Tsan and other related parties in November 2025. The construction will be sold in a joint sale manner, with the landowner holding 42% and the Company holding 58%. As of December 31, 2025, construction has not yet commenced.
- (10) The Company received a guarantee promissory note from the related party, H2O Hotel Co., Ltd., for the lease, which was recorded as a guarantee note amounting to NT\$6,500 thousand as of December 31, 2025 and 2024.

9. Information on remuneration to the management

	2025	2024
Short-term employee benefits	\$19,413	\$24,568

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, 2025	December 31, 2024
Buildings and land held for sale	Collateralized borrowing and issuance of commercial promissory notes	\$2,679,459	\$4,014,274
Construction in progress	Collateralized borrowing and issuance of commercial promissory notes	4,789,154	3,355,652
Land held for construction	Collateralized borrowing and issuance of commercial promissory notes	21,372,929	22,386,348
Investment properties	Secured borrowings	444,927	502,729

Name of assets	Secured subject	December 31, 2025	December 31, 2024
Other financial assets – current	Presale housing payment trust accounts and performance guarantees	19,416	19,324
Refundable deposits	Disaster management guarantee	30,826	33,369
Total		\$29,336,711	\$30,311,696

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

1. As of December 31, 2025, the total contract value (including tax) of the construction contracts that had been signed was NT\$10,094,620 thousand, with an outstanding payment amount of NT\$8,048,298 thousand.
2. As of December 31, 2025, the total contract value of the signed agreements for the acquisition of construction land was NT\$1,171,287 thousand, with an outstanding payment amount of NT\$1,131,287 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 serves as the “main operator” for this project, handling and externally representing the execution of matters related to this joint venture project. As of December 31, 2025, this development project has not yet commenced construction.
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.

Endorser/Guarantor	Endorsee/ Guarantee	December 31, 2025	December 31, 2024	Guarantee purpose
King's Town Construction Co., Ltd.	SanDi Properties Co., Ltd.	\$3,000,000	\$3,000,000	Loan financing credit guarantee

5. As of December 31, 2025 and December 31, 2024, the Company had entrusted banks to issue price performance guarantee for the pre-sale cases with a guarantee amount of NT\$18,580.
6. The Company entered into a land sale contract with the unrelated party Mr. Chung on December 17, 2020, for the "Tainan City Annan District Caohu (1) Self-Managed Land Readjustment Area," with a total amount of NT\$395,000 thousand. After the readjustment, the agreed-upon area of land was transferred and registered to the Company on November 26, 2025. Due to discrepancies between the land transfer registration and the attached diagram of the land sale contract, there is a significant difference in land value. Therefore, the final payment of NT\$200 million has been retained and has not been paid. The original landowner, Mr. Chung, has established a mortgage in favor of Tung Cheng Investment Consultant Co., Ltd., which has not yet been released. After the transfer of the land to the Company, the Company became subject to an endorsement and guarantee obligation in favor of Tung Cheng Investment Consultant Co., Ltd. The endorsement and guarantee amount is proposed to be set at NT\$401,748 thousand, based on the land cost.
7. The Company entered into a co-construction contract for Lot No. 76 of the Qinghai Section with a related party. Please refer to Note VII for related party transactions.

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

	December 31, 2025	December 31, 2024
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Non-current		
Domestic un-listed stocks	\$0	\$82
Financial assets at amortized cost		
Cash and cash equivalents	\$1,052,713	\$2,877,119
Short-term notes	500,000	0
Net notes receivable and trade receivables (including related parties)	19,729	22,166
Other receivables (including related parties)	6,008	8,251
Other financial assets (including current and non-current)	19,416	19,324
Refundable deposits	34,825	37,049
Subtotal	\$1,632,691	\$2,963,909
Total	\$1,632,691	\$2,963,991

	December 31, 2025	December 31, 2024
<u>Financial liabilities</u>		
Measured at amortized cost		
Short-term borrowings	\$2,745,325	\$2,636,475
Short-term bills payable	4,515,074	4,445,526
Notes payable and trade payables (including related parties)	423,160	507,438
Other payables (including related parties)	37,080	138,379
Long-term borrowings (including long-term borrowing due within one operating cycle)	10,188,749	11,588,151
Lease liabilities (including current and non-current)	78,720	68,013
Deposits received	7,800	3,436
Total	<u>\$17,995,908</u>	<u>\$19,387,418</u>

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 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 2025 and 2024, 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\$32,335 thousand and NT\$35,562 thousand for 2025 and 2024, 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, deposits within banks and financial institutions, and short-term financial assets, 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, 2025 and 2024 were not significant.

