

Company Code: 1442

Advancetek Enterprise Co., Ltd. And Subsidiaries
Consolidated Financial Statement for the
Years Ended December 31, 2024 and 2023 and
Independent Auditor's Report

Advancetek Enterprise Co., Ltd.

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Dist., New Taipei City

Advancetek Enterprise Co., Ltd. And Subsidiaries

Table of Contents

Section	Page
One. Cover Page	
Two. Representation Letter	
Three. Content	
Four. Independent Auditor’S Report	I ~IV
Five. Consolidated Balance Sheets	1~2
Six. Consolidated Statements of Comprehensive Income	3
Seven. Consolidated Statement of Changes in Equity	4
Eight. Consolidated Statements of Cash Flows	5~6
Nine. Notes to Financial Statements	
I. General Information	7
II. Approval of Financial Statements	7
III. Application of New, Amended And Revised Standards And Interpretations	7
IV. Summary of Significant Accounting Policies	8~21
V. Critical Accounting Judgements and Key Sources Of Estimation Uncertainty	21
VI. Note to Significant Accounting Items	22~48
VII. Related Party Transaction	49~56
VIII. Pledged Asset	57
IX. Significant Contingent Liabilities and Unrecognized Contractual Commitment	57~58
X. Significant Disaster Losses	58
XI. Significant Events After Reporting Period	58
XII. Others	58~64
XIII. Supplementary Disclosures	
(i) Information About Significant Transactions	64~65,68~71
(ii) Information on Investees	65,72
(iii) Information on Investments in Mainland China	65
(iv) Information of Major Shareholders	65,73
XIV. Segment Information	65~66

Representation Letter

The entities that are required to be included in the combined financial statements of Advantec Enterprise Co., Ltd. as of and for the year ended December 31, 2024 under the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises” are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Advantec Enterprise Co., Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Advantec Enterprise Co., Ltd.

Chairman: Hung-Ying Wu

Date: March 13, 2025

Earnest & Co., CPAs.

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Blvd., Neihu Dist., Taipei

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INDEPENDENT AUDITOR'S REPORT

To Advantec Enterprise Co., Ltd.

Audit Opinion

We have audited the consolidated financial statements of Advantec Enterprise Co., Ltd. And its Subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulation Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (“IFRS”), International Accounting Standards (“IAS”), and Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) (collectively, “IFRSs”) as endorsed and issued into effect by the Financial Supervisory Commission (FSC).

Basis for Audit Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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 for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the Group for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and by forming of our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2024 are stated as follows:

1. Revenue Recognition (timing of recognition and classification of revenue)

Please refer to Note IV(XV) of the Notes for the consolidated financial statements for the accounting policies of the construction industry on operating revenue, the Group recognized the timing of real estate sales revenue in accordance to IFRS 15, of which the criteria that have been satisfied by the Group for recognition of revenue are with influence on net operating revenue and operating cost in consolidated financial statements, as recognition of sales revenue and its attribution are listed as one of the key audit matters.

We performed the following key audit procedures in respect of the above key audit matter:

- (1) Understood and tested the design and operating effectiveness of the Group's internal control of sales and collection cycle.
- (2) Understood and assessed reasonableness of method used by the management to recognize real estate sales revenue.
- (3) Performed substantive test of revenue, randomly audited reasonableness of reregistration certificate of transfer of property ownership right and the date on handover document, verified transferring of legal ownership of property and control right to the buyer.
- (4) Performed revenue cut-off test for sales and sales returns, sample audited ownership right transferring of property and its handover after the balance sheet date, and audited reasonableness of the timing of revenue recognition.

2. Inventory Valuation

As the inventory of the Group is measured at a lower cost and net realizable value, thus it is necessary to use judgements and estimates to determine the net realizable value of inventory at the end of the reporting period.

The Group evaluates inventory falling price loss or its gain from price recovery arise from public announced current value, economic environment and changes in the price of real estate transaction at the end of the reporting period. In contrast, estimates of the above are based on publicly announced current value, the most current market price of sales of the same construction project, assessment of land development benefits, and comparable information of the market, as these involve considerable uncertainty, inventory evaluation is listed as one of the key audit matters.

We performed the following key audit procedures in respect of the above key audit matter:

- (1) Understood and assessed the reasonableness of assumption and method used by the management to estimate inventory evaluation.
- (2) Examined reasonableness of calculation for net realizable value and information for related evaluation.

Other matter

Advancetek Enterprise Co., Ltd. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulation Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (“IFRS”), International Accounting Standards (“IAS”), and Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) (collectively, “IFRSs”) as endorsed and issued into effect by the Financial Supervisory Commission (FSC) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group, 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 Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance. Still, it is not a guarantee that an audit conducted in accordance with the Standards on Auditing will always detect a material misstatement when it exists. Misstatement 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 based on these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing, we exercise professional judgement and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Group’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 Group’s ability to

continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit.

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 matters communicated with those charged with governance, we determined an issue that was most significant in the audit of the consolidated financial statements for the year ended December 31, 2024, and is, therefore, the key audit matter. We describe this matter 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.

Earnest & Company CPAs.

CPA: Hsiang Wen-Ting

CPA: Lu Lien-Sheng

Document approved by the Competent Authority of securities:

Jin-Guan-Zheng-Liu-Zi No. 0950106502

Tai-Cai-Zheng-Liu-Zi No. 0910156783

March 13, 2025

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and 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 consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditor's audit report and the accompanying consolidated 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 auditor's audit report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Balance Sheets Originally Issued in Chinese)
Advancetek Enterprise Co., Ltd. And Subsidiaries
Consolidated Balance Sheets
December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

Code	Assets		December 31, 2024		December 31, 2023	
	Items	Note	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	IV、VI	\$ 574,535	3.96	\$ 678,367	3.88
1120	Current financial assets at fair value through other comprehensive income	IV、VI、XII	451	-	475	-
1150	Notes receivable, net	IV、VI	2,071	0.01	12,164	0.07
1170	Accounts receivable, net	IV、VI	47,591	0.33	131,928	0.75
1200	Other receivables		243	-	684	-
1210	Other receivables due from related parties	VII	13	-	-	-
1220	Current tax assets	IV、VI	2,543	0.02	5,257	0.03
130x	Inventories	IV、VI、VII、VIII	12,361,160	85.21	15,666,210	89.50
1410	Prepayments	VII	168,314	1.16	236,067	1.35
1476	Other current financial assets	VI、VIII	22,590	0.16	1,665	0.01
1479	Other current assets, others	VII	2,994	0.02	5,883	0.04
1480	Current assets recognised as incremental costs to obtain contract with customers	IV	41,773	0.29	96,477	0.55
11xx	Total current assets		<u>13,224,278</u>	<u>91.16</u>	<u>16,835,177</u>	<u>96.18</u>
	Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	IV、VI、XII	38,868	0.27	33,851	0.19
1600	Property, plant and equipment	IV、VI、VII、VIII	438,865	3.03	24,159	0.14
1760	Investment property, net	IV、VI、VIII	757,908	5.22	504,603	2.88
1780	Intangible assets	IV、VI	1,837	0.01	1,652	0.01
1920	Guarantee deposits paid		10,315	0.07	8,923	0.05
1930	Long-term notes and accounts receivable	IV、VI	15,080	0.10	491	-
1980	Other non-current financial assets	VI、VIII	19,939	0.14	19,819	0.12
1990	Other non-current assets, others	VI、VII	-	-	75,630	0.43
15xx	Total non-current assets		<u>1,282,812</u>	<u>8.84</u>	<u>669,128</u>	<u>3.82</u>
1xxx	Total assets		<u>\$ 14,507,090</u>	<u>100.00</u>	<u>\$ 17,504,305</u>	<u>100.00</u>

