

SANDI PROPERTIES CO., LTD.**Financial Statements
With Independent Auditors' Report
For the Years Ended December 31, 2025 and 2024**

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The independent auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and financial statements, the Chinese version shall prevail.

Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Report	3
4. Balance Sheets	4
5. Statements of Comprehensive Income	5
6. Statements of Changes in Equity	6
7. Statements of Cash Flows	7
8. Notes to the Financial Statements	
(1) Company history	8
(2) Approval date and procedures of the financial statements	8
(3) New standards, amendments and interpretations adopted	8~10
(4) Summary of material accounting policies	10~27
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	27
(6) Explanation of significant accounts	27~54
(7) Related-party transactions	55~59
(8) Assets pledged as security	59
(9) Commitments and contingencies	59~60
(10) Losses Due to Major Disasters	60
(11) Subsequent Events	60
(12) Other	61
(13) Other disclosures	
(a) Information on significant transactions	62~63
(b) Information on investees	63
(c) Information on investment in mainland China	63
(14) Segment information	64
9. Statement of major accounting items	65~83

Independent Auditors' Report

To the Board of Directors of SANDI PROPERTIES CO., LTD.:

Opinion

We have audited the financial statements of SANDI PROPERTIES CO., LTD. (“the Company”), which comprise the balance sheet as of December 31, 2025 and 2024, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue recognition

The accounting policies relating to revenue recognition are set out in Note 4(n) “Revenue” to the financial statements. Further information regarding the Company's revenue by category is disclosed in Note 4(x) “Revenue from Contracts with Customers”

Description of key audit matter:

Revenue from property leasing constitutes the primary source of revenue of Sandi Properties Co., Ltd. As leasing revenue represents a significant portion of the Company's operating income, and management may exercise judgement in determining the appropriate timing and basis for revenue recognition in accordance with the terms and conditions of individual lease contracts, there is a risk that revenue may not be recognized in accordance with the relevant accounting standards. Accordingly, revenue recognition has been identified as a key audit matter in our audit of the financial statements of Sandi Properties Co., Ltd.

How the matter was addressed in our audit:

Our principal audit procedures performed in response to the above key audit matter included the following:

Understanding and testing of internal controls. We obtained an understanding of, and evaluated the design and implementation of, relevant internal controls relating to the revenue recognition process, and performed tests of controls to assess whether such controls were operating effectively, in order to mitigate the risk of material misstatement arising from errors or fraud in revenue recognition.

Substantive testing on revenue transactions. We performed substantive procedures on a sample basis, including inspecting lease agreements entered into with customers and relevant property transfer and registration documentation, and reconciling the underlying contractual terms with revenue recognition schedules, to assess whether revenue recognized by Sandi Properties Co., Ltd. was in accordance with applicable accounting standards and relevant disclosure requirements.

We performed cut-off testing on revenue transactions to determine whether revenue was recognized in the appropriate accounting period.

2. Valuation of inventory

Please refer to Note 4(g), 5, and 6(f) of the financial statements for the accounting policies on measuring inventory, assumption used and uncertainties considered in determining the net realizable value and the explanation of inventory valuation.

Description of key audit matter:

The Company's inventory is measured at the lower of cost or net realizable value. Because of the high capital investment and long payback period in the real estate industry, which is deeply affected by politics, macroeconomics, and reforms in real estate taxation, there may be a risk of the cost of inventory exceeding net realizable value. Thus, the valuation of inventory is one of the key audit matter our audit focused on.

How the matter was addressed in our audit:

As mentioned above, our principal audit procedures included obtaining the evaluation data of the net realizable value of the Company's inventory. We referred to the latest real estate selling price registration announced by the Ministry of the Interior or the average selling price obtained from the transaction market in neighboring areas, and converted it into the net realizable value of the real estate inventory for sale to compare whether there was a significant difference with the Company's evaluation data. Also, we checked the reasonableness of the aforementioned net realizable value by comparing and evaluating the appraisal report from the real estate appraiser appointed by the Company's management.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of 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 Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Kao, Yu-Lun and Chen, Yung-Hsiang.

KPMG

Taipei, Taiwan (Republic of China)
March 10, 2026

Notes to Readers

The accompanying financial statements are intended only to present the statement of financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements Originally Issued in Chinese)
SANDI PROPERTIES CO., LTD.

Balance Sheets

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2025		December 31, 2024				December 31, 2025		December 31, 2024	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 326,958	2	1,653,916	12	2100	Short-term borrowings (notes 6(n) and 8)	\$ 3,470,440	24	2,362,051	18
1150	Notes receivable, net (note 6(d))	50,000	-	-	-	2130	Current contract liabilities (notes 6(x), 7 and 9)	1,544,713	10	1,385,011	11
1170	Accounts receivable, net (note 6(d))	206,117	2	700	-	2150	Notes payable	77,281	1	87,844	1
1200	Other receivables, net (note 6(e))	47,574	-	70,198	-	2170	Accounts payable	345,154	2	151,725	1
1210	Other receivables from related parties, net (notes 6(e), and 7)	88,804	1	73,777	1	2180	Accounts payable to related parties (note 7)	395,473	3	-	-
1220	Current tax assets	1,288	-	302	-	2200	Other payables (note 6(y))	76,635	1	128,958	1
130X	Inventories (note 6(f) and (r), 7 and 8)	7,994,049	55	5,595,180	44	2220	Other payables to related parties (note 7)	155,765	1	600,500	5
1476	Other current financial assets (note 6(g) and 8)	243,936	2	344,600	3	2280	Current lease liabilities (notes 6(q))	6,787	-	9,625	-
1478	Construction deposits paid (note 7)	4,146,700	29	-	-	2300	Other current liabilities (note 7)	13,445	-	2,155	-
1479	Other current assets (note 6(i), (m) and 7)	<u>533,157</u>	<u>4</u>	<u>471,114</u>	<u>4</u>	2322	Long-term borrowings, current portion (note 6(o) and 8)	<u>4,000,867</u>	<u>28</u>	<u>-</u>	<u>-</u>
		<u>13,638,583</u>	<u>95</u>	<u>8,209,787</u>	<u>64</u>			<u>10,086,560</u>	<u>70</u>	<u>4,727,869</u>	<u>37</u>
Non-current assets:						Non-Current liabilities:					
1517	Financial assets at fair value through other comprehensive income, non-current (note 6(c))	43,396	-	-	-	2500	Non-current financial liabilities at fair value through profit or loss (note 6(b) and (p))	9,021	-	2,037	-
1550	Investments accounted for using equity method, net (note 6(h))	391,163	3	325,039	2	2530	Bonds payable (notes 6(p) and 8)	907,094	6	891,884	7
1600	Property, plant and equipment (notes 6(j) and 8)	32,178	-	2,768	-	2540	Long-term borrowings (notes 6(o) and 8)	72,429	1	4,000,000	32
1755	Right-of-use asset (note 6(k))	10,164	-	18,756	-	2570	Deferred tax liabilities (note 6(t))	62,995	-	57,886	-
1760	Investment property, net (notes 6(l) and 8)	65,567	1	-	-	2580	Non-current lease liabilities (note 6(q))	<u>154,543</u>	<u>1</u>	<u>161,330</u>	<u>1</u>
1840	Deferred tax assets (note 6(t))	28,477	-	-	-			<u>1,206,082</u>	<u>8</u>	<u>5,113,137</u>	<u>40</u>
1920	Refundable deposits (note 7)	28,610	-	4,043,383	32		Total liabilities	<u>11,292,642</u>	<u>78</u>	<u>9,841,006</u>	<u>77</u>
1980	Other non-current financial assets (notes 6(g) and 8)	<u>195,263</u>	<u>1</u>	<u>194,030</u>	<u>2</u>		Equity attributable to owners of parent(note 6(p)(u)(v)):				
		794,818	5	4,583,976	36	3100	Ordinary shares	<u>1,112,058</u>	<u>8</u>	<u>1,112,058</u>	<u>9</u>
						3200	Capital surplus	<u>1,710,226</u>	<u>12</u>	<u>1,710,226</u>	<u>13</u>
						3300	Retained earnings:				
						3310	Legal reserve	38,163	-	38,163	-
						3350	Unappropriated retained earnings	<u>286,330</u>	<u>2</u>	<u>92,310</u>	<u>1</u>
								<u>324,493</u>	<u>2</u>	<u>130,473</u>	<u>1</u>
						3400	Other equity interest	(6,018)	-	-	-
							Total equity	<u>3,140,759</u>	<u>22</u>	<u>2,952,757</u>	<u>23</u>
Total assets		<u>\$ 14,433,401</u>	<u>100</u>	<u>12,793,763</u>	<u>100</u>	Total liabilities and equity		<u>\$ 14,433,401</u>	<u>100</u>	<u>12,793,763</u>	<u>100</u>

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)
SANDI PROPERTIES CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2025		2024	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(x) and 7)	\$ 1,259,124	100	1,166,647	100
5000	Operating costs (notes 6(f))	<u>881,092</u>	<u>70</u>	<u>1,166,372</u>	<u>100</u>
5900	Gross profit from operations	<u>378,032</u>	<u>30</u>	<u>275</u>	<u>-</u>
6000	Operating expenses (notes 6(i),(m),(q),(s)(v)(y), 7 and 12):				
6100	Selling expenses	31,641	2	-	-
6200	Administrative expenses	<u>45,646</u>	<u>4</u>	<u>29,248</u>	<u>2</u>
	Total operating expenses	<u>77,287</u>	<u>6</u>	<u>29,248</u>	<u>2</u>
6900	Net operating income	<u>300,745</u>	<u>24</u>	<u>(28,973)</u>	<u>(2)</u>
7000	Non-operating income and expenses (notes 6 (c),(h),(i),(q) and (z)):				
7100	Interest income	10,242	1	3,277	-
7010	Other income	1,596	-	-	-
7020	Other gains and losses, net	(22,906)	(2)	35,688	3
7050	Finance costs, net	(109,954)	(9)	(151,135)	(13)
7375	Share of profit of associates and joint ventures accounted for using equity method	<u>124</u>	<u>-</u>	<u>39</u>	<u>-</u>
	Total non-operating income and expenses	<u>(120,898)</u>	<u>(10)</u>	<u>(112,131)</u>	<u>(10)</u>
7900	Profit before income tax	179,847	14	(141,104)	(12)
7950	Less: Income tax expenses (note 6(t))	<u>(14,173)</u>	<u>(1)</u>	<u>(178)</u>	<u>-</u>
8200	Profit (loss)	<u>194,020</u>	<u>15</u>	<u>(140,926)</u>	<u>(12)</u>
8300	Other comprehensive income (note 6(u)):				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(6,018)	-	-	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8300	Other comprehensive income	<u>(6,018)</u>	<u>-</u>	<u>-</u>	<u>-</u>
8500	Total comprehensive income	<u>\$ 188,002</u>	<u>15</u>	<u>(140,926)</u>	<u>(12)</u>
	Earnings per share (note 6(w))				
9750	Basic earnings per share (NT dollars)	<u>\$ 1.74</u>		<u>(1.54)</u>	
9850	Diluted earnings per share (NT dollars)	<u>\$ 1.65</u>		<u>(1.54)</u>	

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)
SANDI PROPERTIES CO., LTD.