- C. No written-off debts with recourse existed as of December 31, 2025 and 2024.

(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, 2025				
Short-term borrowings	\$723,525	\$962,399	\$1,131,143	\$0
Short-term bills payable	4,521,100	0	0	0
Notes payable and trade payables (including amounts to related parties)	413,673	3,290	6,197	0
Other payables (including amounts to related parties)	37,079	0	1	0
Provisions - current	9,960	4,500	17,650	15,200
Long-term borrowings (including long-term borrowing due within one operating cycle)	3,593,121	2,319,262	3,116,349	1,615,447
Lease liabilities (including current)	1,455	1,455	5,820	97,242
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 payable and trade payables (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

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.

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

Level 3: The unobservable input value of an asset or liability.

- B. 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. As of December 31, 2025, the equity instruments have been liquidated, and the Company has recovered the cost of its investment.

C. The Company measures financial assets at fair value through profit or loss on a recurring basis. As of December 31, 2025, and December 31, 2024, 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, 2025			
	Level 1	Level 2	Level 3	Total
Assets				
<u>Repetitive fair value</u>				
Financial assets at fair value through profit and loss - non-current				
Domestic unlisted stocks (Venture Capital Fund)	\$0	\$0	\$0	\$0

	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 - non-current				
Domestic unlisted stocks (Venture Capital Fund)	\$0	\$0	\$82	\$82

D. 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 2025 and 2024, the Company did not experience any transfers between Level 1 and Level 2 of the fair value hierarchy.
- (4) In 2025 and 2024, there was no transfers into or out of Level 3. The details of the changes are as follows:

	Investments in equity instruments without an active market
January 1, 2025	\$82
Recovered share capital in the current period	(82)
December 31, 2025	<u>\$0</u>
December 31, 2024 (i.e., January 1, 2024)	<u><u>\$82</u></u>

- E. Financial instruments not measured at fair value include cash and cash equivalents, short-term bills, notes and trade receivables, 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 is as follows:

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)	None
4	Purchases or sales with related parties totaling NT\$100 million or more than 20% of the paid-in capital.	Table II
5	Receivables from related party totaling NT\$100 million or more than 20% of the paid-in capital.	None
6	Business relationships and significant intercompany transactions.	Table III

Table I

King's Town Construction Co., Ltd.
Details on endorsements/guarantees to others.
As of December 31, 2025

Unit: NT\$ thousands

No. (Note 1)	Name of Endorser/ Guarantor	Object of Endorsements/Guarantees		Amount of Endorsements/ Guarantees for a Single Enterprise (Note 3)	Maximum Balance of Endorsements/ Guarantees in Current Period	Ending Balance of Endorsements/ Guarantees	Actual Drawdown	Amount of Endorsements/ Guarantees by Property	Ratio of Accumulated Endorsements/ Guarantees to the Net Worth of the Most Recent Financial Statement	Aggregate Endorsement/ Guarantee Limit (Note 3)	Guarantee Provided by Parent Company to a Subsidiary	Guarantee Provided by a Subsidiary to Parent Company	Guarantee Provided to Subsidiaries in Mainland China
		Name of Company	Relationship (Note 2)										
0	King's Town Construction Co., Ltd.	SanDi Properties Co., Ltd.	5	6,307,933	3,000,000	3,000,000	2,131,909	0	14.27%	10,513,222	N	N	N
0	King's Town Construction Co., Ltd.	Tung Cheng Investment Consultant Co., Ltd.	Note 4	6,307,933	401,748	401,748	Note 4	401,748	1.91%	10,513,222	N	N	N

Instructions for the number column:

Note 1:

- (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: According to the Operating Procedures for Making of Endorsements/Guarantees of King's Town Construction Co., Ltd.:

- (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 limit 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.