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(English Translation of Consolidated Balance Sheets Originally Issued in Chinese)

Advantecetek Enterprise Co., Ltd. And Subsidiaries

Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

(Continued from previous page)

Liabilities and Equity			December 31, 2024		December 31, 2023	
Code	Items	Note	Amount	%	Amount	%
Current liabilities						
2100	Short-term loans	VI	\$ 41,960	0.29	\$ 528,000	3.02
2110	Short-term notes and bills payable	VI	19,989	0.14	-	-
2130	Current contract liabilities	IV、VI、VII	443,278	3.06	634,476	3.62
2150	Notes payable		54,272	0.37	28,942	0.17
2170	Accounts payable		187,405	1.29	112,244	0.64
2180	Accounts payable to related parties	VII	340,357	2.35	1,047,654	5.98
2200	Other payables	VI	130,974	0.90	113,006	0.65
2220	Other payables to related parties	VII	233	-	-	-
2230	Current tax liabilities	IV、VI	218,437	1.51	152,502	0.87
2250	Current provisions	VI	1,818	0.01	1,764	0.01
2280	Current lease liabilities	IV、VI	3,756	0.03	2,958	0.02
2310	Advance receipts	IV	356	-	126	-
2320	Long-term liabilities, current portion	VI	1,661,700	11.45	4,846,314	27.69
2399	Other current liabilities, others	VII	48,892	0.34	55,810	0.32
21xx	Total current liabilities		<u>3,153,427</u>	<u>21.74</u>	<u>7,523,796</u>	<u>42.99</u>
Non-current liabilities						
2540	Long-term loans	VI	2,191,456	15.10	2,251,831	12.86
2552	Non-current warranty provision	IV、VI	46,272	0.31	56,019	0.32
2570	Deferred tax liabilities	IV、VI	898	0.01	50,198	0.29
2580	Non-current lease liabilities	IV、VI	569,453	3.93	428,977	2.45
2645	Guarantee deposits received		3,651	0.03	1,976	0.01
25xx	Total non-current liabilities		<u>2,811,730</u>	<u>19.38</u>	<u>2,789,001</u>	<u>15.93</u>
2xxx	Total liabilities		<u>5,965,157</u>	<u>41.12</u>	<u>10,312,797</u>	<u>58.92</u>
Share capital						
3110	Ordinary share	VI	3,662,113	25.24	3,662,113	20.92
3100	Total share capital		<u>3,662,113</u>	<u>25.24</u>	<u>3,662,113</u>	<u>20.92</u>
3200	Capital surplus	VI	<u>991,852</u>	<u>6.84</u>	<u>991,852</u>	<u>5.67</u>
Retained earnings						
3310	Legal reserve	VI	879,128	6.06	706,788	4.04
3320	Special reserve	VI	170	-	170	-
3350	Unappropriated retained earnings	VI	2,993,514	20.63	1,820,422	10.40
3300	Total retained earnings		<u>3,872,812</u>	<u>26.69</u>	<u>2,527,380</u>	<u>14.44</u>
3400	Other equity interest		<u>15,156</u>	<u>0.11</u>	<u>10,163</u>	<u>0.05</u>
31xx	Equity Attributable to shareholders of the parent		<u>8,541,933</u>	<u>58.88</u>	<u>7,191,508</u>	<u>41.08</u>
3xxx	Total equity		<u>8,541,933</u>	<u>58.88</u>	<u>7,191,508</u>	<u>41.08</u>
3x2x	Total liabilities and equity		<u>\$ 14,507,090</u>	<u>100.00</u>	<u>\$ 17,504,305</u>	<u>100.00</u>

(The Notes for Consolidated Financial Statements are part of the Consolidated Financial Statements and should be read together.)

Chairman : Hung-Ying Wu

General Manager : Sheng-Li Wu

Accountant Officer : Hui-Chin Huang

(English Translation of Consolidated Statements of Comprehensive Income Originally Issued in Chinese)

Advantetek Enterprise Co., Ltd. And Subsidiaries

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, Except for earnings per share)

Code	Items	Note	2024		2023	
			Amount	%	Amount	%
4000	Operating revenue	IV、VI、VII	\$ 8,801,948	100.00	\$ 5,235,455	100.00
5000	Operating costs	IV、VI	5,198,755	59.06	2,885,017	55.11
5900	Gross profit from operations		3,603,193	40.94	2,350,438	44.89
	Operating expenses					
6100	Selling expenses	IV	370,349	4.21	225,941	4.32
6200	Administrative expenses		217,058	2.47	147,255	2.81
6000	Total operating expenses	VII	587,407	6.68	373,196	7.13
6900	Net operating income		3,015,786	34.26	1,977,242	37.76
	Non-operating income and expenses					
7100	Interest income		5,936	0.07	4,022	0.08
7010	Other income	VI	7,024	0.08	7,274	0.14
7020	Other gains and losses	VI	283	-	12,363	0.24
7050	Finance costs	VI	(75,534)	(0.85)	(79,868)	(1.53)
7000	Total non-operating income and expenses		(62,291)	(0.70)	(56,209)	(1.07)
7900	Net profit before tax		2,953,495	33.56	1,921,033	36.69
7950	Tax expense	IV、VI	(326,323)	(3.71)	(197,632)	(3.77)
8200	Profit		2,627,172	29.85	1,723,401	32.92
	Other comprehensive income					
	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	IV、VI	4,993	0.05	7,479	0.14
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		-	-	-	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		4,993	0.05	7,479	0.14
8300	Total other comprehensive income		4,993	0.05	7,479	0.14
8500	Total comprehensive income		\$ 2,632,165	29.90	\$ 1,730,880	33.06
8600	Profit attributable to :					
8610	Owners of parent company		2,627,172	29.85	1,723,401	32.92
8620	Non-controlling interests		-	-	-	-
			\$ 2,627,172	29.85	\$ 1,723,401	32.92
8700	Total comprehensive income attributable to :					
8710	Owners of parent company		2,632,165	29.90	1,730,880	33.06
8720	Non-controlling interests		-	-	-	-
			\$ 2,632,165	29.90	\$ 1,730,880	33.06
	Earnings Per Share					
9750	Total basic earnings per share	IV、VI	\$ 7.17		\$ 4.71	

(The Notes for Consolidated Financial Statements are part of the Consolidated Financial Statements and should be read together.)