Statements of Changes in Equity
For the years ended December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Total other equity interest	
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Total	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total equity
Balance at January 1, 2024	\$ 912,058	674,317	38,163	233,236	271,399	-	1,857,774
Loss for the year ended December 31, 2024	-	-	-	(140,926)	(140,926)	-	(140,926)
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	-	-	-
Total comprehensive income for the year ended December 31, 2024	-	-	-	(140,926)	(140,926)	-	(140,926)
Capital increase by cash	200,000	800,000	-	-	-	-	1,000,000
Share-based payment transactions	-	681	-	-	-	-	681
Conversion of convertible bonds	-	235,228	-	-	-	-	235,228
Balance at December 31, 2024	1,112,058	1,710,226	38,163	92,310	130,473	-	2,952,757
Profit for the year ended December 31, 2025	-	-	-	194,020	194,020	-	194,020
Other comprehensive income for the year ended December 31, 2025	-	-	-	-	-	(6,018)	(6,018)
Total comprehensive income for the year ended December 31, 2025	-	-	-	194,020	194,020	(6,018)	188,002
Balance at December 31, 2025	\$ 1,112,058	1,710,226	38,163	286,330	324,493	(6,018)	3,140,759

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

SANDI PROPERTIES CO., LTD.**Statements of Cash Flows****For the years ended December 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	<u>2025</u>	<u>2024</u>
Cash flows from (used in) operating activities:		
Profit (loss) before income tax	\$ <u>179,847</u>	<u>(141,104)</u>
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	10,667	5,484
Interest revenue	(10,242)	(3,277)
Net loss on financial assets or liabilities at fair value through profit or loss	6,984	1,067
Interest expense	109,954	151,135
Dividend income	(1,596)	-
Share-based payments	-	681
Share of profit of associates and joint ventures accounted for using equity method	<u>(124)</u>	<u>(39)</u>
Total adjustments to reconcile profit	<u>115,643</u>	<u>155,051</u>
Changes in operating assets and liabilities:		
Increase in notes receivable	(50,000)	-
Increase in accounts receivable	(205,417)	(700)
Decrease in other receivable	22,609	24,137
Increase in other receivable from related parties	(15,027)	(4,346)
Increase in inventories	(2,290,483)	(259,859)
Decrease in other current financial assets	100,810	305,834
Increase in other current assets	(59,012)	(89,724)
Increase in contract liabilities	159,702	517,519
(Decrease) increase in notes payable	(10,563)	7,739
Increase in accounts payable	193,429	28,246
Increase in accounts payable to related parties	395,473	-
Decrease in other payable	(53,181)	(30,473)
Increase in other payable to related parties	92,873	62,892
Increase in other current liabilities	<u>6,577</u>	<u>1,890</u>
Total adjustments	<u>(1,596,567)</u>	<u>718,206</u>
Cash (outflow) inflow generated from operations	(1,416,720)	577,102
Interest received	10,257	3,322
Interest paid	(202,272)	(199,071)
Dividends paid	1,596	-
Income taxes paid	<u>(10,181)</u>	<u>(7,868)</u>
Net cash flows (used in) from operating activities	<u>(1,617,320)</u>	<u>373,485</u>

(English Translation of Financial Statements Originally Issued in Chinese)

SANDI PROPERTIES CO., LTD.**Statements of Cash Flows (CONT'D)****For the years ended December 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	<u>2025</u>	<u>2024</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(49,414)	-
Acquisition of investments accounted for using equity method	(66,000)	(325,000)
Acquisition of property, plant and equipment	(30,948)	(3,500)
Acquisition of investment properties	(66,104)	-
Increase in refundable deposits	(131,927)	(7,753)
(Increase) decrease in other financial assets	(146)	13,601
Increase in other financial assets	(1,233)	(194,030)
Decrease in other non-current assets	-	(171,346)
Net cash flows used in investing activities	<u>(345,772)</u>	<u>(688,028)</u>
Cash flows from (used in) financing activities:		
Increase in Other Current Assets	(3,031)	-
Capital increase by cash	-	1,000,000
Proceeds from issuance of convertible bonds	-	1,127,554
Increase in short-term borrowings	1,108,389	42,005
Increase from long-term borrowings	76,000	-
Repayments of long-term debt	(2,704)	-
Increase in guarantee deposits received	4,713	-
(Decrease) increase in other payables to related parties	(537,608)	537,608
Payment of lease liabilities	(9,625)	(794,094)
Net cash flows from financing activities	<u>636,134</u>	<u>1,913,073</u>
Net (decrease) increase in cash and cash equivalents	<u>(1,326,958)</u>	<u>1,598,530</u>
Cash and cash equivalents at beginning of period	<u>1,653,916</u>	<u>55,386</u>
Cash and cash equivalents at end of period	<u><u>\$ 326,958</u></u>	<u><u>1,653,916</u></u>

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

SANDI PROPERTIES CO., LTD.

Notes to the Financial Statements

For the years ended December 31, 2025 and 2024

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

(1) Company history

Sandi Properties Co., Ltd. (the Company) was incorporated on October 11 as a company limited by shares under the laws of the Republic of China (R.O.C.) on Oct 11, 1955. The address of its registered office and principal place of business is 16F-3, No. 175, Zhongzheng 2nd Rd., Lingya Dist., Kaohsiung City 802406, Taiwan (R.O.C). The company passed a resolution that changed name from “Yu Foong International Corporation” to “SanDi Properties Co., Ltd.” by the shareholders’ meeting. The major business activities of the Company are residential and building development, leasing and sales and real estate trading.

(2) Approval date and procedures of the financial statements:

The financial statements were authorized for issuance by the Board of Directors on March 10, 2026..

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”

- (b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

- (c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

(Continued)

SANDI PROPERTIES CO., LTD.

Notes to the Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. • Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. • Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027 note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

The Company is evaluating the impact on its financial position and financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Company completes its evaluation.

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

The Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

(4) Summary of material accounting policies:

The material accounting policies presented in the financial statements are summarized below. Except for those specifically indicated in Note 3, the following accounting policies were applied consistently throughout the periods presented in the financial statement.

(a) Statement of compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C. (hereinafter referred to as “IFRS” endorsed by the “FSC”).

(b) Basis of preparation

(i) Basis of measurement

Except for the significant items presented in the statements of financial position as described below, the financial statements have been prepared on the historical cost basis:

- 1) Financial assets and financial liabilities measured at fair value through profit or loss are measured at fair value; and
- 2) Financial assets measured at fair value through other comprehensive income are measured at fair value.

(ii) Functional and presentation currency

The functional currency of entity is determined based on the primary economic environment in which the entity operates. The financial statements are presented in New Taiwan Dollar, which is the Company’s functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

(c) Foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date.

(Continued)

SANDI PROPERTIES CO., LTD.

Notes to the Financial Statements

Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

- (i) An investment in equity securities designated as at fair value through other comprehensive income;
- (ii) A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- (iii) Qualifying cash flow hedges to the extent that the hedge is effective.

(d) Classification of current and non-current assets and liabilities

The Company classifies the asset as current under one of the following criteria, and all other assets are classified as non-current.

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies the liability as current under one of the following criteria, and all other liabilities are classified as non-current.

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Company does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

(f) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

At initial recognition, financial assets are classified as financial assets measured at amortized cost, equity instruments designated at fair value through other comprehensive income, or financial assets measured at fair value through profit or loss. The Company reclassifies all affected financial assets from the first day of the reporting period following the change in the business model used to manage such financial assets, only when the Company changes its business model for managing financial assets.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL :

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

(Continued)

SANDI PROPERTIES CO., LTD.

Notes to the Financial Statements

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;

(Continued)

SANDI PROPERTIES CO., LTD.

Notes to the Financial Statements

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated — e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, and are consistent with the Company's continuing recognition of the assets.

5) Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial assets on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features)

6) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable other receivables, refundable deposits and other financial assets) and contract assets.

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 180 days past due or the debtor is unlikely to pay its credit obligations to the Company in full.

Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument.

12-month ECL are the portion of ECL that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECL is the maximum contractual period over which the Company is exposed to credit risk.

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 180 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization;
or

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

7) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Compound financial instruments

Compound financial instruments issued by the Company comprise convertible bonds denominated in NTD that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

(Continued)

SANDI PROPERTIES CO., LTD.

Notes to the Financial Statements

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

4) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

5) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

6) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories includes expenditure incurred in acquiring the inventories in bringing them to their existing location and condition and capitalized costs.

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The methods of determining the net realizable value are as follows:

(i) Land held for development

The Company's management estimates the net realizable value of land held for development based on market value.

(ii) Construction-in-progress

Net realizable value is the estimated selling price (based on market value), less the estimated costs of completion and selling expenses.

(iii) Properties and land held for sale

Net realizable value is the estimated selling price (based on market value), less the estimated costs of selling expenses.

The superficieses acquired by the Company are of land leased by the Company for construction projects. The royalties and rentals over the expected lives of the superficieses are measured according to IFRS 16 and recognized within inventory costs.

(h) Investments in Associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The consolidated financial statements include the Company's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Company, from the date on which significant influence commences until the date on which significant influence ceases. The Company recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual proportionate share.

Gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of unrelated Company's interests in the associate.

When the Company's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

(i) Joint Arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. The IFRS classifies joint arrangements into two types — joint operations and joint ventures, which have the following characteristics: (a) the parties are bound by a contractual arrangement; and (b) the contractual arrangement gives two or more of those parties joint control of the arrangement. IFRS 11 “Joint Arrangements” defines joint control as the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (i.e. activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control.

A joint venture is a joint arrangement whereby the Company has joint control of the arrangement (i.e. joint venturers) in which the Company has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. The Company recognizes its interest in a joint venture as an investment and accounts for that investment using the equity method in accordance with IAS 28 “Investments in Associates and Joint Ventures”, unless the Company qualifies for exemption from that Standard.

When assessing the classification of a joint arrangement, the Company considers the structure and legal form of the arrangement, the terms in the contractual arrangement, and other facts and circumstances. When the facts and circumstances change, the Company reevaluates whether the classification of the joint arrangement has changed.

A joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Company accounts for the assets, liabilities, revenues and expenses in relation to its interest in a joint operation in accordance with the IFRSs Accounting Standards applicable to the particular assets, liabilities, revenues and expenses. When assessing whether a joint arrangement is a joint operation or a joint venture, the Group considers the structure and legal form of the arrangement, the terms agreed by the parties in the contractual arrangement and, when relevant, other facts and circumstances.

(j) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

(k) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives for current and comparative years are as follows:

1) Buildings	20 years
2) Computer equipment	4~6 years
3) Transportation equipment	3 years
4) Other equipment	3 years

Depreciation methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

(l) Lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(Continued)

SANDI PROPERTIES CO., LTD.

Notes to the Financial Statements

(i) As a lease

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful lives of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- 1) fixed payments, including in-substance fixed payments;
- 2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- 3) amounts expected to be payable under a residual value guarantee; and
- 4) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- 1) there is a change in future lease payments arising from the change in an index or rate; or
- 2) there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- 3) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- 4) there is a change of its assessment on whether it will exercise an extension or termination option; or
- 5) there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

(Continued)

SANDI PROPERTIES CO., LTD.

Notes to the Financial Statements

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

In accordance with the practical expedient, the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

(ii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies IFRS15 to allocate the consideration in the contract.

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

(m) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(n) Revenue

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main types of revenue are explained below.

1) Land development and sale of real estate

The Company develops and sells residential properties and usually sales properties in advance during construction or before the construction begins. Revenue is recognized when control over the properties has been transferred to the customer. The properties have generally no alternative use for the Company due to contractual restrictions. However, an enforceable right to payment does not arise until legal title of a property has passed to the customer. Therefore, revenue is recognized at a point in time when the legal title has passed to the customer.

The revenue is measured at the transaction price agree under the contract. For sale of readily available house, in most cases, the consideration is due when legal title of a property has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceed twelve months. The transaction price is therefore not adjusted for the effects of a significant financing component. For pre-selling properties, the consideration is usually received by installment during the period from contract inception until the transfer of properties to the customer. If the contract includes a significant financing component, the transaction price will be adjusted for the effects of the time value of money during the period using the specific borrowing rate of the construction project. Receipt of the payment from a customers is recognized as contract liability. Interest expense and contract liability are recognized when adjusting the effects of the time value of money. Accumulated amount of contract liability is recognized as revenue when control over the property has been transferred to the customer.

(Continued)

SANDI PROPERTIES CO., LTD.

Notes to the Financial Statements

2) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction price for the time value of money.

(ii) Contract costs

1) Incremental costs of obtaining a contract

The Company recognizes as an asset the incremental costs of obtaining a contract with a customer if the Company expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Company incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Company applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

2) Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Company recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the Company can specifically identify;
- the costs generate or enhance resources of the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfil the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Company cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations (or partially satisfied performance obligations), the Company recognizes these costs as expenses when incurred.

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

(o) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(p) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Grant date of a share-based payment award is the date which the Company confirmed the number purchased by the employees.

(q) Income Taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (1) affects neither accounting nor taxable profits (losses) and (2) does not give rise to equal taxable and deductible temporary differences;
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or
 - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.
- (r) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share are calculated as 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 potentially dilutive ordinary shares. The company's potentially diluted ordinary shares include compensation to employees based on share-based payment.

(Continued)

SANDI PROPERTIES CO., LTD.

Notes to the Financial Statements

(s) Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Company). Operating results of the operating segment are regularly reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

In preparing these financial statements, management has made judgments and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management and climate-related commitments where appropriate. Revisions to estimates are recognized prospectively in the period of the change and future periods.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows:

Valuation of inventories

As obsolete inventories are measured at the lower of cost or net realizable value, the Company evaluates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and writes down the cost of inventories to net realizable value. The net realizable value of the obsolete inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the politics, macroeconomics, and reforms in real estate taxation, there may be significant changes in the net realized value of obsolete inventories. Please refer note 6(f) for inventory valuation.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand and petty cash	\$ 95	170
Demand deposits	315,512	1,653,740
Check deposits	11,351	6
Cash and cash equivalents in the statement of cash flows	<u>\$ 326,958</u>	<u>1,653,916</u>

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

(b) Financial assets at fair value through profit or loss

	December 31, 2025	December 31, 2024
Held-for-trading financial liabilities		
Convertible bond-embedded derivatives	\$ 9,021	2,037

Please refer to note 6(z) for the amount remeasured at fair value and recognized in profit or loss.

Please refer to note 6(p) for the disclosure of embedded derivative instrument in the convertible bonds issued.

(c) Financial assets at fair value through other comprehensive income

	December 31, 2025
Equity investments at fair value through other comprehensive income:	
Domestic listed and OTC equity investments	\$ 43,396

The Company invests in equity instruments for long-term strategic purpose rather than for trading. Therefore, the equity instruments have been designated as at FVOCI.

As a result of the above designation of equity instrument investments measured at fair value through other comprehensive income, the Company recognized dividend income amounting to \$1,596 thousand for the year ended 2025.