- (3) The amount of the endorsement guarantee given by the Company and its subsidiaries to a single enterprise shall not exceed 30% of the higher amount of the most recent annual business transaction between the guaranteed company and the Company or 120% of the amount of the most recent three-month business transaction.
- (4) The Company and its subsidiaries shall not be subject to the aforementioned provisions and shall be deemed to be endorsement guarantees for the mutual guarantee required by the contract between the same industry or co-founders for the underwriting project, or for the endorsement guarantee of the investee company by each investing shareholder in accordance with its shareholding ratio due to the joint investment relationship, or for the joint guarantee of the performance guarantee of the pre-sale house sales contract between the same industry engaged in according to the regulations of the Consumer Protection Law.

Note 4: The Company purchased land in Caohu, Annan District, Tainan City. This land has been mortgaged to Tung Cheng Investment Consultant Co., Ltd., and the mortgage has not yet been canceled at the time of transfer. Therefore, a guarantee relationship exists between The Company and Tung Cheng Investment Consultant Co., Ltd. Since the guarantee is solely based on the land, it is recognized at a land cost of NT\$401,748 thousand.

Table II

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	\$204,806	11.76%	Subject to contract	No contracts were awarded to unrelated parties, making comparison impossible.	—	Notes payable \$20,015	9.64%	
									Trade payables \$0	0.00%	
King's Town Construction Co., Ltd.	Baihong Construction Co., Ltd.	The Company's Chairman is the supervisor of such company.	Purchases	\$702,985	40.37%	Subject to contract	No contracts were awarded to unrelated parties, making comparison impossible.	—	Notes payable \$140,033	67.47%	
									Trade payables \$0	0.00%	

Table III

King's Town Construction Co., Ltd.
Business relationships and significant intercompany transactions
From January 1 to December 31, 2025

Unit: NT\$ thousands

No. (Note 1)	Name of company	Name of counterparty	Nature of relationship (Note 2)	Intercompany transactions			Percentage of the consolidated net revenue or total assets
				Account name	Amount	Trading terms	
0	King's Town Construction Co., Ltd.	H2O Hotel Co., Ltd. (H2O Hotel)	(1)	Operating revenue	\$51,795	Monthly contractual payments	1.51%
1	H2O Hotel Co., Ltd. (H2O Hotel)	King's Town Construction Co., Ltd.	(2)	Right-of-use assets	1,425,834	Monthly contractual payments	3.58%
1	H2O Hotel Co., Ltd. (H2O Hotel)	King's Town Construction Co., Ltd.	(2)	Lease liabilities	1,530,350	Monthly contractual payments	3.84%

Note 1: Information on business transactions between the parent company and subsidiaries should be separately indicated in the number column. The method for filling out the numbers is as follows:

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

Note 2: The two types of relationships with traders are as follows:

- (1) Parent to subsidiary.
- (2) Subsidiary to parent.

(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 thousands)	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	\$520,000	52,000	100%	\$129,680	(\$9,337)	(\$3,851)	Note 1

Note 1: The Company recognized a loss share of NT\$9,337 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\$5,486 thousand.

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

None.

XIV. Operating Segment Financial Information

Please refer to the 2025 consolidated financial report.

King's Town Construction Co., Ltd.

Statements of Accounting Items

2025

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

Statements of significant accounting subjects

Item	Number/Index
Statement of cash and cash equivalents	
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Statement of changes in land held for construction	Statement IV
Statement of prepaid premises	Statement V
Statement of cash and cash equivalents	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.(XI)
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Statement of short-term loans	Statement IX
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Statement of profit or loss items	
Statement of operating revenue	Statement XVII
Statement of operating costs	Statement XVIII
Statement of selling and marketing expenses	Statement XIX
Statement of general and administrative expenses	Statement XX

King's Town Construction Co., Ltd.
Statement of cash and cash equivalents
As of December 31, 2025