Chairman : Hung-Ying Wu

General Manager : Sheng-Li Wu

Accountant Officer : Hui-Chin Huang

(English Translation of Consolidated Statements of Changes in Equity Originally Issued in Chinese)

Advancetek Enterprise Co., Ltd. And Subsidiaries

Consolidated Statement of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

Summary	Share capital	Capital surplus			Retained earnings				Total other equity interest		
	Ordinary share	Capital arising from ordinary share	Treasury stock transaction	Total capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	Equity Attributable to shareholders of the parent	Total equity
Balance on January 1, 2024	\$ 3,662,113	\$ 964,821	\$ 27,031	\$ 991,852	\$ 706,788	\$ 170	\$ 1,820,422	\$ 2,527,380	\$ 10,163	\$ 7,191,508	\$ 7,191,508
Appropriation and distribution of retained earnings 2023 :											
Legal reserve appropriated	-	-	-	-	172,340	- (172,340)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	- (1,281,740)	(1,281,740)	(1,281,740)	-	(1,281,740)	(1,281,740)
	-	-	-	-	172,340	- (1,454,080)	(1,281,740)	(1,281,740)	-	(1,281,740)	(1,281,740)
Net profit in 2024	-	-	-	-	-	-	2,627,172	2,627,172	-	2,627,172	2,627,172
Other comprehensive income in 2024	-	-	-	-	-	-	-	-	4,993	4,993	4,993
Total comprehensive income	-	-	-	-	-	-	2,627,172	2,627,172	4,993	2,632,165	2,632,165
Balance as of December 31, 2024	\$ 3,662,113	\$ 964,821	\$ 27,031	\$ 991,852	\$ 879,128	\$ 170	\$ 2,993,514	\$ 3,872,812	\$ 15,156	\$ 8,541,933	\$ 8,541,933
Balance on January 1, 2023	\$ 3,662,113	\$ 964,821	\$ 27,031	\$ 991,852	\$ 642,342	\$ 170	\$ 747,405	\$ 1,389,917	\$ 2,684	6,046,566	\$ 6,046,566
Appropriation and distribution of retained earnings 2022 :											
Legal reserve appropriated	-	-	-	-	64,446	- (64,446)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	- (585,938)	(585,938)	(585,938)	-	(585,938)	(585,938)
	-	-	-	-	64,446	- (650,384)	(585,938)	(585,938)	-	(585,938)	(585,938)
Net profit in 2023	-	-	-	-	-	-	1,723,401	1,723,401	-	1,723,401	1,723,401
Other comprehensive income in 2023	-	-	-	-	-	-	-	-	7,479	7,479	7,479
Total comprehensive income	-	-	-	-	-	-	1,723,401	1,723,401	7,479	1,730,880	1,730,880
Balance as of December 31, 2023	\$ 3,662,113	\$ 964,821	\$ 27,031	\$ 991,852	\$ 706,788	\$ 170	\$ 1,820,422	\$ 2,527,380	\$ 10,163	\$ 7,191,508	\$ 7,191,508

(The Notes for Consolidated Financial Statements are part of the Consolidated Financial Statements and should be read together.)

Chairman : Hung-Ying Wu

General Manager : Sheng-Li Wu

Accountant Officer : Hui-Chin Huang

(English Translation of Consolidated Statements of Cash Flows Originally Issued in Chinese)

Advantec Enterprise Co., Ltd. And Subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

Items	2024	2023
Cash flows from (used in) operating activities :		
Profit before tax	\$ 2,953,495	\$ 1,921,033
Adjustments :		
Adjustments to reconcile profit (loss)		
Depreciation expense	12,762	4,961
Amortization expense	810	725
Expected credit losses	512	22
Interest expense	75,534	79,868
Interest income	(5,936)	(4,022)
Dividend income	(679)	(2,322)
Loss on disposal of property, plant and equipment	3	-
Gain on disposal of investment properties	(286)	(12,625)
Other adjustments -Inventory valuation losses	8,419	-
Changes in operating assets and liabilities		
Decrease(increase) in notes receivable	9,154 (	1,208)
Decrease in accounts receivable	70,201	830,441
Decrease(increase) in other receivables	424 (	573)
Increase in other receivables due from related parties	(13)	-
Decrease (increase) in inventories	3,268,018 (	1,175,408)
Decrease in prepayments	67,753	12,557
Decrease (increase) in other current assets, others	2,889 (	4,885)
(Increase) decrease in other current financial assets	(21,045)	211,878
Decrease in assets recognised as incremental costs to obtain contract with customers	54,704	74,219
(Decrease) increase in current contract liabilities	(191,198)	198,842
Increase in notes payable	25,330	11,176
Increase in accounts payable	75,161	81,409
(Decrease) increase in accounts payable to related parties	(707,297)	714,592
Increase in other payables	23,273	5,157
Increase (decrease) in other payables to related parties	233 (	45)
(Decrease) increase in provisions	(9,693)	32,614
Increase in advance receipts	230	38
(Decrease) increase in other current liabilities	(6,918)	41,974
Cash inflow generated from operations	5,705,840	3,020,418
Interest received	5,927	3,875
Dividends received	679	2,322
Interest paid	(170,234)	(260,832)
Income taxes paid	(306,974)	(101,491)
Net cash flows from operating activities	5,235,238	2,664,292

(Continued on the next page)

(English Translation of Consolidated Statements of Cash Flows Originally Issued in Chinese)
Advancetek Enterprise Co., Ltd. And Subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

(Continued from previous page)

Items	2024	2023
Cash flows from (used in) investing activities :		
Acquisition of subsidiaries net of cash acquired	- (	16,995)
Acquisition of financial assets at fair value through other comprehensive income	- (	2,001)
Acquisition of property, plant and equipment	(345,641) (	1,061)
Increase in other non-current assets, others	- (	75,630)
Increase in guarantee deposits paid	(1,475) (	7,301)
Decrease in guarantee deposits paid	83	9,808
Acquisition of intangible assets	(995) (	1,319)
Acquisition of investment property	(139) (	84)
Proceeds from disposal of investment property	4,616	25,507
Net cash flows used in investing activities	(343,551) (	69,076)
Cash flows from (used in) financing activities :		
Increase in short-term loans	42,960	898,000
Decrease in short-term loans	(529,000) (	792,090)
Increase in short-term notes and bills payable	80,000	200,600
Decrease in short-term notes and bills payable	(60,000) (	441,600)
Proceeds from long-term loans	1,802,820	2,148,292
Repayments of long-term loans	(5,048,722) (	3,502,412)
Increase in guarantee deposits received	1,710	509
Decrease in guarantee deposits received	(35) (	183)
Payments of lease liabilities	(3,512) (	2,431)
Cash dividends paid	(1,281,740) (	585,938)
Net cash flows used in financing activities	(4,995,519) (	2,077,253)
Net (decrease) increase in cash and cash equivalents	(103,832)	517,963
Cash and cash equivalents at beginning of period	678,367	160,404
Cash and cash equivalents at end of period	\$ 574,535	\$ 678,367

(The Notes for Consolidated Financial Statements are part of the Consolidated Financial Statements and should be read together.)