During the year ended 2025, the Company did not dispose of any strategic investments; accordingly, no cumulative gains or losses recognized during the period were transferred within equity.

For information on market risk, please refer to Note 6(aa).

The aforementioned financial assets were not pledged as collaterals.

(d) Notes and accounts receivable

	December 31, 2025	December 31, 2024
Notes receivable from operating activities	\$ 50,000	-
Account receivable from operating activities	206,117	700
Less: Loss allowance	-	-
	\$ 256,117	700

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward-looking information. The loss allowance provisions was determined as follows:

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

December 31, 2025		
	Gross carrying amount	Weighted-average loss rate
	Loss allowance Provision	
Current	<u>\$ 256,117</u>	<u>-</u>
December 31, 2024		
	Gross carrying amount	Weighted-average loss rate
	Loss allowance Provision	
Current	<u>\$ 700</u>	<u>-</u>

The movement in the allowance for accounts receivable was as follows:

	2025	2024
Balance at January 1 (Balance at December 31)	<u>\$ -</u>	<u>-</u>

The aforementioned financial assets were not pledged as collaterals.

Please refer to note 6(aa) for other credit risk information.

(e) Other Receivable

	December 31, 2025	December 31, 2024
Other receivable — joint arrangement sales commission	\$ 44,126	70,100
Other receivable — related parties	88,804	73,777
Other receivable — interest	-	15
Other	3,448	83
Less: Loss allowance	<u>-</u>	<u>-</u>
	<u>\$ 136,378</u>	<u>143,975</u>

Please refer to note 6(i) for joint arrangement and note 7 for related-party transaction.

Please refer to note 6(aa) for other credit risk information.

(f) Inventory

	December 31, 2025	December 31, 2024
Land held for development	\$ 1,427,743	619,127
Construction in progress	4,202,123	3,793,677
Properties and land held for sale	707,802	-
Right-of-use assets	<u>1,656,381</u>	<u>1,182,376</u>
	<u>\$ 7,994,049</u>	<u>5,595,180</u>

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

(i) Pingshi (Land lot No.32)

On November 10, 2023, the Company contracted with the Southern Region Branch, National Property Administration, Ministry of Finance to set the superficies of the state-owned land that was not for public use, thereby obtaining the superficies whose duration was 70 years (from November 10, 2023 to November 9, 2093). During the 70 years, the Company is entitled to construct buildings for sale on the underlying land in accordance with the purposes and usage rules specified in the contract. For leases of land with superficies, the Company recognizes right-to-use assets and lease liabilities according to IFRS 16.

Please refer to note 7 for related-party transaction.

(ii) Pingshi (Land lot No.23)

On September 10, 2021, the Company contracted with the Southern Region Branch, National Property Administration, Ministry of Finance to set the superficies of the state-owned land that was not for public use, thereby obtaining the superficies whose duration was 70 years (from September 10, 2021 to September 9, 2091). During the 70 years, the Company is entitled to construct buildings for sale on the underlying land in accordance with the purposes and usage rules specified in the contract. For leases of land with superficies, the Company recognizes right-to-use assets and lease liabilities according to IFRS 16.

(iii) Development Property

In July 2025, the Company, together with Aishanlin Construction & Development Co., Ltd. and Universe Energy Technology Co., Ltd., jointly acquired land located in the Daliao District of Kaohsiung City and the buildings thereon. Each of the three companies holds an equal ownership interest in the above properties. The development property is held for sale in the ordinary course of business or for development and sale in the future and is therefore classified as inventory (properties held for development). In addition, the three companies jointly agreed that, during the development period, the subject land and buildings would continue to be leased to generate rental income. Each company shall negotiate separately with the lessee regarding lease renewal upon the expiration of the lease term. As at the reporting date, rental income has not yet been received. Relevant information is disclosed in Note 6(r).

The costs of sales were as follows:

	2025	2024
Inventory that has been sold	\$ 879,618	1,166,372
Others	1,474	-
	\$ 881,092	1,166,372

The information of capitalized interests was as follows:

	2025	2024
Capitalized interest amount	\$ 105,263	41,705
Capitalized interest rate	2.83 %	2.84 %

The aforesaid inventories had been pledged as collateral. Please refer to note 8.

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

(g) Other financial assets

	December 31, 2025	December 31, 2024
Account of pre-sale real estate values trust	\$ 235,183	335,993
Restricted bank deposits(reserve account)	204,016	202,637
Total	\$ 439,199	538,630
Follows:		
Current	\$ 243,936	344,600
Non-Current	195,263	194,030
Total	\$ 439,199	538,630

Please refer to note 6(aa) for other credit risk information; The aforesaid assets had been pledged as collateral, please refer to note 8.

(h) Investments accounted for using equity method

A summary of the Company's financial information for investments accounted for using the equity method at the reporting date is as follows:

	December 31, 2025	December 31, 2024
Associates	\$ 66,348	-
Joint ventures	324,815	325,039
	\$ 391,163	325,039

(i) Associates

Shanglin Real Estate Co., Ltd. (hereinafter referred to as "Shanglin") is engaged primarily in residential leasing and real estate trading activities. On 7 July 2025, the Company participated in a cash capital increase of Shanglin and subscribed for 6,600 shares at a subscription price of \$10 per share, thereby acquiring a 20% equity interest in Shanglin. As a result, the Company obtained significant influence over Shanglin.

Given the Company's equity interest in Shanglin and the shareholdings held by other investors, the Company determined that it does not have the ability to control Shanglin's board of directors or shareholders' meetings. Accordingly, Shanglin is accounted for as an associate. The Company accounts for its investment in the associate using the equity method.

As the associate is not individually material, its aggregate financial information is presented below. Such financial information represents amounts included in the Company's financial statements.

	December 31, 2025
The aggregate carrying amount of interests in individually immaterial associates at the end of the reporting period	\$ 66,348

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

Share of profit for the period attributable to the parent company from individually immaterial associates:

	<u>2025</u>
Share attributable to the Company:	
Net profit for the period	\$ 348
Other Comprehensive Income	<u>-</u>
Total Comprehensive Income	<u>\$ 348</u>

(ii) Joint ventures

Jiaxian Construction Development Co., Ltd. (hereinafter referred to as 'Jiaxian Company') is a non-public Company primarily engaged in the construction of commercial buildings, industrial buildings, residential leasing and sales, and real estate trading. Jiaxian Company is structured as a standalone vehicle. Our Company has residual equity in the net assets of Jiaxian Company, and therefore, we classify the joint agreement as a joint venture and account for it using the equity method.

The table below summarizes the financial position of Jiaxian Company as presented in its own financial statements, adjusted for fair value adjustments at the time of acquisition and differences in accounting policies. This table also reconciles the summarized financial information to the carrying amount of our company's equity interest in Jiaxian Company.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Percentage ownership interest	<u>50.00 %</u>	<u>50.00 %</u>
Non-current assets	\$ -	-
Current assets	1,544,492	1,540,998
Non-current liabilities	(259,924)	(261,041)
Current liabilities	<u>(634,938)</u>	<u>(629,879)</u>
Net assets	<u>\$ 649,630</u>	<u>650,078</u>
Cash and cash equivalents	<u>\$ 6,575</u>	<u>41,332</u>
Non-current financial liabilities (excluding trade payables and other payables and provision)	<u>\$ 259,819</u>	<u>261,002</u>
Current financial liabilities (excluding trade payables and other payables and provision)	<u>\$ 628,943</u>	<u>628,913</u>
Company's share of net assets	<u>\$ 324,815</u>	<u>325,039</u>
	<u>2025</u>	<u>2024</u>
Revenue	\$ -	-
(Loss) profit from continuing operations	\$ (448)	78
Other comprehensive income	-	-
Comprehensive income	<u>\$ (448)</u>	<u>78</u>
Dividends received by the Company	<u>-</u>	<u>-</u>
Depreciation and amortization	<u>-</u>	<u>-</u>
Interest income	<u>\$ 122</u>	<u>508</u>

(Continued)

SANDI PROPERTIES CO., LTD.**Notes to the Financial Statements**

	2025	2024
Interest expense	\$ -	-
Tax expense	\$ (69)	(39)
Tax income	\$ -	-
	2025	2024
Profit and total comprehensive income	\$ (224)	39

(iii) Collateral

The Company did not provide any investment accounted for using equity method as collaterals for its loans.

(i) Joint arrangement

For joint sale of real estate, the Company and an advertising agency entered into a project agreement instead of establishing an independent entity. The advertising agency acts as the executor responsible for sales plans, management and entry of sales contracts under mutual control. Both parties shall convene a joint meeting in advance to handle matters pursuant to concurrent resolutions. Each party shall use its own assets and incur its own liabilities in the performance of contractual obligations. Revenues and related expenses arising from the sale of real estate shall be recognized by the Company and the advertising agency on a 50% share basis.

The Company's share of expenses recognized by the advertising agency under joint operation was as follows:

	December 31, 2025	December 31, 2024
Yuguang	\$ 78	-
Yuan Cang Lin	-	5,852
Chengdong	4,891	5,072
Debei	15,423	-
	\$ 20,392	10,924

The above-mentioned amounts were recognized in the line item of other current assets—costs to fulfil a contract; please refer to note 6(m).

The Company's share of “income and expenses, net” recognized by the advertising agency under joint operation was as follows:

	2025	2024
Yuguang	\$ -	532
Yuan Cang Lin	(8,041)	5,710
Aimei Royal Garden	600	-
Chengdong	327	27,709
	\$ (7,114)	33,951

Please refer to note 6(z) for the recognition of the aforementioned amounts in the line item of other gains and losses.

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

The Company entered into joint contractor sales agreement with the advertising company, which was commissioned by the Company to sell its properties.

The details of net share of revenue an expenses recognized by the Company as follows:

	<u>2025</u>	<u>2024</u>
Mingyi (Land lot No.35)	\$ -	(27)
Sankuaicuo	(9,742)	(20,190)
Pingshi	-	(331)
Wusheng	(6,138)	35,977
Hougang East	<u>19,462</u>	<u>9,041</u>
	<u><u>\$ 3,582</u></u>	<u><u>24,470</u></u>

The above amounts are accounted for as other current assets - reduction in incremental cost for contract acquisition. Please refer to note 6(m) for more details.

As at 31 December 2025, the aggregate carrying amount of the incremental costs of obtaining contracts recognised as other current assets amounted to \$15,753 thousand, net of accumulated amortization. For the year ended 2025, the amortization of such incremental costs of obtaining contracts was recognized in selling and administrative expenses at the time the related revenue was recognized, amounting to \$10,311 thousand.

(j) Property, plant and equipment

The movement in cost, depreciation, and impairment of the property, plant and equipment of the Company were as follows:

	<u>Land</u>	<u>Buildings and construction</u>	<u>Computer equipment</u>	<u>Transportation equipment</u>	<u>Other equipment</u>	<u>Total</u>
Cost or deemed cost:						
Balance at January 1, 2025	\$ -	-	329	3,500	307	4,136
Additions	<u>12,379</u>	<u>18,569</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,948</u>
Balance at December 31, 2025	<u><u>\$ 12,379</u></u>	<u><u>18,569</u></u>	<u><u>329</u></u>	<u><u>3,500</u></u>	<u><u>307</u></u>	<u><u>35,084</u></u>
Balance at January 1, 2024	\$ -	-	329	-	307	636
Additions	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,500</u>	<u>-</u>	<u>3,500</u>
Balance at December 31, 2024	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>329</u></u>	<u><u>3,500</u></u>	<u><u>307</u></u>	<u><u>4,136</u></u>
Depreciation and impairments loss:						
Balance at January 1, 2025	\$ -	-	299	907	162	1,368
Depreciation	<u>-</u>	<u>250</u>	<u>20</u>	<u>1,166</u>	<u>102</u>	<u>1,538</u>
Balance at December 31, 2025	<u><u>\$ -</u></u>	<u><u>250</u></u>	<u><u>319</u></u>	<u><u>2,073</u></u>	<u><u>264</u></u>	<u><u>2,906</u></u>
Balance at January 1, 2024	\$ -	-	258	-	60	318
Depreciation	<u>-</u>	<u>-</u>	<u>41</u>	<u>907</u>	<u>102</u>	<u>1,050</u>
Balance at December 31, 2024	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>299</u></u>	<u><u>907</u></u>	<u><u>162</u></u>	<u><u>1,368</u></u>

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

	<u>Land</u>	<u>Buildings and construction</u>	<u>Computer equipment</u>	<u>Transportation equipment</u>	<u>Other equipment</u>	<u>Total</u>
Carrying amount:						
Balance at December 31, 2025	\$ <u>12,379</u>	<u>18,319</u>	<u>10</u>	<u>1,427</u>	<u>43</u>	<u>32,178</u>
Balance at January 1, 2024	\$ <u>-</u>	<u>-</u>	<u>71</u>	<u>-</u>	<u>247</u>	<u>318</u>
Balance at December 31, 2024	\$ <u>-</u>	<u>-</u>	<u>30</u>	<u>2,593</u>	<u>145</u>	<u>2,768</u>

Details of the Company's property, plant and equipment pledged as collateral are disclosed in note 8.