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Remark</u>
Cash	Cash on hand and petty cash	\$81	
Bank deposits	Demand deposits	1,052,508	
	Checking deposits	124	
		<u>\$1,052,713</u>	

King's Town Construction Co., Ltd.
Statement of change in financial assets at fair value through profit or loss - non-current
From January 1 to December 31, 2025

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	8,152	\$82	Ordinary shares	0	0.00%	\$0	None

King's Town Construction Co., Ltd.
Statement of buildings and land held for sale
As of December 31, 2025

Item	Summary	Amount		Remark
		Cost	Net realizable value	
King's Town		\$1,862,848	\$6,160,624	Pledged to financial institutions
King's Town Hyatt		631,998	996,796	None
Hua Shang		114,478	440,284	None
Yiwen Court		23,763	39,231	None
Ju Dan		126,735	277,241	None
Tian Feng		112,084	222,804	None
Mei Shu Huang Ju		816,611	1,745,346	Pledged to financial institutions
King's Town Garden		8,391	22,181	None
World of Heart		751,838	1,500,131	None
Yue He Di		56,902	110,163	None
Fu+		540,980	894,754	None
Other projects		479	312	None
Subtotal		\$5,047,107	\$12,409,867	
Less: Allowance for reduction to valuation		(167)		
Net		\$5,046,940		

King's Town Construction Co., Ltd.
Statement of changes in construction in progress
From January 1 to December 31, 2025

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	\$728,787	\$0	\$121,085	\$22,676	\$0	\$872,548	Pledged to financial institutions
Kaohsiung Longzhong Section No. 191	810,622	0	275,244	27,141	0	1,113,007	Pledged to financial institutions
Kaohsiung Bohsiao Section No. 1140 (Jing Wu Tong)	1,105,155	0	210,419	34,649	0	1,350,223	Pledged to financial institutions
Tainan Yuguang Section No. 880, 4 in total	711,088	0	245,294	23,681	0	980,063	Pledged to financial institutions
Kaohsiung Shixing Section No. 924, 4 in total	0	119,233	36,966	1,244	0	157,443	Pledged to financial institutions
Kaohsiung Shixing Section No. 932, 5 in total	0	248,631	64,787	2,452	0	315,870	Pledged to financial institutions
Total	\$3,355,652	\$367,864	\$953,795	\$111,843	\$0	\$4,789,154	

Statement V

King's Town Construction Co., Ltd.
Statement of changes in land held for construction
From January 1 to December 31, 2025

Construction name	Beginning balance	Current increase		Current decrease		Ending balance	Remark
		Land costs	Capitalized interest	Transferred to construction in progress	Volume transfer		
Kaohsiung Longzhong Section No. 129-3, 129-4	\$1,610,110	\$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	716,926	Pledged to financial institutions
Kaohsiung Qinghai No. 229	4,278,594	0	0	0	0	4,278,594	Pledged to financial institutions
Kaohsiung Qinghai Section No. 126	1,726,876	0	0	0	0	1,726,876	Pledged to financial institutions
Kaohsiung Longzhong Section No. 128-3	52,266	0	0	0	0	52,266	Pledged to financial institutions
Kaohsiung Lantian Middle Section No. 30-2	757,742	0	0	0	0	757,742	Pledged to financial institutions
Kaohsiung Xingnan Section No. 11	259,585	0	0	0	0	259,585	Pledged to financial institutions
Kaohsiung Longzhong Section No. 22	1,998,033	0	0	0	0	1,998,033	Pledged to financial institutions
Kaohsiung Xinmin Section No. 159	1,620,780	5,428	0	0	0	1,626,208	Kaohsiung Hsinmin Section Lot No. 159 and 160 have been merged into Kaohsiung Hsinmin Section Lot No. 159
Tainan Annan District Caohu Section No. 908.909.911 (originally Caohu Phase I)	0	395,071	6,677	0	0	401,748	None
Kaohsiung Shixing Section No. 924, 4 in total	119,233	0	0	119,233	0	0	None
Kaohsiung Shixing Section No. 932, 5 in total	248,631	0	0	248,631	0	0	None
Kaohsiung Longdong Section No. 1	513,991	0	0	0	0	513,991	Pledged to financial institutions
Tainan Kanjiao North Section No. 820	3,398,965	680	0	0	0	3,399,645	Pledged to financial institutions
Kaohsiung Xindu Section No. 49	46,653	0	0	0	0	46,653	None