Chairman : Hung-Ying Wu

General Manager : Sheng-Li Wu

Accountant Officer : Hui-Chin Huang

Advancetek Enterprise Co., Ltd. And Subsidiaries
Notes To Consolidated Financial Statements For the Year 2024 and 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

I. General Information

Advancetek Co., Ltd (the Company) was incorporated in July, 1974 to engage primarily in commissioning builders to construct public housings and commercial buildings for lease and sell. The Company's registered office and principal operating address were originally located at 5F., No. 16, Lane 189, Sec. 1, Chengtai Rd., Wugu Dist., New Taipei City. On August 13, 2024, a resolution was passed by the Board of Directors to relocate the address to 8F., No. 218, Sec. 3, Zhonghua Rd., Xinzhuang Dist., New Taipei City. In November 1989, the Company's shares were listed on the Taiwan Stock Exchange (TWSE). The Company acquired GengSin Construction Co., Ltd. of 100% shareholdings on January 1, 2023. In addition, GengSin Construction Co., Ltd. renamed JiaYuan Construction Co., Ltd. on January 11, 2023.

II. Approval Of Consolidated Financial Statements

The consolidated financial statements were authorized for issue by the Company's board of directors on March 13, 2025.

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

1.Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the "IFRS") endorsed and issued into effect by the FSC.

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group's accounting policies.

2.The IFRSs endorsed by the FSC with an effective date starting 2025.

New, Revised, Amended Standards and Interpretation	Effective in the year after following dates as issued by the IASB
Amendments to IAS 21 – "Lack of Exchangeability"	January 1, 2025(Note1)

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of the above standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

Note1 : Applicable to annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendment, comparative periods shall not be restated. Instead, the effects shall be recognized in retained earnings or the foreign currency

translation reserve within equity of the foreign operation, as appropriate, as well as in the affected assets and liabilities as of the date of initial application.

3. The IFRSs issued by IASB but not yet endorsed and issued into effect by the FSC

New, Revised, Amended Standards and Interpretation	Effective in the year after following dates as issued by the IASB
Annual Improvements to IFRS Accounting Standards (Cycle 11)	January 1, 2026
Amendments to IFRS 9 and IFRS 7 – “Amendments Relating to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 10 and IAS 28 – “Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Except as noted below, the Group’s has assessed that the above standards and interpretations will have no significant impact on its financial position and financial performance.

IFRS 18 will replace IAS 1 and update the structure of the statement of profit or loss and other comprehensive income. It will also introduce new disclosure requirements for management performance measures and enhance the principles for aggregation and disaggregation applied in the primary financial statements and notes.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of the above standards and interpretations will have on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

IV. Summary of Significant Accounting Policies

The significant accounting policies presented in the consolidated financial statements are summarized below. The following accounting policies were applied consistently throughout the period presented in the financial statements unless stated otherwise.

(i) Statement of Compliance

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

(ii) Basis of Preparation

1. The accompanying consolidated financial statements have been prepared on a historical cost basis, except for important matters explained below.

- (1) Financial assets and liabilities at fair value through profit or loss (including derivatives).
 - (2) Financial assets at fair value through other comprehensive income.
2. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.
- (iii) Basis of Consolidation

1. The basis for the consolidated financial statements

The consolidated financial statements incorporate the financial statement of the Group and entities controlled by the Group (its subsidiaries). The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Total comprehensive income of subsidiaries is attributed to the shareholders of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intra-Group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to shareholders of the parent.

2. The subsidiaries in the consolidated financial statements

Investor	Subsidiary	Business nature	Percentage of ownership	
			2024.12.31	2023.12.31
Advantec Enterprise Co., Ltd.	JiaYuan Construction Co., Ltd.	Comprehensive construction industry	100%	100%

Note1 : Subsidiary that is consolidated into the consolidated financial statements is not significant subsidiary.

Note2 : Business Combinations

- (1)The Company acquired GengSin Construction Co., Ltd. of 100% shareholdings on January 1, 2023. In addition, GengSin Construction Co., Ltd. renamed JiaYuan Construction Co., Ltd. on January 11, 2023.
- (2)The Company obtaining control of the Subsidiary on January 1, 2023. Information on acquired assets and assumed liabilities from the Subsidiary are as follows:

	JiaYuan Construction Co., Ltd.
Assets	
Cash and cash equivalents	\$ 5
Investment property	17,030
Liabilities	
Unearned receipts	(33)
Deposits received	(2)
	<u>\$ 17,000</u>

- (3)Information on acquired goodwill is as follows:

	JiaYuan Construction Co., Ltd.
Transfer pricing	\$ 17,000
Less: Fair value of identifiable assets acquired	(17,000)
Acquired goodwill	<u>\$ —</u>

- (4) The impact of business combinations on operating results:

	JiaYuan Construction Co., Ltd.
Operating revenue for the year 2023	\$ 10,908
Net loss for the year 2023	<u>(\$ 11,658)</u>

(iv) Classification of Current and Non-current Assets and Liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current assets:

1. It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is expected to be realized within 12 months after the reporting period; or
4. The asset is cash or cash equivalent, unless the asset is restricted from being exchanged or used for settle a liability at least 12 months after the reporting period.

A liability is classified as current under the following criteria, and all other liabilities are classified as non-current liabilities:

1. It is expected to be settled in a normal operating cycle;
2. It is expected to be held for the purpose of trading;
3. It is expected to be settled within 12 months after the reporting period; or
4. The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the counterparty's option, result in its settlement by issuing equity instruments do not affect its classification.

The Group engages mainly in the building of real estate, which accounted for a year-long operating cycle. Thus assets and liabilities regarding building business are classified as current or non-current based on a normal operating cycle.

(v) Cash and Cash Equivalent

Cash and cash equivalent comprises cash, cash on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits that meet the above definition and are held for the operational purpose of meeting short-term cash commitments should be recognized as a cash equivalent.

(vi) Financial Instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments. The scope of IFRS 9 defined “Financial instrument” is applicable to financial assets and financial liabilities of which transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition.

*Recognition and measurement of financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. The Group categories financial assets into financial assets at amortized cost, financial assets at FVTOCI, and financial assets at FVTPL on the following basis:

- A. The business model for managing financial assets.
- B. Contractual cash flow characteristics of financial assets.