(k) Right-of-use assets

The Company leases vehicles, information about leases for which the Company as a lessee was presented below:

	<u>Vehicles</u>
Cost:	
Balance at January 1, 2025	\$ <u>25,776</u>
Balance at December 31, 2025	\$ <u><u>25,776</u></u>
Balance at January 1, 2024	\$ <u>13,302</u>
Additions	<u>12,474</u>
Balance at December 31, 2024	\$ <u><u>25,776</u></u>
Accumulated depreciation:	
Balance at January 1, 2025	\$ <u>7,020</u>
Depreciation	<u>8,592</u>
Balance at December 31, 2025	\$ <u><u>15,612</u></u>
Balance at January 1, 2024	\$ <u>2,586</u>
Depreciation	<u>4,434</u>
Balance at December 31, 2024	\$ <u><u>7,020</u></u>
Carrying amount:	
Balance at December 31, 2025	\$ <u><u>10,164</u></u>
Balance at January 1, 2024	\$ <u><u>10,716</u></u>
Balance at December 31, 2024	\$ <u><u>18,756</u></u>

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

(l) Investment Property

The movement schedule of the Company's investment property is as follows:

	Owned assets		
	Land	Building	Total
Cost:			
Balance at January 1, 2025	\$ -	-	-
Additions	26,196	39,908	66,104
Balance at December 31, 2025	<u>\$ 26,196</u>	<u>39,908</u>	<u>66,104</u>
Depreciation:			
Balance at January 1, 2025	\$ -	-	-
Depreciation	-	537	537
Balance at December 31, 2025	<u>\$ -</u>	<u>537</u>	<u>537</u>
Carrying amount:			
Balance at December 31, 2025	<u>\$ 26,196</u>	<u>39,371</u>	<u>65,567</u>
Fair value:			
Balance at December 31, 2025			<u>\$ 66,330</u>

As at 31 December 2025, the fair values of the Company's investment properties were estimated by external appraisers engaged by management using the market comparison approach and the income approach. The fair value measurements were categorized within Level 3 of the fair value hierarchy, as they were determined using significant unobservable inputs.

Details of the Company's investment properties pledged as collateral are disclosed in Note 8.

(m) Other current assets

The details of other current assets were as follows:

	December 31, 2025	December 31, 2024
Prepaid insurance premiums	\$ 128	166
Prepayment for purchase	702	36,076
Current incremental costs of obtaining a contract	433,278	399,943
Cost to fulfil a contract	20,392	10,924
Input tax and offset against business tax payable	73,246	20,413
Corporate bond guarantee fees	3,031	-
Other	2,380	3,592
	<u>\$ 533,157</u>	<u>471,114</u>

Current assets recognized as incremental costs of obtaining a contract with customers represent recoverable commission fees paid to intermediaries for real estate transactions as expected by the Company. Capitalized commission fees are amortized when the related revenues are recognized. During 2025, the Company recognized \$26,450 thousand as amortization expenses.

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

(n) Short-term borrowings

The short-term borrowings were summarized as follows:

	December 31, 2025	December 31, 2024
Unsecured bank loans	\$ 91,000	91,000
Secured bank loans	3,379,440	2,271,051
Total	<u>\$ 3,470,440</u>	<u>2,362,051</u>
Unused short-term credit lines	<u>\$ 5,597,240</u>	<u>4,460,249</u>
Range of interest rates	<u>2.700%~3.500%</u>	<u>2.575%~3.125%</u>

Included within bank borrowings secured by collateral was an amount of \$141,300 thousand, which was secured by a first-priority mortgage over the Company's operating land. Title to the above assets was transferred to the purchaser on 16 October 2025, and the related mortgage registration was cancelled on 2 February 2026. For information on other arrangements in which the Company's assets are pledged as collateral for bank borrowings, please refer to Note 8.

(o) Long-term borrowings

The details of long-term borrowings of the Company were as follows:

December 31, 2025				
	Currency	Rate	Maturity date	Amount
Secured bank loans	NTD	2.68%~2.90%	October 22, 2026~ September 23, 2045	\$ 4,073,296
Less: Current portion				4,000,867
Total				<u>\$ 72,429</u>
Unused long-term credit lines				<u>\$ -</u>

December 31, 2024				
	Currency	Rate	Maturity date	Amount
Secured bank loans	NTD	2.56%~2.72%	October 22, 2026~ March 5, 2027	\$ 4,000,000
Less: Current portion				-
Total				<u>\$ 4,000,000</u>
Unused long-term credit lines				<u>\$ -</u>

The Company had been pledged as collateral for long-term borrowings, please refer to note 7 and 8.

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

(p) Bonds payable

The details of secured convertible bonds were as follows:

	December 31, 2025	December 31, 2024
Total convertible corporate bonds issued	\$ 970,000	970,000
Unamortized discount corporate bonds payable	(62,906)	(78,116)
Corporate bonds issue balance at year-end	<u>\$ 907,094</u>	<u>891,884</u>
Embedded derivative-call and put option, included in financial liabilities at fair value through profit or loss	<u>\$ 9,021</u>	<u>2,037</u>
Equity Component-conversion option, include in capital surplus-stock option	<u>\$ 235,228</u>	<u>235,228</u>

The original recognized effective interest rate of the aforementioned convertible bonds payable component is 1.69%. Please refer to note 6(z) for the amount of recognized gains on embedded derivatives-redemption rights (included in gains on financial assets at fair value through profit or loss and interest expenses).

The Company issued the first domestic secured convertible bonds on December 19, 2024, with a total amount of \$970,000 thousand. The main terms are as follows:

- (i) Total issuance: \$970,000 thousand NTD
- (ii) Issued price: issued at 117.63% of par value
- (iii) Issued period: 5 years, expired date will be December 19, 2029
- (iv) Interest rate: 0%
- (v) Conversion subject: common stock of the Company
- (vi) Conversion price and its adjustment:

The conversion price at the time of issuance is set at \$57.5 per share. However, after the issuance, if one of the following conditions is met, the conversion price shall be adjusted according to the formula stipulated in the issuance terms:

- 1) When an increase in the Company's issued or private offering shares of commons stock. Except for various securities issued or private offering by the company that have conversion rights or options for exchange or new issued shares for employees' compensation.
- 2) When the Company pays cash dividends of ordinary shares.
- 3) When the Company re-issues or private offering various value securities with common stock conversion rights or stock options at a conversion or subscription price lower than the current price per share.

(Continued)

SANDI PROPERTIES CO., LTD.

Notes to the Financial Statements

- 4) When the reduction of the ordinary shares is not caused by capital reduction that is due to decrease in treasury stock.

The conversion price on December 31, 2025 was 55.88 per share.

(vii) Conversion period:

Started from the next day since the convertible bonds have issued for three months until the maturity date, except for following condition: 1) suspension period of the transfer of ordinary shares which according to law; 2) the period of before 15 business days of the date of the transfer suspension of stock dividend, cash dividends and cash capital increase subscription till interest distribute reference date; 3) started from capital reduction reference date until the day before the share exchange trade date; 4) the period from the start date of the suspension of conversion/subscription of the stock change nominal value to the day before the trading day before the start of the exchange of new shares, may request the Company's stock agency to convert the convertible bonds into ordinary shares of the Company in accordance with these measures at any time.

(viii) Bondholder's puttable option:

Three years after the issued date of the convertible bonds will be seen as reference date on which the holders sold back in advance. The Company shall send a letter to the TPEX to announce the exercise of the bondholder's puttable option 40 day before the reference date. The holders of the bonds may inform the Company's stock agency. to redeem the bonds held by it in cash at 101.5075% of the bond's nominal value (with an annual yield of 0.5%).

(ix) The Company's redemption option:

- 1) The conversion of the bonds from the next day of three months from the issuance day to 40 days before the expiry of the issue period, if the closing price of the Company's ordinary shares in 30 consecutive business days exceeds the current conversion price by 30%. In the case, the Company may redeem the circulating convertible bonds in cash at the bond nominal value.
- 2) From the next day of three months from the issuance day to 40 days before the expiry of the issue period, when the circulating bonds is less than 10% of the original issuance total, the Company may recover the convertible bonds in cash with the nominal value of the bonds.

(x) Collateral:

The Taichung Commercial Bank acts as the guarantor for the convertible bonds.

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

(q) Lease liabilities

The carrying value of lease liabilities of the Company were as follows:

	December 31, 2025	December 31, 2024
Current	\$ <u>6,787</u>	<u>9,625</u>
Non-current	\$ <u>154,543</u>	<u>161,330</u>

For the maturity analysis, please refer to note 6(aa) Financial Instruments.

The amounts recognized in profit or loss were as follows:

	2025	2024
Interest on lease liabilities	\$ <u>379</u>	<u>208</u>
Expenses relating to short-term leases	\$ <u>167</u>	<u>195</u>

The amounts recognized in the statement of cash flows for the Company were as follows:

	2025	2024
Total cash outflow for leases	\$ <u>13,206</u>	<u>801,489</u>

The Company leases vehicles, with lease terms of 3 years. For the lease of superficies, please refer to note 6(f).

(r) Operating lease

Leases as lessor

The Company leases out its inventories. As the leases do not transfer substantially all of the risks and rewards incidental to ownership of the underlying assets, such lease contracts are classified as operating leases. For details, please refer to Note 6(f) "Inventories".

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date are as follows:

	December 31, 2025
Less than one year	\$ <u>7,822</u>

For the year ended 2025, rental income derived from inventories is disclosed in Note 6(x).

(s) Employee benefit

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to \$643 thousand and \$509 thousand for the years ended December 31, 2025 and 2024, respectively.

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

(t) Income tax

(i) Income tax expense

The components of income tax expense(benefit) were as follows:

	<u>2025</u>	<u>2024</u>
Current tax expense		
Land value increment tax	\$ 9,195	-
Deferred tax expense(benefit)		
Origination and reversal of temporary differences	(23,368)	(178)
Income tax expense (benefit)	<u>\$ (14,173)</u>	<u>(178)</u>
	<u>2025</u>	<u>2024</u>
Income tax recognized in other comprehensive income	\$ -	-
Income tax recognized in equity	\$ -	-

Reconciliation of income tax expense(benefit) and profit before tax was as follows:

	<u>2025</u>	<u>2024</u>
Profit (loss) before income tax	<u>\$ 179,847</u>	<u>(141,104)</u>
Income tax using the Company's domestic tax rate	35,969	(28,221)
Dividend income is not included in taxable income for income tax purposes.	(319)	-
Effect of investment income recognized by the equity method	(25)	(7)
Land value increment tax	9,195	-
Recognize unrecognized tax losses from the previous period	(46,080)	-
Current-year losses for which no deferred tax asset was recognized	-	21,569
Change in unrecognized temporary differences	(6,315)	6,336
Other adjustments in accordance with tax laws and regulations	(9,367)	-
Other	2,769	145
Income tax expenses	<u>\$ (14,173)</u>	<u>(178)</u>

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax liabilities

For the years ended December 31, 2025 and 2024, the Company had no unrecognized deferred tax liabilities.

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

2) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2025	December 31, 2024
Tax effect of deductible Temporary Differences	\$ -	31,680
The carryforward of unused tax losses	-	230,401
	<u><u>\$ -</u></u>	<u><u>262,081</u></u>

3) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets were as follows:

	Land value increment tax	Finance and tax difference in interest capitalization	Total
Balance at January 1, 2025	\$ -	-	-
Credit profit or loss	26,867	1,610	28,477
Balance at December 31, 2025	<u><u>\$ 26,867</u></u>	<u><u>1,610</u></u>	<u><u>28,477</u></u>

As of December 31, 2025, the tax losses recognized as deferred tax assets by the Company are deductible within the following periods:

Year of loss	Unused tax loss	Expiry date
2023	\$ 26,217	2033
2024	108,119	2034
	<u><u>\$ 134,336</u></u>	

Changes in the amount of deferred tax liabilities were as follows:

	Land value increment tax	Finance and tax difference in interest capitalization	Total
Balance at January 1, 2025	\$ 57,886	-	57,886
Debit profit or loss	-	5,109	5,109
Balance at December 31, 2025	<u><u>\$ 57,886</u></u>	<u><u>5,109</u></u>	<u><u>62,995</u></u>
Balance at January 1, 2024	\$ 57,886	178	58,064
Credit profit or loss	-	(178)	(178)
Balance at December 31, 2024	<u><u>\$ 57,886</u></u>	<u><u>-</u></u>	<u><u>57,886</u></u>

The Company's tax returns for the years through 2023 were assessed by R.O.C Tax Administration.

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

(u) Capital and other equity

As of December 31, 2025 and 2024, the total value of authorized ordinary shares were \$3,500,000 thousand with par value of \$10 per share. The paid-in capital were 111,206 thousand. All the capital were fully paid in.

Reconciliation of shares outstanding was as follows:

(in thousands of shares)	Ordinary Shares	
	2025	2024
Balance at January 1	111,206	91,206
Issued for cash	-	20,000
Balance at December 31	111,206	111,206

(i) Ordinary shares

A resolution was passed during the general meeting of shareholders held on 15 July, 2024 for the issue of 20,000 new shares for cash, with a par value of \$10 per share, amounting to 200,000 thousand. The Company has received approval from the Financial Supervisory commission for this Capital increase, with 26 December 2024 as the date of capital increase. The relevant statutory registration procedures have since been completed.