Construction name	Beginning balance	Current increase		Current decrease		Ending balance	Remark
		Land costs	Capitalized interest	Transferred to construction in progress	Volume transfer		
Kaohsiung Xinzhuang 12 Sub-section No. 1175	265,530	0	0	0	0	265,530	Pledged to financial institutions
Kaohsiung Shinkang Section No. 25	507,676	0	0	0	0	507,676	Pledged to financial institutions Kaohsiung Hsin-Kang Section Lot No. 25, 25-1, 29, 29-1, 26, and 30 to 32 have been merged into Kaohsiung Hsin-Kang Section No. 25
Kaohsiung Qinghai Section No. 565 and others	252,835	0	0	0	0	252,835	Pledged to financial institutions
Kaohsiung Hsinsheng Section No. 27 and others	1,346,922	0	0	0	0	1,346,922	Pledged to financial institutions
Kaohsiung Dapi Section No. 20.21	909,094	0	0	0	0	909,094	Pledged to financial institutions
Kaohsiung Longdong Section No. 3	683,305	0	0	0	0	683,305	Pledged to financial institutions
Kaohsiung Xinmin Section No. 289.290	1,018,706	0	0	0	0	1,018,706	Pledged to financial institutions
Tainan Kanjiao South Section No. 13	7,472	0	0	0	0	7,472	None
Kaohsiung Qinghai Section No. 566	0	319,014	948	0	0	319,962	Pledged to financial institutions
Tainan Kanjiao South Section No. 11	0	21,299	127	0	0	21,426	None
Kaohsiung Xinzhuang 12 Sub-section No. 1167	353,383	0	0	0	0	353,383	Pledged to financial institutions
Transferable land and deformed land	3,344,729	235,476	0	0	41,707	3,538,498	None
Total	\$26,038,037	\$976,968	\$7,752	\$367,864	\$41,707	\$26,613,186	

King's Town Construction Co., Ltd.
Statement of change in prepaid premises
From January 1 to December 31, 2025

Name of project/ construction	Beginning balance	Current increase		Current decrease		Ending balance
		Cost	Capitalized interest	Buildings and land held for sale	Transfer of land held for construction	
Yiwen Court	\$0	\$6,751	\$0	\$6,751	\$0	\$0
Ju Dan	0	1,450	0	1,450	0	0
Tainan Annan District, Caohu Phase I	201,677	200,071	0	0	401,748	0
Kaohsiung Qinghai Section No. 566	0	319,014	351	0	319,365	0
Tainan Kanjiao South Section No. 11	0	21,299	10	0	21,309	0
Kaohsiung Fumin Section No. 18 and others	0	40,000	48	0	0	40,048
Transferable land and deformed land	88,533	166,294	0	0	235,163	19,664
Total	\$290,210	\$754,879	\$409	\$8,201	\$977,585	\$59,712

Statement VII

King's Town Construction Co., Ltd.
Statement of prepayments, other current assets and other financial assets - current
As of December 31, 2025

Item	Summary	Amount	Remark
Prepaid expenses	Prepaid construction expenses	\$789,232	
	Others (Note)	1,799	
Subtotal		<u>\$791,031</u>	
Input tax	Business tax not yet filed at the end of December 2025	\$13	
Excess VAT paid	Excess business tax paid at the end of December 2025	3,611	
Total prepayments		<u>\$794,655</u>	
Payments on behalf of others	Management fees and payments on behalf	\$1,179	
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		<u>\$9,414</u>	
Other financial assets - current	Advances from construction project trust funds and performance bond	<u>\$19,416</u>	

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
 From January 1 to December 31, 2025

Investee	Beginning balance		Increase this period (Note 1)		Decrease in the current period (Note 2)		Ending balance			Net equity		Guarantee or pledge	Remark
	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Shares (in thousands)	Shareholding	Amount	Total	Unit price (Dollar)		
H2O Hotel Co., Ltd. (H2O Hotel)	52,000	\$133,531	0	\$5,486	0	\$9,337	52,000	100.00%	\$129,680	\$25,164	0.48	None	

Note 1: The increase in this period is due to the recognition of share profit or loss using the equity method in accordance with IFRS 16.