1. Financial assets measured at amortized cost

Financial assets meet the following two criteria, are measured at amortized cost, and shall listed in the balance sheet as items of bill receivable, accounts receivable, financial assets measured at amortized cost, and other receivables:

- A. The business model for managing financial assets: financial assets are held for the collection of contractual cash flow.
- B. Contractual cash flow characteristics of financial assets: the contractual cash flow is

solely for the payments of principal and interest on the principal amount outstanding.

This type of financial assets (not including those involve hedging relationship) are measured at amortized cost, which is the amount measured at initial recognition, deduct principal paid, plus or minus the accumulated amortization (determined by effective interest method) arising from the difference between the initial amount and the amount due, and with adjustment of the loss allowance. The gain or loss arising from derecognition, through amortization procedure or recognition of impairment gain or loss, are recognized as profit or loss.

For interest that is determined by effective interest method (multiplying effective interest rate with the total carrying amount of financial assets) or following calculations, is recognized in profit or loss:

- A. For purchased or originated credit-impaired financial assets, calculated by multiplying the credit-adjusted effective interest rate and the cost of amortized financial assets.
- B. For non-purchased but originated credit-impaired financial assets, it is calculated by multiplying effective interest rate and cost of amortized financial assets.

2. Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets that meet the following two criteria are measured at FVTOCI, and shall be listed as assets at FVTOCI on the balance sheet:

- A. The business model for managing financial assets: collecting contractual cash flows and selling financial assets.
- B. Contractual cash flow characteristics of financial assets: cash flows are solely payments of principal and interest on the principal amount outstanding.

Recognition of related profit or loss of this type of financial assets are as follows:

- A. Before derecognition or reclassification, except impairment gain or loss and foreign currency exchange profit or loss is recognized in profit or loss, the gains or losses of an asset are recognized in other comprehensive income.
- B. Derecognition of assets is achieved by adjustment for reclassification of the accumulated income or loss that were previously recognized in other comprehensive income and reclassified from equity to income.
- C. Interest calculated by using of effective (multiplying effective interest rate with the total carrying amount of financial assets) interest method or following calculations, are recognized as income:
 - (a) For purchased or originated credit-impaired financial assets, calculated by multiplying the credit-adjusted effective interest rate and the cost of amortized financial assets.
 - (b) For non-purchased but originated credit-impaired financial assets, it is calculated by multiplying effective interest rate and cost of amortized financial assets.

In addition, for equity instrument applicable at IFRS 9, and that equity instrument is not specifically for the transaction, nor it is applicable at IFRS 3 of recognized contingent consideration by the acquirer in a business combination, the equity instrument, at initial recognition, elect (irrevocable) to include the changes at fair value through other comprehensive income. The amount presented in other comprehensive income may not transfer to profit or loss (upon disposal of the equity instrument, it will be included in the cumulative amount of other equity instrument item and directly turned into retained earnings), and the financial assets measured at fair value through other comprehensive income is presented on the balance sheet. Invest in dividend is included in profit or loss unless the dividend shows the obvious partial recovery of investment cost.

3. Financial Assets at fair value through profit or loss (FVTPL)

Except for the abovementioned meet the criteria of measured at amortized cost or at fair value through other comprehensive income, financial assets are measured at fair value through profit or loss and presented on the balance sheet as financial assets at FVTPL.

The gains or losses arising from remeasuring the financial assets measured at fair value are recognized as profit or loss. The recognized profit or loss from the gains and losses includes any dividend or interest collected by the financial assets.

(vii) Impairment of Financial Assets

The Group recognizes and measures loss allowances for expected credit loss (ECL) on debt investments measured at FVTOCI and financial assets measured at amortized cost. The loss allowance for the debt instrument investment measured at FVTOCI is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The Group measures expected credit losses (ECL) in accordance with those listed below:

- A. Through evaluation of the range of possible outcomes for determining an unbiased and probability-weighted amount.
- B. Time value of money.
- C. Reasonable and supportable information (which involved no undue cost or effort if obtained) about past events, current conditions and reasonable and supportable forecasts of future economic conditions.

Methods for measuring loss allowance are as follows:

- A. Measured at an amount equal to 12-month ECLs: Including financial assets that show no significant increase in credit risk since initial recognition or that is determined as low credit risk at the balance sheet date. The financial assets, which have loss allowance measured at lifetime expected credit losses in the prior reporting period but no longer show a significant increase in credit risk since initial recognition at the current balance sheet date, is also included.
- B. Measured at an amount of lifetime expected credit losses: Including financial assets that have shown a significant increase in credit risk since initial recognition or that of

purchased or originated credit-impaired financial assets.

C. For account receivable and contract assets arising from the transaction within the scope of IFRS 15, the Group measured loss allowance at lifetime expected credit losses.

The Group compared the financial instrument at balance sheet date with changes in breach of contract risk at initial recognition for evaluating whether financial instruments have shown a significant increase in credit risk since initial recognition.

(viii) Property, Plant and Equipment

Property, plant and equipment that is held for producing a commodity or for management, use acquisition cost as basis for an account entry and presented in the balance sheet with the amount that has deducted accumulated depreciation and accumulated impairment.

Aside from land, depreciation of all the property, plant and equipment is computed using the straight-line method and is recognized so as to write off the cost of the assets less their residual values over their useful lives. If each property, plant, and equipment consist of a significant part, it shall be depreciated separately.

The estimated useful lives of property, plant and equipment are as follows:

1. Buildings: 50 years.
2. Computers and communication facilities: 3-5 years.
3. Delivery equipment: 5 years.
4. Office equipment: 3-5 years.
5. Machinery and equipment: 5 years.
6. Other equipment: 3-10 years.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

An item of property, plant and equipment should be removed from the statement of financial position on disposal or when no future economic benefits are expected from the continued use of the assets. Any gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

(ix) Investment Property

Either to earn rent income or have assets increase in value or both are purposes to hold this property, including those under construction for the same purposes. Investment property also comprised property that is held but not yet determines its use. Thus it is considered held for the acquisition of capital appreciation.

Investment property is originally measured at cost (including transaction cost) and subsequently measured at cost less accumulated depreciation and accumulated impairment.

Investment property under construction is recognized at the cost less accumulated impairment loss. Cost comprised of the professional service fee, and the amount of IAS 23 “Borrowing Costs” that are directly attributable to the qualifying asset form part of the cost of that asset should be capitalized. Recognition of depreciation is commenced when this asset is built and achieved its expected usage.

Recognition of depreciation of the building and affiliated facilities use a straight-line method as the basis. The cost of the asset is spread out equally over the expected life of the investment property.

An investment property should be removed from the statement of financial position on disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The amount of gain or loss on disposal is the difference between the net disposal proceeds and the carrying amount of the asset and should be recognized in profit and loss.

The estimated use life of each item of investment property is as follows:

1. House and building (comprised renovation): 3~50 years.

(x) Leases

For a contract that contains a lease component and non-lease component, the Group may elect to account for the lease and non-lease components as a single lease component.