(ii) Capital surplus

The balances of capital surplus were as follows:

	December 31, 2025	December 31, 2024
Additional paid-in capital	\$ 1,474,998	1,474,998
Conversion option of convertible bonds	235,228	235,228
	\$ 1,710,226	1,710,226

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(iii) Retained earnings

The Company's articles of incorporation require that after-tax earnings shall first be offset against any deficit, and 10% of the remaining balance shall be set aside as legal reserve. The appropriation for legal reserve is discontinued when the balance of legal reserve equals the total authorized capital. Special reserve may be appropriated for operations or to meet regulations. The remaining earnings, if any, may be appropriated according to the proposal presented in the annual shareholders' meeting by the Board of Directors.

(Continued)

SANDI PROPERTIES CO., LTD.

Notes to the Financial Statements

The proportion of cash dividends shall not be less than 5% of the total dividends for the year by principle. However, when the cash dividend per share is less than \$1, issuing stock dividends is allowed.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Earnings distribution

On June 23, 2025, and June 26, 2024, the Company's general shareholders meeting resolved not to appropriate the earnings for the years ended December 31, 2024 and 2023.

(iv) Other equity (net of tax)

	Financial assets measured at fair value through other comprehensive income
Balance at January 1, 2025	\$ -
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	(6,018)
Balance at December 31, 2025	<u><u>\$ (6,018)</u></u>

(v) Share-based payment

On July 15, 2024, the Company board of directors resolved to issue new shares through a cash capital increase, reserving 2,000 thousand shares for subscription by the Company employees. As of December 31, 2024, the Company has the following Share-based payment transactions:

	Equity-settled Cash capital increase reserved for employee subscription
Fair value at grant date	2024.12.31
Number of shares granted	145 thousand shares
Contract term	-
Recipients	employees of our company
Vesting conditions	Immediately vested

In 2024, the Company's remuneration cost recognized by the cash capital increase reserved for employees subscription is \$681 thousand.

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

(w) Earnings per share

The calculation of basic earnings (loss) per share and diluted earnings (loss) per share were as follows:

	<u>2025</u>	<u>2024</u>
Basic earnings (loss) per share :		
Gain (loss) attributable to ordinary shareholders of the company	\$ <u>194,020</u>	<u>(140,926)</u>
Weighted average number of ordinary shares outstanding	<u>111,205,759</u>	<u>91,478,983</u>
Basic earnings (loss) per share(in dollars)	\$ <u>1.74</u>	<u>(1.54)</u>
Diluted earnings (loss) per share :		
Gain (loss) attributable to ordinary shareholders of the company	\$ 194,020	(140,926)
After-tax impact of interest expense and other income or expenses on convertible corporate bonds (Note)	<u>17,755</u>	<u>-</u>
Gain (loss) attributable to ordinary shareholders of the company (Diluted)	\$ <u>211,775</u>	<u>(140,926)</u>
Weighted average number of ordinary shares outstanding	111,205,759	91,478,983
Effect of employee share bonus (Note)	54,732	-
Effect of the conversion of convertible corporate bonds (Note)	<u>17,358,626</u>	<u>-</u>
Weighted average number of ordinary shares outstanding (after adjustment of potential dilutes ordinary shares)	<u>128,619,117</u>	<u>91,478,983</u>
Diluted earnings (loss) per share (in dollars)	\$ <u>1.65</u>	<u>(1.54)</u>

Note: Convertible bonds and potential ordinary share-employee stock of the year ended December 31, 2024 had anti-dilutive effect on and were not included in the calculation of diluted earnings per share.

(x) Revenue from contracts with customers

(i) Disaggregation of revenue

	<u>2025</u>	<u>2024</u>
Primary geographical markets:		
Taiwan	\$ <u>1,259,124</u>	<u>1,166,647</u>
Major products/services lines:		
Sales of real estates	\$ 1,253,880	1,166,647
Rental income	<u>5,244</u>	<u>-</u>
Total	\$ <u>1,259,124</u>	<u>1,166,647</u>

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

(ii) Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Notes receivable	\$ 50,000	-	-
Accounts receivable	206,117	700	-
Less: allowance for impairment	-	-	-
Total	<u>\$ 256,117</u>	<u>700</u>	<u>-</u>
	December 31, 2025	December 31, 2025	January 1, 2024
Contract liabilities — Sales of real estates	<u>\$ 1,544,713</u>	<u>1,385,011</u>	<u>867,492</u>

- (i) For details on notes and accounts receivable and allowance for impairment, please refer to note 6(d).
- (ii) The amount of revenue recognized for the years ended December 31, 2025 and 2024 that was included in the contract liability at the beginning of the period were \$125,820 thousand and \$0 thousand, respectively.
- (iii) The major change in the balance of contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received. There were no other significant changes.

(y) Employee and directors' remuneration

Pursuant to a resolution of the extraordinary shareholders' meeting held on 23 June 2025, the Company amended its Articles of Incorporation. In accordance with the amended Articles, if the Company has distributable profits for the year, employee compensation shall be provided at a rate of not less than 1% of profits, of which not less than 10% shall be allocated as compensation to base-level employees. Employee compensation shall be resolved by the Board of Directors and may be distributed in the form of shares or cash. Eligible recipients include employees of the Company who meet certain qualifying criteria. In addition, the Board of Directors may resolve to appropriate director remuneration out of the surplus earnings, provided that such remuneration shall not exceed 3%. The proposed distributions of employee compensation and director remuneration shall be reported to the annual shareholders' meeting. Under the Articles of Incorporation prior to the amendment, if the Company had distributable profits for the year, employee compensation was required to be provided at a rate of not less than 1%. Employee compensation was resolved by the Board of Directors and distributed in the form of shares or cash to employees meeting certain qualifying criteria. In addition, the Company could appropriate director remuneration out of the surplus earnings, subject to a maximum of 3%. The proposed distributions of employee compensation and director remuneration were required to be reported to the shareholders' meeting.

(Continued)

SANDI PROPERTIES CO., LTD.

Notes to the Financial Statements

For the years ended 2025 and 2024, the accrued amounts of employee compensation were \$1,839 thousand and \$0, respectively, and the accrued amounts of director remuneration were \$1,839 thousand and \$0, respectively. Such amounts were determined based on the Company's pre-tax net profit for each respective reporting period after deducting employee compensation and director remuneration, multiplied by the percentages for employee compensation and director remuneration as stipulated in the Company's Articles of Incorporation, and were recognized as operating expenses for the respective reporting periods. If the actual amounts resolved for distribution differ from the estimated amounts, the differences shall be accounted for as changes in accounting estimates and recognized in profit or loss in the year in which the differences arise. Where the Board of Directors resolves to distribute employee compensation in the form of shares, the number of shares to be issued shall be determined based on the closing price of the Company's shares on the trading day preceding the resolution date, after taking into consideration any dilution effects. There was no difference between the amounts proposed for employee compensation and director remuneration and the amounts recognized in the Company's 2024 financial statements.

(z) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	2025	2024
Interest income from bank deposits	\$ 10,150	3,192
Interest income from security deposits	92	85
	<u>\$ 10,242</u>	<u>3,277</u>

(ii) Other income

The details of other income were as follows:

	2025	2024
Dividend income	<u>\$ 1,596</u>	<u>-</u>

(iii) Other gains and losses

The details of other gains and losses were as follows:

	2025	2024
Net gain on advertisement of joint arrangement	\$ (7,114)	33,951
Losses on financial liabilities at fair value through profit or loss	(6,984)	(1,067)
Corporate bond guarantee fees	(11,519)	-
Others	2,711	2,804
	<u>\$ (22,906)</u>	<u>35,688</u>

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

(iv) Financial cost

The details of financial cost were as follows:

	<u>2025</u>	<u>2024</u>
Interest expense		
Bank loans	\$ (199,615)	(192,104)
Lease liabilities	(379)	(208)
Amortization of discount on bonds payable	(15,210)	(528)
Other	(13)	
Less: Capitalized interest	<u>105,263</u>	<u>41,705</u>
	<u><u>\$ (109,954)</u></u>	<u><u>(151,135)</u></u>

(aa) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Credit risk of other-financial assets

Please refer to note 6(d) for credit risk information on notes and accounts receivable.

Other financial assets at amortized cost includes other receivables, refundable deposits and other financial assets.

All of these other financial assets at amortized cost are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12-month expected credit losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(f). No impairment losses allowance were recognized or reversed for the years ended December 31, 2025 and 2024.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
December 31, 2025							
Non derivative financial liabilities							
Short-term borrowings (floating rate)	\$ 3,470,440	3,846,008	95,517	608,141	873,790	1,584,940	683,620
Notes receivable (no-interest)	77,281	77,281	77,281	-	-	-	-
Accounts payable (no-interest)	345,154	345,154	345,154	-	-	-	-
Accounts payables from related parties	395,473	395,473	395,473	-	-	-	-
Other payables (no-interest)	76,635	76,635	76,635	-	-	-	-
Other payables from related parties (no-interest)	155,765	155,765	155,765	-	-	-	-
Bonds payable	907,094	970,000	-	-	-	970,000	-
Long-term borrowings (due within one year or one operating cycle) (floating rate)	4,073,296	4,209,498	56,882	2,045,279	2,018,367	15,037	73,933
Lease liabilities (including due within one year) (fixed interest)	161,330	286,133	5,798	4,266	8,171	12,616	255,282
Refundable deposits received (no-interest) (included in other current liabilities)	4,713	4,713	-	4,713	-	-	-
	<u><u>\$ 9,667,181</u></u>	<u><u>10,366,660</u></u>	<u><u>1,208,505</u></u>	<u><u>2,662,399</u></u>	<u><u>2,900,328</u></u>	<u><u>2,582,593</u></u>	<u><u>1,012,835</u></u>
December 31, 2024							
Non derivative financial liabilities							
Short-term borrowings (floating rate)	\$ 2,362,051	2,518,921	34,683	350,281	515,455	1,618,502	-
Notes receivable (no-interest)	87,844	87,844	87,844	-	-	-	-
Accounts payable (no-interest)	151,725	151,725	151,725	-	-	-	-
Other payables (no-interest)	128,958	128,958	128,958	-	-	-	-
Other payables from related parties (no-interest)	600,500	600,500	600,500	-	-	-	-
Bonds payable	891,884	970,000	-	-	-	970,000	-
Long-term borrowings (floating rate)	4,000,000	4,216,091	53,144	52,485	2,097,108	2,013,354	-
Lease liabilities(including due within one year) (fixed interest)	170,955	299,260	6,564	6,564	18,234	8,411	259,487
	<u><u>\$ 8,393,917</u></u>	<u><u>8,973,299</u></u>	<u><u>1,063,418</u></u>	<u><u>409,330</u></u>	<u><u>2,630,797</u></u>	<u><u>4,610,267</u></u>	<u><u>259,487</u></u>

The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Company's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of non derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Company management's assessment of the reasonably possible interest rate change.

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

If the interest rate had increased/decreased by 1% with all other variable factors remaining constant. The Company's net income would have increased or decreased by \$60,350 thousand for the and \$50,896 thousand for the years ended December 31, 2025 and 2024, respectively. This is mainly due to the Company's borrowing at variable rates.

(iv) Other market price risk

For the years ended December 31, 2025 and 2024, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	<u>For the year ended December 31</u>	
	<u>2025</u>	
<u>Price of securities at reporting date</u>	<u>Other comprehensive income after tax</u>	<u>Net income</u>
Increasing 3%	\$ <u>1,302</u>	<u>-</u>
Decreasing 3%	\$ <u>(1,302)</u>	<u>-</u>

(v) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss, and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required :

	<u>Book Value</u>	<u>December 31, 2025</u>			
		<u>Fair Value</u>			<u>Total</u>
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Financial assets at fair value through other comprehensive income					
Equity securities of domestic listed and OTC-listed companies	\$ <u>43,396</u>	43,396	-	-	43,396
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 326,958	-	-	-	-
Notes receivable	50,000	-	-	-	-
Account receivable	206,117	-	-	-	-
Other financial assets	439,199	-	-	-	-
Other receivable	47,574	-	-	-	-
Other receivable from related parties	88,804	-	-	-	-
Refundable deposits	<u>4,175,310</u>	-	-	-	-
Subtotal	<u>5,333,962</u>				
Total	<u>\$ 5,377,358</u>				

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

December 31, 2025					
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial liabilities at fair value through profit or loss					
Sold back option/Buy back option of convertible bond	\$ 9,021	-	9,021	-	9,021
Financial liabilities at amortized cost					
Short-term borrowings	\$ 3,470,440	-	-	-	-
Notes payable	77,281	-	-	-	-
Account payable	345,154	-	-	-	-
Account payable from related parties	395,473	-	-	-	-
Other payables	76,635	-	-	-	-
Other payables from related parties	155,765	-	-	-	-
Bonds payable	907,094	-	927,611	-	927,611
Long-term borrowings (including due within one year)	4,073,296	-	-	-	-
Lease liabilities	161,330	-	-	-	-
Refundable deposits (included in other current liabilities)	4,713	-	-	-	-
Subtotal	9,667,181				
Total	\$ 9,676,202				
December 31, 2024					
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 1,653,916	-	-	-	-
Account receivable	700	-	-	-	-
Other financial assets	538,630	-	-	-	-
Other receivable	70,198	-	-	-	-
Other receivable from related parties	73,777	-	-	-	-
Refundable deposits	4,043,383	-	-	-	-
Total	\$ 6,380,604				
Financial liabilities at fair value through profit or loss					
Sold back option/Buy back option of convertible bond	\$ 2,037	-	2,037	-	2,037
Financial liabilities at amortized cost					
Short-term borrowings	\$ 2,362,051	-	-	-	-
Notes payable	87,844	-	-	-	-
Account payable	151,725	-	-	-	-
Other payables	128,958	-	-	-	-
Other payables from related parties	600,500	-	-	-	-
Bonds payable	891,884	-	902,294	-	902,294
Long-term borrowings	4,000,000	-	-	-	-
Lease liabilities	170,955	-	-	-	-
Subtotal	8,393,917				
Total	\$ 8,395,954				

(Continued)

SANDI PROPERTIES CO., LTD.