Note 2: The decrease in this period is due to the recognition of investment losses under the equity method.

King's Town Construction Co., Ltd.

Statement of short-term loans

As of December 31, 2025

Type of loans	Summary	Ending balance	Contract period	Interest rate range	Line of credit	Pledge or guarantee
Secured borrowings	Financial institution borrowings	\$600,000	2025/09/30 ~2026/9/22	2.778%	\$600,000	Buildings and land held for sale: King's Town
Secured borrowings	Financial institution borrowings	490,250	2025/12/31 ~2026/3/21	3.15%	722,250	Land provided by related parties
Secured borrowings	Financial institution borrowings	510,000	2019/05/16 ~2027/5/16	2.675%	1,387,000	Construction in progress: Jing Wu Tong
Secured borrowings	Financial institution borrowings	391,000	2024/06/28 ~2028/6/30	2.345%	4,235,000	Construction in progress: Fuhe Section No. 698-1
Secured borrowings	Financial institution borrowings	67,544	2022/01/10 ~2027/1/10	2.745%	67,544	Construction in progress: Shixing Section Lot No. 924, 4 in total
Secured borrowings	Financial institution borrowings	143,531	2022/01/10 ~2027/1/10	2.745%	143,531	Construction in progress: Shixing Section Lot No. 932, 5 in total
Secured borrowings	Financial institution borrowings	543,000	2025/09/05 ~2026/8/24	3.15%	1,400,000	Land held for construction: Lantian Middle Section No. 30-2
Total		<u>\$2,745,325</u>			<u>\$8,555,325</u>	

King's Town Construction Co., Ltd.
Statement of short-term bills payable
As of December 31, 2025

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.	2025/07/14 ~2026/1/14	3.098%	\$1,511,600	\$1,796	\$1,509,804	Land held for construction - Qinghai Section No. 229 and private land provided by related parties
Issuance of commercial paper	Mega Bank - Lingyarong Co., Ltd.	2025/07/14 ~2026/1/14	2.948%	519,800	588	519,212	Land held for construction - Longzhong Section No. 22
Issuance of commercial paper	DBS BANK	2025/11/03 ~2026/1/22	2.758%	282,400	470	281,930	Construction in progress - Yuguang Section No. 880, 4 in total
Issuance of commercial paper	DBS BANK	2025/11/03 ~2026/1/22	2.858%	890,000	1,533	888,467	Construction in progress - Longzhong Section No. 191
Issuance of commercial paper	DBS BANK	2025/10/27 ~2026/1/15	2.858%	510,300	599	509,701	Construction Land - Hsin Sheng Section No. 27, 4 in total
Issuance of commercial paper	DBS BANK	2025/10/27 ~2026/1/15	2.908%	364,000	435	363,565	Construction land – Dapi Section, No. 20 and 21
Issuance of commercial paper	Grand Bills Finance Corp.	2025/11/27 ~2026/1/6	3.038%	223,000	111	222,889	Construction Land - Qinghai Section No. 565 and others
Issuance of commercial paper	O-Bank	2025/11/28 ~2026/1/27	3.038%	220,000	494	219,506	Land held for construction - Xingnan Section No. 11
Total				<u>\$4,521,100</u>	<u>\$6,026</u>	<u>\$4,515,074</u>	

King's Town Construction Co., Ltd.
Statement of contract liabilities - current
As of December 31, 2025

Item	Summary	Amount	Remark
Sale of premises	King's Town	\$29,158	
	King's Town Hyatt	2,857	
	Tian Feng	2,403	
	Mei Shu Huang Ju	215,555	
	World of Heart	10,073	
	Fu+	58,376	
	Jing Wu Tong	18,138	
	Subtotal	<u>336,560</u>	
Advance rent	Company A	\$1,140	
	Company B	681	
	Others (Note)	668	
	Subtotal	<u>2,489</u>	
Total		<u><u>\$339,049</u></u>	

Note: The balance of each item is less than NT\$500 thousand.