If the contractual terms have the right to direct the use of the asset and obtain substantially all of the economic benefits through the period of use, then the contract is, or contains, a lease. Except for short-term leases and low-value leases, all leases shall recognize right-of-use assets and lease liabilities.

As the lessee, the Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of the lease, except for low-value asset leases and short-term leases which are recognized as expenses on a straight-line basis. The depreciation expense of right-of-use asset and the interest incurred from lease liability measured at the effective interest method shall present separately on the comprehensive income statement. Whereas in statements of cash flows, the principal amount of payment for lease liability and part of paid interest are presented separately as financing activities and operating activities.

Right-of-use assets are measured at cost (including the cost of right of use assets comprises the initial measurement of lease liabilities adjusted for lease payment, lease payment and initial direct costs made at or before the commencement date, and an estimate of costs needed to restore the underlying assets). Subsequent measurement is calculated as

cost less accumulated depreciation and accumulated impairment loss and adjusted for changes in lease liabilities resulting from lease term modifications or other related factors.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier end of the useful lives of the right-of-use assets or the end of the lease terms. If the lease transfers ownership of the underlying assets to the Company by the end of the lease terms or if the cost of right-of-use assets reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

Lease liabilities are measured at the present value of lease payments. Lease payments comprise fixed payments, variable lease payments which depend on an index or rate and the exercise price of a purchase option if the Company is reasonably certain to exercise that option. The lease payments are discounted using the lessee's increment borrowing rates.

The carrying amount of lease liabilities are either added or deducted due to the interests and lease payments of subsequent lease liabilities. The interests of lease liabilities during each lease term, of which the amount can turn each term's interest calculated at the remaining balance of lease liability a fixed interest.

The right-of-use assets and lease liabilities are presented in the Group's balance sheet. In contrast, depreciation expense and interest related to leases are presented separately on the comprehensive income statement. For short-term leases or low-value asset leases, the lease payment of related leases is recognized as an expense during the leasing term on the basis of the straight-line method. Impairment of right-of-use assets recognized are evaluated at balance sheet date, and incurred impairment losses are treated as well.

The right-to-use asset is recognized in inventory if it complies with the definition of inventory, whereas the measurement of it afterward will be treated according to IAS 2.

(xi) Intangible Assets

Other intangible assets with finite useful lives that the Group acquired are measured at cost less accumulated amortization and accumulated impairment loss.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred, where amortization is calculated on the basis of the cost of the asset or amount of other alternative costs, less its residual value.

The useful life of each item of externally generated intangible asset is as follows:

1. Trademark rights: 12 years.
2. Computer software: 2-5 years.

(xii) Impairment - Non financial Assets

The Group recognized impairment loss when there is an indication that the recoverable amount of an asset is less than its carrying amount. The recoverable amount of an asset is

the greater of its value in use and its fair value less costs to sell. When the impairment no longer exists, the impairment loss recognized in prior years shall be recovered.

(xiii) Provision

In accordance with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets,” the Group has complied with “Instructions should be / should not be Described in a Standard Contract of the Sale and Purchase of Presale House” announced by the Ministry of Interior and provide 15 years of partial warranty on building structure, and 1 year of partial warranty for fixed building material and facilities, the Company has based on past experience to recognize the best estimates of warranty that are probably most requested as the provisions of the warranty.

(xiv) Treasury Shares

Treasury shares shall be accounted for using the cost method and presented as a deduction from equity. The number of shares shall be noted.

(xv) Accounting practice of revenue, cost and expense

The accounting treatments of revenue, cost, and expense related to investment in building houses for sale are as follows:

1. Operating revenue

The Group commissioned builders to construct pre-sale real estate or for existing home sales, which complies with IFRS 15 regulation on goods sales to recognize revenue.

Sell goods is recognized revenue through following procedure:

- (a) Identify the contract with customer
- (b) Identify the performance obligations in the contract;
- (c) Determine transaction price;
- (d) Allocate the transaction price to each performance obligation; and
- (e) Recognize revenue when a performance obligation is satisfied.

The Group runs the business in land development and selling real estate. Related revenue is recognized when transferring the control of real estate to the customer. Based on terms and conditions of a signed residential sale contract, the real estate no longer provides usage to the Company other than that stated in the contract, but the Group will have the enforceable right not until the legal ownership right or use rights of the real estate is transferring to the customer. Thus, revenue is recognized when legal ownership right or use right is transferred to the customer and the real estate has been handover. But if only one of the above-mentioned procedures is done before the end of the reporting period, revenue could also be recognized after reporting period if another is done within 20 days before delivering to the board of directors for approval.

Revenue is measured at a price agreed in the contract. The payment of contract price is made by the customer when transferring legal ownership of the real estate. In a few cases, the Group and customer may come to an agreement to defer the time for payment, the time

span between transferring of real estate ownership right to customer and the payment made by customer may extent to a year long. Therefore, it is necessary to adjust the consideration promised in the contract to reflect the impact on the time value of money if the contract includes a significant financing arrangement.

2. Operating Cost

The cost arising from the investment of the Group in constructing houses is included in construction in progress. When the house is recognized as revenue, the cost shall be included in the operating cost of the year, whereas established houses but not yet sold are presented as property ready for sale. The operating cost is allocated using the income approach, floor space approach, or method of current assted land value, but if the method used by a construction site has been chosen, then the change cannot be made.

The land purchased for building houses to sale is included in the Land held for construction site, whereas the land with on going construction is included in land under construction. When the house and the land are recognized revenue, the related costs are transferred to the operating cost of the year. Any unsold portion is reclassified as buildings and land held for sale.

Since the superficies of leased land acquired by the Group is held for the construction project development, the royalties for superficies right is recognized as the cost of inventories.

The Group uses cost as the basis of accounting for land held for a construction site, land with ongoing construction, and real estate property ready for sale, which is evaluated at cost and net realized value at the end of the financial period.

3. Cost of contract with customer - incremental cost of obtaining a contract and operating expense

If the Group expected the recoverable incremental cost of obtaining a contract, the cost is recognized as assets. The incremental cost of obtaining a contract is incurred when obtaining a contract from the customer, whilst the cost will not be incurred if failed to obtain the contract. Whether the contract is obtained or not, the cost is incurred and recognized when obtaining a contract, unless the cost can certainly be collected from the customer no matter the contract is successfully obtained.

4. Capitalization of interest cost

Interest expenses arising from the advance payment before the transfer of legal ownership of the Group's purchased land are capitalized and included in land cost. Loan interests arising from the cost of land and house construction incurred during the time of establishing houses are capitalized and included in the house under construction to reflect the cost for building a house.

(xvi) Construction Contract

1. If the outcome of a construction contract can be estimated reliably, revenue and costs are

recognized respectively with reference to the completeness of the contract on the balance sheet date, and the completeness is measured as the proportion of accumulated contract costs incurred to the estimated total contract costs. However, exceptions are made if the completeness is not representative. If there are changes in the contract work, compensation and bonuses, they will only be included in the contract income to the extent that the amount can be measured reliably and is likely to be collected.