Notes to the Financial Statements

The Company strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

Level 1: quoted prices (unadjusted) in the active markets for identified assets or liabilities.

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

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2) Valuation technique for financial instruments not measured at fair value

The liability component or part of the convertible bonds issued by the Company is estimated using valuation methods.

3) Valuation techniques for financial instruments measured at fair value

a) Non-equity financial instruments

When quoted market prices in an active market are available for financial instruments, such prices represent fair value. The fair value of marketable instruments, such as government bonds and open-ended funds traded in centralized markets, is determined based on quoted prices in active markets.

b) Equity financial instruments

The fair value of the Company's convertible corporate bonds with put and call options is determined using the binomial tree valuation model.

(ab) Financial risk management

(i) Overview

The Company have exposures to the following risks from its financial instruments:

- 1) credit risk
- 2) liquidity risk
- 3) market risk

The following likewise discusses the Company's objectives, policies and processes for measuring and managing the risks mentioned above. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying financial statements.

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

(ii) Structure of risk management

The Company's primary objectives of financial risk management are to manage market risk, credit risk and liquidity risk associated with operating activities. The Company identifies, measures and manages the aforementioned risks in accordance with the Company's policies and risk appetite.

The Company has established proper policies, procedures and internal control according to relevant regulations. Important financial activities shall be reviewed by the Board of Directors in accordance with related regulations and internal control system. During the execution period of financial management activities, the Company shall ensure compliance with relevant regulations governing financial risk management. The Internal Audit Department is also responsible for independent review of risk management and control procedures.

(iii) Credit risk

The Company's bank deposits and time deposits for other financial assets are deposited in the accounts with credit-worthy financial institutions which are highly unlikely to default. Besides, the Company transacts with various financial institutions to diversify risk.

(iv) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Bank loans are an important source of liquidity. The Company's management monitors banking facilities and ensures compliance with the terms of loan agreements.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company adopts a policy to ensure the exposure to changes in interest rates on borrowings is evaluated based on the trend in market interest rates. The Company can manage its interest rate risk through maintaining an appropriate portfolio of floating interest rates and fixed interest rates.

(ac) Capital management

The Company's objectives for managing capital to safeguard the capacity to continue to operate, to ensure the complete credit rating and the ratio of capital.

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

As of December 31 ,2025, the Company's capital management strategy is consistent with the prior year as 2024, and the gearing ratio is maintained to ensure credit rating and ensure financing at reasonable cost. The Company's Debt ratio is as follows:

	December 31, 2025	December 31, 2024
Total Liabilities	\$ 11,292,642	9,841,006
Total Capital and equity	14,433,401	12,793,763
Debt ratio	78.24%	76.92 %

As at 31 December 2025, the Company's debt-to-asset ratio increased, primarily due to an increase in bank borrowings.

(ad) Investing and financing activities not affecting current cash flow

Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2025	Cash flow	Non-cash changes Amortization of discount	December 31, 2025
Short-term borrowings	\$ 2,362,051	1,108,389	-	3,470,440
Bonds payable	891,884	-	15,210	907,094
Long-term borrowings (including amounts due within one year or one operating cycle)	4,000,000	73,296	-	4,073,296
Lease-liabilities (including current portion)	170,955	(9,625)	-	161,330
Refundable deposits received (presented under other current liabilities)	-	4,713	-	4,713
Total liabilities from financing activities	\$ 7,424,890	1,176,773	15,210	8,616,873

	January 1, 2024	Cash flow	Change in acquisition right- of-use assets	Changes in lease payments	Amortization of discount	Other	December 31, 2024
Short-term borrowings	\$ 2,320,046	42,005	-	-	-	-	2,362,051
Bonds payable	-	1,127,554	-	-	528	(236,198)	891,884
Long-term borrowings	4,000,000	-	-	-	-	-	4,000,000
Lease-liabilities (including current portion)	1,223,136	(794,094)	12,474	(270,561)	-	-	170,955
Total liabilities from financing activities	\$ 7,543,182	375,465	12,474	(270,561)	528	(236,198)	7,424,890

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

(7) Related-party transactions:

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the financial statements:

<u>Name of related party</u>	<u>Relationship with the Company</u>
Chung, Yu-Lin	Chairman of the Company
Chung, Chia-Tsun	The first immediate family of the chairman of the Company
San Chia Construction Development Co., Ltd.	Same president as the Company
Kaohsiung Transportation Co., Ltd.	Same president as the Company
North-Star International Co., Ltd.	Same president as the Company
Jiaxian Construction Development Co., Ltd.	Joint venture entity under the Company's joint agreement
San Di Properties Co., Ltd.	Same president as the Company
San Di Construction Co., Ltd.	Same president as the Company
Zhen Jia Hui Construction Co., Ltd.	Same president as the Company
Zhuang, Jun-Yu	Key management personnel
Wang, Nai-Yu	Spouses of the Company's Key Management Personnel

(b) Significant transactions with related parties

(i) Operating revenue

The amounts of significant sales by the Company to related parties were as follows:

	<u>Revenue</u>		<u>Advance Construction</u>		<u>Accounts Receivable Collected on Behalf of Related Parties</u>	
	<u>2025</u>	<u>2024</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Key management personnel-Zhuang, Jun-yu	\$ -	-	1,270	1,270	240	120
Other related-parties-Wang, Nai-yu	-	-	1,130	1,130	220	110
	<u>\$ -</u>	<u>-</u>	<u>2,400</u>	<u>2,400</u>	<u>460</u>	<u>230</u>

The total contract price of the above house sold to the related parties was \$23,930 thousand (tax inclusive) as of December 31, 2025 and 2024, respectively. The contract prices were set in accordance with the Company's employee purchase policy and the payment collection terms of the related party were not materially different from those of the non-related party.

(Continued)

SANDI PROPERTIES CO., LTD.**Notes to the Financial Statements**

	Revenue		Advance Construction		Accumulated amount	
	2025	2024	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Joint venture entity under the Company's joint agreement-Jiaxian	\$ -	<u>1,164,987</u>	-	-	-	-

In May of the 2024 of the Republic, our Company signed a contract with the related party Jiaxian Company for the transfer to the superficies rights of the state-owned land at Pingshi No.32 The total contract price is \$1,223,237 thousand (including tax), The price is based on the previous transfer price of our Company, plus the capital costs during the period and the payments already made.

The Company's rental income derived from related parties is as follows:

For the year ended 2025, the Company leased office premises to another related party, Sanjia Company, resulting in rental income of \$351 thousand. As at 31 December 2025, all receivables arising from the above transaction had been fully collected. In addition, security deposits amounting to \$236 thousand were received in connection with this transaction and were recognized under refundable deposits received (presented within other current liabilities).

(ii) Loans to related parties

The Company loans to related parties were as follows:

	December 31, 2025	December 31, 2024
Chung, Yu-Lin	\$ -	93,608
Chung, Chia-Tsun	-	444,000
Total	<u>\$ -</u>	<u>537,608</u>

The loans to related parties have not accrued interest, which were recognized as other current liabilities.

(iii) Other

- 1) Please refer to note 9 for joint construction projects with related parties.
- 2) In September 2021, the Company contracted with Chung,Chia-Tsun, a related party, for a joint construction with separate sale. As of December 31, 2025 and 2024, the performance bond paid to Chung,Chia-Tsun, the landowner, amounted to \$2,000,000 thousand, which was recognized in the line item of guarantee deposits paid (Current and non-current). Additionally, Chung,Chia-Tsun, a related party, pledged the land at Kanjiaobei Sec., Rende Dist., Tainan City to secure long-term loans from financial institutions.

(Continued)

SANDI PROPERTIES CO., LTD.

Notes to the Financial Statements

- 3) In November 2021, the Company contracted with Kaohsiung Transportation Co., Ltd. a related party, for a joint construction project with separate sale. As of December 31, 2025 and 2024, the performance bond paid to Kaohsiung Transportation Co., Ltd., the landowner, amounted to \$2,000,000 thousand, which was recognized in the line item of guarantee deposits paid (Current and non-current). In addition, the related party, Kaohsiung Transportation Co., Ltd. pledged the land at Sankuaicuo Sec., Sanmin Dist., Kaohsiung City to secure long-term loans from financial institutions.
- 4) The Company has entered into joint construction sale agreement with related party, Chung Chia Tsun in August 2023. As of December 31, 2025 and 2024, the Company has paid a promissory of \$14,700 thousand to the landowners as guarantee for joint construction, which were recognized as refundable deposits (Current and non-current).
- 5) In August 2024, the Company entered into a joint construction and allocation agreement with a related party, Beiji Company. As of December 31, 2025, the Company had paid a joint construction performance guarantee of \$132,000 thousand to the landowner, Beiji Company, in accordance with the agreement, which was recognized under security deposits paid (current). In addition, the related party, Beiji Company, provided land located in Hougangdong Section, Renwu District, Kaohsiung City, etc., as collateral for the Company's borrowings from financial institutions.
- 6) In November 2021, the Company entered into a joint construction and allocation agreement with a related party, Gaogi Company. As of December 31, 2025 and December 31, 2024, the Company had advanced payments on behalf of the landowners for advertising planning expenses and sales commissions, etc., amounting to \$75,002 thousand and \$73,777 thousand, respectively. As of December 31, 2025 and December 31, 2024, the amounts had not yet been collected and were recognized under other receivables from related parties.
- 7) In August 2023, the Company entered into a joint construction and allocation agreement with a related party, Zhong Jia-Cun. As of 2025, the Company had advanced payments on behalf of the landowner for advertising planning expenses and sales commissions, etc., amounting to \$1,357 thousand. As of December 31, 2025, the amount had not yet been collected and was recognized under other receivables from related parties.
- 8) In August 2024, the Company entered into a joint construction and allocation agreement with a related party, Beiji Company. As of 2025, the Company had advanced payments on behalf of the landowner for advertising planning expenses and sales commissions, etc., amounting to \$12,445 thousand. As of December 31, 2025, the amount had not yet been collected and was recognized under other receivables from related parties.
- 9) In November 2021, the Company entered into a joint construction and allocation agreement with a related party, Gaogi Company. As of December 31, 2025 and December 31, 2024, the Company had collected on behalf of the landowners proceeds from sales of land amounting to \$138,610 thousand and \$62,892 thousand, respectively. As of December 31, 2025 and December 31, 2024, the amounts had not yet been paid and were recognized under other payables to related parties.

(Continued)

SANDI PROPERTIES CO., LTD.

Notes to the Financial Statements

- 10) In August 2023, the Company entered into a joint construction and allocation agreement with a related party, Zhong Jia-Cun. As of 2025, the Company had collected on behalf of the landowner proceeds from sales of land amounting to \$17,155 thousand. As of December 31, 2025, the amount had not yet been paid and was recognized under other payables to related parties.
- 11) Beginning in March 2023, the Company entered into a series of project management service agreements with a related party, Sanjia Company, under which Sanjia Company provided professional project planning and design management services as well as construction supervision services. As of December 31, 2025 and December 31, 2024, the total contract amounts were \$596,930 thousand and \$351,750 thousand, respectively, and the transaction terms were comparable to those with non-related parties. As of December 31, 2025 and December 31, 2024, amounts recognized amounted to \$215,850 thousand and \$90,200 thousand, respectively, and were recognized under inventories. Of these amounts, \$53,427 thousand and \$0 thousand, respectively, remained unpaid and were recognized under accounts payable to related parties.
- 12) In August 2024, the Company entered into an agreement with a related party, Beiji Company, for the transfer of rights to construction in progress (including building permits) located in Hougangdong Section, Renwu District, Kaohsiung City, with a total contract price of \$31,042 thousand. The purchase price was determined based on the related party's original acquisition cost. As of December 31, 2024, the amount had been fully paid. In addition, a joint construction and allocation agreement was entered into concurrently for joint development and construction.
- 13) In December 2025, the Company entered into an agreement with a related party, Sandi Construction Co., for the transfer of rights to construction in progress (including building permits) located in Tianzhongyang Section 2, Linyuan District, Kaohsiung City, with a total contract price of \$403,019 thousand. The purchase price was determined based on the related party's original acquisition cost. As of December 31, 2025, \$303,018 thousand remained unpaid and was recognized under accounts payable to related parties. In addition, a joint construction and allocation agreement was entered into with the landowner, a related party, Zhong Yu-Lin, for joint development and construction. In connection with the aforementioned transfer agreement, the Company was required to bear necessary transfer-related expenditures of \$5,589 thousand and to assume sales commissions incurred prior to the transfer amounting to \$35,033 thousand. As of December 31, 2025, an aggregate amount of \$39,028 thousand remained unpaid and was recognized under accounts payable to related parties.
- 14) On May 3, 2024, the Company's Board of Directors resolved to approve the execution of a joint construction and allocation agreement with a related party, Zhenjia-Hui Company, for the joint development and construction of land located in Niuchaopu Section, Fengshan District, Kaohsiung City. As of December 31, 2025, the relevant agreements had not yet been fully executed.