King's Town Construction Co., Ltd.
Statement of notes payable
As of December 31, 2025

Name of client	Summary	Amount	Remark
Notes payable:			
Related party:			
Chieh Chih Construction Co., Ltd.	Construction	\$20,015	
Baihong Construction Co., Ltd.	Construction	140,033	
Subtotal		<u>\$160,048</u>	
Non-related parties: Operation			
Company A	Construction	\$10,834	
Others (Note)		36,657	
Subtotal		<u>\$47,491</u>	
Total		<u>\$207,539</u>	

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

King's Town Construction Co., Ltd.
Statement of notes payable
As of December 31, 2025

Name of client	Summary	Amount	Remark
Non-related parties: Operation			
Mr. Chung	Land payment	\$200,000	
Others (Note)		15,621	
Total		<u>\$215,621</u>	

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

King's Town Construction Co., Ltd.
Statement of other payables
As of December 31, 2025

Item	Summary	Amount	Remark
Salary payable	December salary and year-end bonus	\$9,497	
Bonuses payable to employees	Employee compensation accruals for 2025	8,092	
Interest expense payable	December interest expense	16,178	
Others	Labor costs, labor and health insurance premiums, labor pension, welfare payments and rental expenses, etc.	3,313	(Including trade payable from other related parties of NT\$24 thousand)
Total		<u>\$37,080</u>	

King's Town Construction Co., Ltd.
Statement of long-term borrowings
As of December 31, 2025

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	1,178,000	\$1,178,000	2020/03/12 -2029/03/12	2.750%	\$1,178,000	Land held for construction - Qinghai Section No. 126
Secured borrowings	Financial institution borrowings	71,800	1,364,200	1,436,000	2020/03/11 -2028/12/31	3.105%	1,436,000	Land held for construction - Qinghai Section No. 229 and private land provided by related parties
Secured borrowings	Financial institution borrowings	493,800	0	493,800	2019/06/28 -2026/06/30	3.075%	968,800	Land held for construction - Longzhong Section No. 22
Secured borrowings	Financial institution borrowings	2,126,000	0	2,126,000	2024/04/22 -2026/10/22	2.68%~2.70%	2,998,000	Land held for construction - Kanjiao North Section No. 820
Secured borrowings	Financial institution borrowings	7,944	150,927	158,871	2022/01/10 -2027/01/10	2.87%	193,571	Land held for construction - Longdong Section No. 1
Secured borrowings	Financial institution borrowings	0	214,420	214,420	2024/10/30 -2028/10/30	3.00%	268,030	Land held for construction - Shinkang Section No. 25, 8 in total
Secured borrowings	Financial institution borrowings	12,906	245,209	258,115	2024/12/30 -2029/12/30	3.00%	326,045	Land held for construction - Longdong Section No. 3
Secured borrowings	Financial institution borrowings	48,960	295,674	344,634	2017/07/17 -2032/07/17	2.365%	344,634	Investment properties Longbei Section No. 22
Secured borrowings	Financial institution borrowings	18,710	355,419	374,129	2024/12/09 -2027/12/09	3.20%	469,129	Land held for construction - Xinmin No. 289, 290
Secured borrowings	Financial institution borrowings	8,180	155,350	163,530	2023/12/11 -2027/07/31	2.977%	375,330	Land held for construction - Xinzhuang 12 Sub-section No. 1175
Secured borrowings	Financial institution borrowings	6,310	119,940	126,250	2023/03/01 -2027/09/30	3.377%	161,350	Land held for construction - Xinzhuang 12 Sub-section No. 1167