If the results of a construction contract cannot be reliably estimated, contract revenue is recognized only to the extent that the contract costs incurred are expected to be recovered, and the contract costs are recognized as expenses in the period in which they are incurred.

If it is probable that total contract costs will exceed total contract revenue, all expected losses are immediately recognized as expenses

If a contract includes several assets, and each asset has a separate proposal, is separately negotiated, and its costs and revenues can be identified, then the construction of each asset is treated as a single construction contract. If a group of simultaneous or successive contracts is agreed as a single package and is so closely related that each contract is effectively part of a single project with an overall profit margin, the Group of contracts is treated as a single construction contract.

2. The Group's total amount of accounts payable to customers for contract work, that is, the excess of the incurred costs plus recognized profits (minus recognized losses) in the construction contract over the project progress reimbursement amount, is expressed as assets. List the contract assets. If the amount of reimbursement for project progress in a contract under construction exceeds the total of costs incurred plus recognized profits (minus recognized losses), it is expressed as a liability and the contract liabilities is accounted for.

(xvii) Employee Benefits

1. Retirement benefit plans

Payment to defined contribution retirement benefit plans is recognized as an expense when employees have rendered services entitling them to the contributions.

2. Employee's compensation and directors' remuneration

Employee's compensation and directors' remuneration of the Group are recognized as expense, and included in appropriate accounting item under operating cost or operating expense according to the attribution, whilst the actual amount distributed is the basis on the resolution of the shareholder's meeting in the next year. Any difference between the resolved amount by the shareholders' meeting and that presented on financial statements is considered changes in estimates and recognized as profit or loss of the period resolved

by the shareholders' meeting.

(xviii) Taxation

Income tax represents the sum of the tax currently payable and deferred tax.

1. Income tax

Current tax liabilities are the basis of the tax of the year. As there are income and expense in other periods that are items of either taxable or deductible, or that of non taxable or non deductible, which resulted in taxable income is different from the net income reported in the statements of comprehensive income. The current income tax and related liabilities of the Group are calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

According to the Income Tax Act, an additional tax of unappropriated retained earnings is provided for as profit-seeking enterprise income tax. It is recorded as an expense in the year resolved by the shareholders.

2. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized when it is probable that taxable profit will be available against which those deductible temporary differences can be utilized. If the temporary differences incurred from the initial recognition of other assets and liabilities, which has no effects on taxable income and accounting profit, it's not recognized as deferred tax assets and liabilities.

The carrying amount of deferred tax assets is reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the assets to be recovered.

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

3. Current and deferred tax

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

(xix) Earnings per Share

Calculation of earnings per share is treated according to IAS 33 “Earnings per Share.” Earning per share is calculated as the net income after tax divided by the weighted average number of outstanding shares during the period. If there is an increase in number of shares due to a capital increase out of earnings or capital reserve, then the calculation of retrospective adjustment shall be used. When calculating diluted earnings per share, shall be taken into account the effect of dilutive potential ordinary shares convert into ordinary share. In contrast, potential ordinary shares with the anti-dilution effect are not included in the calculation.

V. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group’s accounting policies as described in Note IV, the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Information about future assumptions and other key sources of estimation uncertainties at the end of the financial reporting period that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities in the coming year is as follows:

1.Valuation of Inventory

Inventories are stated at the lower of cost or net realizable value. The Group uses judgement and estimates to determine the realizable value of inventory at the end of each balance sheet date. Due to the rapid industrial transformation, the Company estimates the net realizable value of inventory for fluctuating market and unmarketable items at the end of the balance sheet date and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is determined mainly based on assumptions about future demand within a specific time horizon. Thus there may be significant changes in the net realizable of inventories.

2. Lessees’ Incremental Borrowing Rates

In determining a lessee’s incremental borrowing rate used in discounting lease payments, the Company mainly takes into account the risk-free market rates, the estimated lessee’s credit

spreads and secured status in a similar economic environment.

VI. Note To Significant Accounting Items

(i)Cash and cash equivalents

Item	2024.12.31	2023.12.31
Petty cash	\$ 158	\$ 140
Demand deposit	574,377	678,227
Total	<u>\$ 574,535</u>	<u>\$ 678,367</u>

The restricted portions of the Group, due to purposes such as sales price trust funds, are recorded under "Other Financial Assets," as detailed in Notes VI(vi) and VIII.

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

Item	2024.12.31	2023.12.31
Current item:		
Listed company's stocks		
En Tie Commercial Bank Co., Ltd.	\$ 548	\$ 548
Less: Valuation Adjustment	(97)	(73)
Net amount	<u>\$ 451</u>	<u>\$ 475</u>
Item	2024.12.31	2023.12.31
Noncurrent item:		
Listed company's stocks		
Far EasTone Telecom Co.,Ltd.[Note1]	\$ 8,271	\$ 8,271
Unlisted company's stocks		
Taiwan Biotech Co., Ltd.	15,344	15,344
Tah Chung Steel Corporation	—	—
Subtotal	23,615	23,615
Add: Valuation Adjustment	15,253	10,236
Net amount	<u>\$ 38,868</u>	<u>\$ 33,851</u>

Note1: Before the merger and elimination on December 25, 2023,it was [Asia Pacific Telecom Co., Ltd].

- 1.As for December 31, 2024 and 2023, the Group's financial assets measured at fair value through other comprehensive income was not pledged.
- 2.On February 25, 2022, Far EasTone Telecom Co., Ltd. approved the signing of a merger contract with Asia Pacific Telecom Co., Ltd. by the board of directors, and merged with Asia Pacific Telecom Co., Ltd. by absorption. Far EasTone Telecom Co., Ltd. For the

surviving company, the merger base date is December 25, 2023, and the share exchange ratio is 9.34406%. The Company originally held 294,944 shares of Asia Pacific Telecom Co., Ltd. After the merger and share exchange, the Company held 27,559 shares of Far EasTone Telecom Co., Ltd.

3. The board of directors of Taiwan Biotch Co., Ltd. has resolved on May 4, 2023 to require a capital injection at NT\$18 per share, the capital increase base date was July 25, 2023. The Company then subscribed 111,142 shares and increased the stock held from 1,043,595 shares to 1,154,737 shares. In addition, on April 29, 2024, a resolution was approved by the shareholders' meeting and the board of directors to distribute a stock dividend of NT\$1 per share (100 shares for every 1,000 shares held). As a result, the Company received 115,473 shares, increasing its shareholding from 1,154,737 shares to 1,270,210 shares. The record date for the capital increase is May 15, 2024.