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the years ended December 31	
	2025	2024
Short-term employee benefits	\$ 23,718	13,840
Share-based payment	-	216
Post-employment benefits	416	280
	\$ 24,134	14,336

In addition, the Company leased a transportation equipment for key management personnel to use and is classified as a right-to-use asset. The depreciation amounts for the years ended December 31, 2025 and 2024 were \$8,592 thousand and \$4,434, respectively and were included under operating expenses-management expenses.

(8) Assets pledged as security:

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2025	December 31, 2024
Inventories	Short-term bank borrowings and bonds payable	\$ 3,269,470	2,544,322
Property, plant and equipment	Long-term bank borrowings	30,698	-
Investment Property	Long-term bank borrowings	65,567	-
Other current financial assets	Pre-sale property escrow account	235,183	335,993
Other current financial assets	Short-term bank borrowings	8,515	8,462
Other non-current financial assets	Bonds payable	195,263	194,030
		\$ 3,804,696	3,082,807

(9) Commitments and contingencies:

- (a) The Company's project contracts under which the obligations have not been performed and the prices of contracts entered into with customers were as follows:

	December 31, 2025	December 31, 2024
Total price of sales contracts signed (before tax)	\$ 11,085,748	10,970,665
Amount received according to contracts (before tax)	\$ 1,544,713	1,385,011

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

(b) Other unrecognized contractual commitments are as follows:

Item	December 31, 2025	December 31, 2024
Land development and design	\$ 24,785	24,785
Outsourcing engineering	\$ 4,903,471	3,742,560

(c) The Company's unrecognized contractual commitments are as follows:

Project Name	Landowner	Land Lot No.	Nature of Joint Construction	Expect Completion Year
Tzuli Project	Kaohsiung Transportation Co., Ltd.	Sankuaicuo Sec., Sanmin Dist., Kaohsiung City	Joint construction and separate sale	2029, Season 3
Rende Project	Chung, Chia-Tsun	Kanjiaobei Sec., Rende Dist., Tainan City	Joint construction and separate sale	2030, Season 4
Rende Project	Kingtown & Construction Co., Ltd.	Kanjiaobei Sec., Rende Dist., Tainan City	Joint development	2030, Season 4
Haiqian Project	Chung, Chia-Tsun	Haiqian Sec., Aninan Dist., Tainan City	Joint construction and separate sale	Finished
Hougang Project	North-star International Co., Ltd	Hougang Eest Sec., Renwa Dist, Kaohsing City	Joint construction and separate sale	2029, Season 3
Tian Zhong Yang (Phase III) Project	Tie, Chi-Lin	Tian Zhong Yang Section, Linyuan District, Kaohsiung City	Joint construction and separate sale	2028, Season 2

(d) In response to the joint development project, the Company and its subsidiary provide mutual guarantees under shared financing credit facilities. The details of the financing endorsements and guarantees are as follows:

Name of guarantor	Counter-party of guarantee and endorsement	December 31, 2025	December 31, 2024	Guarantor purpose
The Company	Kingtown & Construction Co., Ltd.	\$ 2,126,000	2,128,000	Loan Commitments Guarantor
The Company	JSL CONSTRUCTION & DEVELOPMENT CO., LTD.	863,000	-	Loan Commitments Guarantor
The Company	SEL TECH CO., LTD.	863,000	-	Loan Commitments Guarantor
		<u>\$ 3,852,000</u>	<u>2,128,000</u>	

(10) Losses Due to Major Disasters:None

(11) Subsequent Events:

In order to optimize the Company's assets and strengthen working capital, the Board of Directors resolved on March 10, 2026, to authorize the Chairman to sell all of the Company's equity interest in the equity-method investee, Jiayin Development & Construction Co., Ltd., at a price of no less than \$9.98 per share.

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

(12) Other:

- (a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By item	By function	2025			2024		
		Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits							
Salary		-	16,853	16,853	-	12,255	12,255
Labor and health insurance		-	1,295	1,295	-	896	896
Pension		-	643	643	-	509	509
Remuneration of directors		-	3,017	3,017	-	1,314	1,314
Others	3		1,019	1,022	-	991	991
Depreciation		537	10,130	10,667	-	5,484	5,484
Amortization		-	-	-	-	-	-

The additional information of number of employees and employee benefits were as follows:

	2025	2024
Number of employees	<u>20</u>	<u>18</u>
Number of non-employee directors	<u>6</u>	<u>6</u>
Average employee benefits	<u>\$ 1,415</u>	<u>1,221</u>
Average employee salaries	<u>\$ 1,204</u>	<u>1,021</u>
Adjusted average employee salaries	<u>17.92 %</u>	
Supervisor's remuneration	<u>\$ -</u>	<u>-</u>

Information on the Company's salary and remuneration policy (including directors, managers and employees) is as follows:

- (b) Director's salaries including:
- (i) In accordance with the articles of incorporation the Company should contribute less than 3% as directors' and supervisors' remuneration when there is profit for the year.
 - (ii) Allocated based on the degree of participation to the Company's operation and contribution of directors and supervisors.
- (c) The General Manager, Deputy General Manager, Managers and employees' salaries including wages, bonus and compensation:
- (i) Salaries for the general manager, deputy general manager, managers of the Company is based on the guidance, which was approved by the compensation committee and the board of directors, and contribution to the Company.
 - (ii) In accordance with the articles of incorporation the Company should contribute no less than 1% of the profit as employee compensation when there is profit for the year.
 - (iii) Bonus is paid on the basis of personal performance and contribution to the Company.

(Continued)

SANDI PROPERTIES CO., LTD.

Notes to the Financial Statements

(13) Other disclosures:

(a) Information on significant transactions

The following is the information on significant transactions required by the Regulations for the Company for the year ended December 31, 2025:

(i) Loans to other parties: None

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 2)										
0	The Company	Kingtown & Construction Co., Ltd.	5	25,126,072	3,000,000	3,000,000	2,126,000	-	95.52 %	31,407,590	N	N	N
0	The Company	SL CONSTRUCTION & DEVELOPMENT CO., LTD.	5	25,126,072	863,000	863,000	863,000	-	27.48 %	31,407,590	N	N	N
0	The Company	SEL TECH CO., LTD.	5	25,126,072	863,000	863,000	863,000	-	27.48 %	31,407,590	N	N	N

Note 1: The numbering is as follows:

- 1) "0" represents the parent company.
- 2) Subsidiaries are numbered starting from "1" .

Note 2: The relationship between the guarantee and the guarantor has seven categories between the endorser/guarantor:

- 1) Having business relationship.
- 2) The endorser / guarantor parent company directly and indirectly holds more than 50% of voting shares of the endorsed / guaranteed subsidiary.
- 3) The endorser / guarantor subsidiary which directly and indirectly be held more than 50% voting shares by the endorsed / guaranteed parent company.
- 4) The endorser / guarantor company and the endorsed / guaranteed party both be held more than 90% by the parent company.
- 5) Company that is mutually protected under contractual requirements based on the needs of the contractor.
- 6) Company that is endorsed by its shareholders in accordance with its shareholding ratio because of the joint investment relationship.
- 7) Performance guarantees in between the vendor in the same industry for pre-sale house contracts under the Consumer Protection Act.

Note 3: Up to 800% of the net value of the Company.

Note 4: Up to 1000% of the net value of the Company.

(iii) Securities held as of December 31, 2025 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Equity Shares of Nationwide Gas Station Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	760,000	43,396	0.25 %	43,396	-

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

- (iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	San Di Construction Co., Ltd.	The chairman of the counterparty is the same as that of the Company	Purchase	389,417	11.88%	-	-		342,046	41.82%	
The Company	San Jing Development Construction Co., Ltd.	The chairman of the counterparty is the same as that of the Company	Purchase	125,650	3.83%		-		53,427	6.52%	

- (v) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None

- (b) Information on investees:

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	Jiaxian Construction Development Co., Ltd.	Taiwan	Construction of commercial buildings, industrial buildings, and residential properties; leasing and selling of residential units; and real estate trading business.	325,000	325,000	32,500	50.00 %	324,815	(448)	(224)	
	Shanglin Real Estate Co., Ltd.	Taiwan	Residential leasing and sales, and real estate trading business.	66,000	-	6,600	20.00 %	66,348	1,739	348	

- (c) Information on investment in mainland China: None

(Continued)

SANDI PROPERTIES CO., LTD.
Notes to the Financial Statements

(14) Segment information:

Information provided to chief operating decision makers to allocate resources and measure department performance focuses on the type of products delivered or services rendered. The Company mainly engages in the construction of commercial and industrial buildings, rental and sale of housing, trading of real estate, and distribution of miscellaneous merchandise. The Company's chief unit for making operating decisions measures the results of its operations as a whole, so as to determine policies on resource utilization and evaluate the overall performance. Therefore, the Company has not segmented itself by industry, hence no need to disclose financial information of operating segments.

(a) Product and service information

Revenue from external customers of the Company were as follows:

<u>Product and service</u>	<u>2025</u>	<u>2024</u>
Land and building sale revenue	\$ 1,253,880	1,166,647
Rental income	5,244	-
	<u>\$ 1,259,124</u>	<u>1,166,647</u>

(b) Geographic information

In presenting information on the basis of geography, revenue is based on the geographical location of customers and non-current assets are based on the geographical location of the assets.

<u>Geographical information</u>	<u>2025</u>	<u>2024</u>
Revenue from external customers:		
Taiwan	\$ <u>1,259,124</u>	<u>1,166,647</u>
Non-current assets:		
	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
Taiwan	\$ <u>107,909</u>	<u>21,524</u>

Non-current assets including property, plant, equipment, right-of-use asset investment property, and other non-current assets.

(c) Major customers

The sales to individual customers that constituted 10% or more of the Company net sales were as follows:

<u>Customer name</u>	<u>2025</u>		<u>2024</u>	
	<u>Amount</u>	<u>% of net sales</u>	<u>Amount</u>	<u>% of net sales</u>
Nanjing Construction Co., Ltd.	\$ 508,744	40.40	-	-
Jiaxian Construction Development Co., Ltd	-	-	1,164,987	99.86
	<u>\$ 508,744</u>	<u>40.40</u>	<u>1,164,987</u>	<u>99.86</u>

SANDI PROPERTIES CO., LTD.**Statement of cash and cash equivalents****December 31, 2025****(Expressed in thousands of New Taiwan Dollars)**

Item	Description	Amount
Cash	Petty cash-TWD	\$ 95
Cash in banks	Demand deposit-TWD	315,512
	Check deposit-TWD	<u>11,351</u>
Total		<u><u>\$ 326,958</u></u>

Statement of notes receivable

Item	Description	Amount
Notes receivable – non-related parties:		
Nanjing Construction Co., Ltd.	Operating	\$ 50,000
Less: Loss allowance		<u>-</u>
Net		<u><u>\$ 50,000</u></u>

SANDI PROPERTIES CO., LTD.**Statement of trade receivables****December 31, 2025****(Expressed in thousands of New Taiwan Dollars)**

Item	Description	Amount
Non-Related Parties		
Nanjing Construction Co., Ltd.	Operating	\$ 206,114
Others (Note)	Operating	<u>3</u>
Subtotal		206,117
Less: Loss allowance		<u>-</u>
Net		<u><u>\$ 206,117</u></u>

Note: The amount of individual item in others does not exceed 5% of the account balance.

Statement of other receivables

Item	Description	Amount
Non-related parties		
	Sales commission receivables from joint operations	\$ 44,126
	Others	<u>3,448</u>
Total		<u><u>\$ 47,574</u></u>

SANDI PROPERTIES CO., LTD.

Statement of other receivable-related parties

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

For the relevant information, please refer to Note 7.