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, 4 in total
Secured borrowings	Financial institution borrowings	2,000,000	0	2,000,000	2023/05/16 -2026/05/16	2.428%	2,000,000	Land held for construction - Longzhong Section No. 129-3, 2 in total
Secured borrowings	Financial institution borrowings	900,000	0	900,000	2023/05/16 -2026/05/16	2.428%	1,089,464	Buildings and land held for sale: King's Town
Total		<u>\$5,694,610</u>	<u>\$4,494,139</u>	<u>\$10,188,749</u>			<u>\$12,378,353</u>	

King's Town Construction Co., Ltd.
Statement of lease liabilities
As of December 31, 2025

Item	Amount			Contract period	Discount rate
	Due within one year	Due over one year	Total		
Land	\$1,566	\$77,154	\$78,720	Land leased from Kaohsiung City Finance Bureau for NT\$2,466 thousand per year for the lease period of August 7, 2012 to June 7, 2062. (As of January 1, 2026, the annual rent has been adjusted to NT\$2,910 thousand due to adjustments to the declared land value.)	1.73%

King's Town Construction Co., Ltd.
Statement of operating revenue
From January 1 to December 31, 2025

Item	Summary	Land	Building	Total
Construction Revenue	King's Town	\$57,120	\$59,886	\$117,006
	Yiwen Court	30,080	44,591	74,671
	Ju Dan	870	552	1,422
	Tian Feng	98,418	62,488	160,906
	Mei Shu Huang Ju	361,315	358,157	719,472
	World of Heart	738,373	942,303	1,680,676
	Fu+	281,335	276,776	558,111
	Fengshan Zhuzijiao No. 289-6, 6 in total	10,345	0	10,345
	Jiali Yanping Section No. 627	40	0	40
	Jiali Yanping Section No. 586 and others	160	0	160
	Subtotal	\$1,578,056	\$1,744,753	\$3,322,809
Other operating revenue	Rental income			110,916
				\$3,433,725

King's Town Construction Co., Ltd.
Statement of operating costs
From January 1 to December 31, 2025

Subject name	Summary	Amount	Remark
Prepayment for land and buildings at the beginning of the period		\$290,210	
Purchase of land and buildings during the period		755,288	
Prepayment for land and buildings at the end of the period		(59,712)	
Less: Transfer to buildings and land held for sale		(8,201)	
Transfer to land held for construction		\$977,585	
Land held for construction at the beginning of the period		26,038,037	
Add: Purchase of land held for construction in the current period		7,135	
Less: Volume transfer of land held for construction		(41,707)	
Land held for construction at the end of the period		(26,613,186)	
Construction in progress - Land held for construction		\$367,864	
Construction project		907,791	
Construction expenses		157,847	
Construction costs		\$1,433,502	
Construction in Progress at the beginning of the period		3,355,652	
Construction in Progress at the end of the period		(4,789,154)	
Building costs		\$0	
Buildings and land held for sale at the beginning of the period		6,779,280	
Buildings and land held for sale at the end of the period		(5,047,107)	
Add: Increase in renovation work during the period		66,872	
Maintenance expenses for remaining properties		4,379	
Purchase of buildings and land held for sale		8,201	
Construction costs		\$1,811,625	
Other operating costs		\$83,889	
Operating costs		\$1,895,514	

King's Town Construction Co., Ltd.
Statement of selling and marketing expenses
From January 1 to December 31, 2025

Subject name	Summary	Amount	Remark
Salary expenses		\$5,060	
Repairs and maintenance expense		17,199	
Advertising fees		88,879	
Utility fees		3,797	
Tax expenses		85,190	
Miscellaneous expenses		52,118	
Others (Note)		2,190	
Total		<u>\$254,433</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
From January 1 to December 31, 2025

Subject name	Summary	Amount	Remark
Salary expenses		\$49,091	
Stationery		1,248	
Rental expenses		1,378	
Insurance fees		4,570	
Entertainment expenses		4,146	
Tax expenses		37,838	
Food expenses		1,305	
Employee benefits		3,434	
Service fees		2,825	
Retirement benefits		1,898	
Miscellaneous expenses		7,978	
Others (Note)		3,663	
Total		<u>\$119,374</u>	

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