Statement of inventories

<u>Item</u>	<u>Amount</u>	<u>Mortgage or guarantee provided</u>
Land held for development:		
Shuangling Sec., and Shangling Sec., Zhongli Dist., and Zhongguan Sec., Guanyin Dist., Taoyuan City	\$ 141,179	Mortgage to financial institutions
Huasing Sec., and Dingan Sec., North Dist., Tainan City	70,843	None
Zhuanzikeng Section, Daliao District, Kaohsiung City	<u>1,215,721</u>	Mortgage to financial institutions
	<u>1,427,743</u>	
Construction in Progress:		
Mingyi Sec., Xiaogang Dist., Kaohsiung City	617,902	Mortgage to financial institutions
Sankuaiuo Sec., Sanmin Dist., Kaohsiung City	1,173,427	None
Fengshan Sec., Fengshan Dist., Kaohsiung City	160	None
Hougangdong Sec., Renwa Dist., Kaohsiung City	303,006	None
Wusheng Sec., West Central Dist., Tainan City	1,504,308	Mortgage to financial institutions
Kanjiaobei Sec., Rende Dist., Tainan City	155,847	None
Kaohsiung City, Linyuan District, Tianzhong Section (Section 2)	<u>447,473</u>	None
	<u>4,202,123</u>	
Properties and land held for sale:		
Guoan Section, Annan District, Tainan City	<u>672,740</u>	Mortgage to financial institutions
Haiqian Section, Annan District, Tainan City	<u>35,062</u>	Mortgage to financial institutions
	<u>707,802</u>	
Right-of-use Assets:		
Pingshi Sec 23, East Dist., Tainan City	<u>1,656,381</u>	Mortgage to financial institutions
Total	<u><u>\$ 7,994,049</u></u>	

SANDI PROPERTIES CO., LTD.**Statement of other current financial assets****December 31, 2025****(Expressed in thousands of New Taiwan Dollars)**

Please refer to note 6(g).

Statement of other current assets

Please refer to note 6(m).

SANDI PROPERTIES CO., LTD.

**Statement of financial assets measured at fair value through other
comprehensive income - non-current**

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

<u>Name of securities</u>	<u>Beginning Balance</u>		<u>Addition</u>		<u>Decrease</u>		<u>Adjustment of fair Value</u>	<u>Ending Balance</u>		<u>Collateral</u>	<u>Note</u>
	<u>Shares</u>	<u>Carrying Value</u>	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>		<u>Shares</u>	<u>Fair Value</u>		
National Gas Station Co., Ltd.	-	\$ -	760,000	49,414	-	-	(6,018)	760,000	43,396	none	-

SANDI PROPERTIES CO., LTD.

Statement of changes in investments accounted for using the equity method

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Name of investee	Beginning Balance		Addition		Decrease		Share of profit (loss) of subsidiaries/associates and joint ventures accounted for using equity method	Unrealized profit (loss) from sale	Ending Balance			Market Value or Net Assets Value		
	Shares	Amount	Shares	Amount	Shares	Amount			Shares	Percentage of ownership	Amount	Unit price	Total amount	Collateral
Jialuan Development & Construction Co., Ltd.	32,500,000	325,039	-	-	-	-	(224)	-	32,500,000	50 %	324,815	10.00	649,630	none
Shanglin Real Estate Co., Ltd.	-	\$ -	6,600,000	66,000	-	-	348	-	6,600,000	20 %	66,348	10.00	331,739	none
		<u>\$ 325,039</u>		<u>66,000</u>		<u>-</u>	<u>124</u>	<u>-</u>			<u>391,163</u>		<u>981,369</u>	

SANDI PROPERTIES CO., LTD.**Statement of changes in property, plant and equipment
and accumulated depreciation****For the year ended December 31, 2025****(Expressed in thousands of New Taiwan Dollars)**

Please refer to note 6(j).

**Statement of changes in right-of-use assets and
accumulated depreciation**

Please refer to note 6(k).

Statement of changes in investment property

Please refer to note 6(l).

Statement of deferred tax assets

Please refer to note 6(t).

SANDI PROPERTIES CO., LTD.**Statement of refundable deposits****December 31, 2025****(Expressed in thousands of New Taiwan Dollars)**

Item	Description	Amount
Security deposits paid	Rental of vehicle deposit	\$ 10,881
	Joint construction deposit	4,146,700
	Disaster management deposit	16,250
	Others	<u>1,479</u>
Total		<u><u>\$ 4,175,310</u></u>

Statement of other financial assets — non — current

Please refer to note 6(g).

SANDI PROPERTIES CO., LTD.

Statement of short-term borrowings

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

<u>Type</u>	<u>Description</u>	<u>Ending Balance</u>	<u>Range of interest rate</u>	<u>Bank Credit Line</u>	<u>Collateral</u>	<u>Note</u>
Secured bank loans	Financial institutions	\$ 3,379,440	2.70%~3.50%	(note)	Land held for development, construction in progress, right- of-use assets and restricted bank deposits	-
Unseared bank loans	Financial institutions	<u>91,000</u>	3.125%	(note)	None	-
		<u><u>\$ 3,470,440</u></u>				

Note: The credit lines of short-term borrowings amounted to \$9,067,680 thousand.

Statement of contract liabilities

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Advance real estate receipts	Mingyi (Land lot No. 35)	\$ 170,980
	Guoan	119,088
	Sankuaicuo	407,756
	Pingshi (Land lot No. 23)	512,552
	Wusheng	262,365
	Hougangdong	<u>71,972</u>
		<u><u>\$ 1,544,713</u></u>

SANDI PROPERTIES CO., LTD.**Statement of notes payable****December 31, 2025****(Expressed in thousands of New Taiwan Dollars)**

Item	Description	Amount
Non related-party:		
Rong Gong Industrial Co., Ltd.	Operating	\$ 12,728
Di-Mai Enterprise Engineering Co., Ltd.	Operating	11,031
Hongcheng Development Plumbing & Electrical Co., Ltd.	Operating	10,667
China Steel Structure Co., Ltd.	Operating	5,643
San Tai Steel Co., Ltd.	Operating	5,121
Ya Tung Ready Mixed Concrete Co., Ltd.	Operating	4,744
Shangfa Construction Co., Ltd.	Operating	4,155
Others (note)	Operating	<u>23,192</u>
		<u><u>\$ 77,281</u></u>

Note: The amount of individual item in others does not exceed 5% of the account balance.

SANDI PROPERTIES CO., LTD.**Statement of accounts payable****December 31, 2025****(Expressed in thousands of New Taiwan Dollars)**

Item	Description	Amount
Non-Related Parties		
Shangfa Construction Co., Ltd.	Operating	\$ 86,130
Hongcheng Development Plumbing & Electrical Co., Ltd.	Operating	30,656
San Tai Steel Co., Ltd.	Operating	29,823
Di-Mai Enterprise Engineering Co., Ltd.	Operating	26,255
Weiyang Construction Engineering Co., Ltd.	Operating	25,885
Others (note)	Operating	<u>146,405</u>
Total		\$ <u><u>345,154</u></u>
Related Parties		
Sanjia Development Construction Co., Ltd.	Operating	\$ 53,427
Sandi Construction Co., Ltd.	Operating	<u>342,046</u>
		\$ <u><u>395,473</u></u>

Note: The amount of individual item in others does not exceed 5% of the account balance.

SANDI PROPERTIES CO., LTD.**Statement of other payables****December 31, 2025****(Expressed in thousands of New Taiwan Dollars)**

Item	Description	Amount
Non-Related Parties:		
Salary	Salary payable of December, 2025	\$ 963
Bonus	Year-end bonus payable of 2025	2,490
Remuneration of employees	Remuneration of employees payable of 2025	1,839
Remuneration of directors	Remuneration of directors payable of 2025	1,839
Professional fees	Professional service fees payable of 2025	789
Interest	Interest payable	8,645
Joint arrangement	Management fee, salary and bonus, etc.	57,919
Others	Pension, labor and health insurance and agency fee, etc.	2,151
Total		<u>\$ 76,635</u>

Other Payables – Related Parties

Please refer to note 7.

SANDI PROPERTIES CO., LTD.**Statement of other current liabilities****December 31, 2025****(Expressed in thousands of New Taiwan Dollars)**

Item	Description	Amount
Receipts under custody	Withholding income tax and labor and health insurance	\$ 8,265
Advance payment	Sales of real estate and Allocable Rental Payments, etc.	467
Security Deposits Paid	Security Deposits for Rental Inventories and Investment Properties	4,713
Total		<u><u>\$ 13,445</u></u>

**Statement of financial assets measured at fair value
through profit or loss - current**

Description	Amount
Embedded derivative in convertible bonds	<u><u>\$ 9,021</u></u>

SANDI PROPERTIES CO., LTD.
Bonds Payable
December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

<u>Bond Name</u>	<u>Guarantor</u>	<u>Trustee</u>	<u>Issue Date</u>	<u>Coupon Rate</u>	<u>Amount</u>					<u>Measur ement Basis</u>	<u>Collateral Status</u>	<u>Note</u>
					<u>Total Issue Amount</u>	<u>Converted / Repurchased Amount</u>	<u>Ending Balance</u>	<u>Unamortized Discount</u>	<u>Carrying Amount</u>			
The first secured convertible bonds issued domestically	Taichung Commercial Bank Co., Ltd.	Land Bank of Taiwan Co., Ltd.	2024.12.19	0%	<u>\$ 970,000</u>	<u>-</u>	<u>970,000</u>	<u>(62,906)</u>	<u>907,094</u>	note	Land and Compensation Reserve Special Account	-

Note: Please refer to Note 6(p), Bonds Payable, for details.

SANDI PROPERTIES CO., LTD.

Statement of long-term borrowings

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Creditor	Description	Amount			Term of contract	Rate	Collateral or Pledge	Note
		Within 1 year	Exceed 1 year	Total				
Mega International Commercial Bank	Secured bank loans	\$ 1,998,000	-	1,998,000	Please refer to note 6(o)	2.68 %	Please refer to note 7	-
Syndicated Loan Provided by SinoPac Bank and Four Other Banks	Secured bank loans	2,000,000	-	2,000,000	Please refer to note 6(o)	2.720 %	Please refer to note 7	-
Land Bank of Taiwan	Secured bank loans	2,867	72,429	75,296	Please refer to note 6(o)	2.90 %	Property, plant and equipment and investment property	-
Total		<u>\$ 4,000,867</u>	<u>72,429</u>	<u>4,073,296</u>				

SANDI PROPERTIES CO., LTD.

Statement of lease liabilities

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Creditor	Amount			Term of contract	Rate
	Within 1 year	Exceed 1 year	Total		
National Property Administration, Central Area Branch, Ministry of Finance(Case No. Ping-Kuan 23)	\$ 1,106	150,631	151,737	From September 2021, total of 840 installment payments, with one installment per month.Repayment commenced in September 2021; each installment amount was \$230 thousand until December 2021. From January 2022 to December 2022, each installment amount was \$333 thousand.From January 2023 until the loan was fully repaid, each installment amount was \$350 thousand.	0.17% (monthly)
HeYun Leasing Co., Ltd.	1,524	-	1,524	From May 2023, total of 36 installment payments, with one installment per month, and each installment amount was \$383 thousand.	0.21 % (monthly)
Taiwan Fubon Financial Holdings Co., Ltd.	4,157	3,912	8,069	From December 2024, total of 36 installment payments, with one installment per month, and each installment amount was \$361 thousand.	0.23% (monthly)
	<u>\$ 6,787</u>	<u>154,543</u>	<u>161,330</u>		

Statement of deferred tax liabilities

Please refer to note 6(t).

SANDI PROPERTIES CO., LTD.**Statement of operating revenues****For the year ended December 31, 2025****(Expressed in thousands of New Taiwan Dollars)**

Item	Description	Land	Building	Amount
Revenue from Sales of Land and Buildings	Land related to national security projects, the Offshore Wind Power Project No. 7, river embankment land, and land designated for the transfer of development rights (TDR).	\$ <u>705,475</u>	<u>548,405</u>	1,253,880
Rental Revenue	Rental income from the Zhuanzijiao Project and investment properties.			<u>5,244</u>
Operating Revenue				\$ <u><u>1,259,124</u></u>

Statement of operating costs

Item	Description	Amount
Land and Property Costs	Land related to national security projects, the Offshore Wind Power Project No. 7, river embankment land, and land designated for transfer of development rights (TDR).	\$ 879,618
Leasing Costs	Costs associated with the leasing and management of construction land, as well as depreciation of investment properties.	<u>1,474</u>
Total		\$ <u><u>881,092</u></u>

SANDI PROPERTIES CO., LTD.

Statement of selling expenses

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Commission expense	Commission expense of sale real estate	\$ 31,537
Other expense(note)	Professional fees, tax and miscellaneous expense ,etc.	104
Total		<u><u>\$ 31,641</u></u>

Note: The amount of individual item in others does not exceed 5% of the account balance.

Statement of administrative expenses

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Salary	Salary and bonus, etc.	\$ 16,853
Professional fees	Professional service fees of accountants and appraiser	3,073
Depreciation	Depreciation of property, plant and equipment and right-of-use assets	10,130
Tax free	Land Value Tax and House Tax, etc.	3,193
Others(note)	Insurance expense and miscellaneous expense, etc.	12,397
Total		<u><u>\$ 45,646</u></u>

Note: The amount of individual item in others does not exceed 5% of the account balance.

Statement of interest income

Please refer to note 6(z).

SANDI PROPERTIES CO., LTD.**Statement of other gain or loss****For the year ended December 31, 2025****(Expressed in thousands of New Taiwan Dollars)**

Please refer to note 6(z).

Statement of finance costs

Please refer to note 6(z).