(iii) Net notes receivable and long-term notes receivable

Item	2024.12.31	2023.12.31
Notes receivable	\$ 3,341	\$ 12,495
Less: Loss allowance	—	—
Subtotal	3,341	12,495
Less: Long-term installment notes receivable	(1,270)	(331)
Net notes receivable	<u>\$ 2,071</u>	<u>\$ 12,164</u>

No notes receivable was pledged to others.

(iv) Net accounts receivable and long-term installment accounts receivable

Item	2024.12.31	2023.12.31
Accounts receivable	\$ 22,056	\$ 131,475
Less: Loss allowance	(513)	(25)
Subtotal	<u>21,543</u>	<u>131,450</u>
Installment accounts receivable	39,858	640
Less: Unrealized interest income	—	(2)
Less: Net long-term installment	(13,810)	(160)
Subtotal	<u>26,048</u>	<u>478</u>
Net accounts receivable	<u>\$ 47,591</u>	<u>\$ 131,928</u>

The Group's primary business is to commission builders to construct public housing for sale or lease. Thus, receivables are primarily incurred from the selling of the Group's buildings and land, of which payments were collected according to terms and conditions stated in the sale contract as agreed upon by both sides. Transfer of house will be made only when full payment is collected or that the bank has approved a loan. If a customer has insufficient funds and needs to apply for an installment plan, the Group will valuate credit and repayment capacity of the person, and implement installment payments in

accordance with Terms and Conditions agreement.

1. No accounts receivable was pledged to others.
2. Provision matrix approach is used to measure loss allowance of receivables, related information as follows:

(1) As of December 31, 2024

	Not past due (Note)	Days past due					Forward-looking information on an individual basis	Total
		Within a month	1-3 months	4-6 months	7-12 months	above 12 months		
Total book value	\$ 64,742	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 513	\$ 65,255
Loss rate	-%	-%	1%	3%	30%	100%	100%	
Lifetime expected credit loss	-	-	-	-	-	-	(513)	(513)
Total	\$ 64,742	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,742

(2) As of December 31, 2023

	Not past due (Note)	Days past due					Forward-looking information on an individual basis	Total
		Within a month	1-3 months	4-6 months	7-12 months	above 12 months		
Total book value	\$ 144,324	\$ 44	\$ 79	\$ 90	\$ 73	\$ -	\$ -	\$ 144,610
Loss rate	-%	-%	1%	3%	30%	100%	100%	
Lifetime expected credit loss	-	-	(1)	(5)	(22)	-	-	(25)
Total	\$ 144,324	\$ 44	\$ 78	\$ 88	\$ 51	\$ -	\$ -	\$ 144,585

Note: All notes receivable of the Company were not past due.

3. As of December 31, 2024, and 2023, information on changes in loss allowance of the Group's receivables are as follows:

Item	2024.12.31	2023.12.31
Opening balance	\$ 25	\$ 136
Increase in current period	488	27
Decrease in current period	—	(7)
Write off in current period	—	(131)
Balance at December 31	<u>\$ 513</u>	<u>\$ 25</u>

(v) Inventories

Item	2024.12.31	2023.12.31
Buildings and land held for sale	\$ 4,893,873	\$ 10,000,419
Land held for construction site	2,453,704	2,031,679
Construction in progress	3,930,493	3,330,743
Prepayment for land purchases	—	215,229
Royalty for Superficies Rights	858,583	—
Right-of-use assets	245,569	100,783
Cost	12,382,222	15,678,853
Less: Allowance for inventory	(21,062)	(12,643)
Total	<u>\$ 12,361,160</u>	<u>\$ 15,666,210</u>

1. Buildings and land held for sale

Construction Projects	2024.12.31	2023.12.31
Xinzhuang Hefeng	\$ —	\$ 11,235
Jiaoxi Park	—	47,766
Luodong Gongzheng	229,116	276,611
Xinzhuang Fuduxin	36,723	178,185
Taoyuan Kuaiji	35,892	39,539
Lot 8, Taichung Zhenxing section	33,836	88,978
Taichung Lianwu	43,490	185,918
Danhai	4,514,816	7,993,849
Case A of Taoyuan Sanmin	—	1,178,338
Sub-Total	4,893,873	10,000,419
Less : Allowance for inventory valuation losses	(14,892)	(6,473)
Total	<u>\$ 4,878,981</u>	<u>\$ 9,993,946</u>

- (1) As for December 31, 2024 and 2023, the Company's buildings and land held for sale were insured for the amounts of NT\$ 4,598,709 thousand and NT\$ 6,393,242 thousand, respectively.
- (2) The total interest capitalized incurred in converting construction in progress to buildings and land held for sale was found to be NT\$ 0 thousand and NT\$ 128,469 thousand for the end of December 31, 2024 and 2023, as described in Note VI(xxiii).
- (3) A total cost incurred in renting the Company's buildings and land held for sale was found to be NT\$ 263,697 thousand and NT\$45,815 thousand for the end of December 31, 2024 and 2023, which was accounted as an item under investment property. Please refer to Note VI(viii) for more details.
- (4) As for December 31, 2024 and 2023, the above mentioned buildings and land held for sale were pledged. Please refer to Note VIII for more details.
- (5) As for December 31, 2024 and 2023, the changes in allowance for inventory valuation losses of buildings and land held for sale is as follows:

Item	2024	2023
Opening balance	\$ 6,473	\$ 6,473
Recognized in current period	8,419	—
Balance at December 31	<u>\$ 14,892</u>	<u>\$ 6,743</u>

The amount of the loss of inventory price falling at Luodong Gongzheng project was found to be NT\$ 8,419 thousand for the end of December 31, 2024, which was accounted as cost of goods sold.

2. Land held for construction site

Name of Land	2024.12.31	2023.12.31
Land held for development	\$ 130,163	\$ 127,144
Land for capacity transfer	22,265	22,265
Hsinchu Zhongxing section	1,727,360	1,727,360
Long Chair Section of Houlong Town, Miaoli	154,910	154,910
Case B of Taoyuan Sanmin section	419,006	—
Subtotal	2,453,704	2,031,679
Less : Allowance for inventory valuation losses	(6,170)	(6,170)
Total	\$ 2,447,534	\$ 2,025,509

(1) As for December 31, 2024 and 2023, the above mentioned land held for the construction site was pledged. Please refer to Note VIII for more details.

(2) Due to changes in the development timeline of the case B of Taoyuan Sanmin section, the Company will proceed with development once the land utilization plan is clearly defined. Accordingly, the previously recorded construction in progress land of NT\$419,006 thousand for the case B of Taoyuan Sanmin section has been reclassified as land held for a construction site. The construction-in-progress costs already incurred have been reclassified as prepayments of NT\$36,763 thousand and miscellaneous expenses of NT\$150 thousand.

3. Construction in progress

Construction Projects	2024.12.31	2023.12.31
Case B of Taoyuan Sanmin section	\$ —	\$ 455,919
Kaosiung O4 project	317,117	89,911
Kaosiung FuCheng project	1,547,365	1,217,929
Taipei Zhongzheng District	1,074,706	947,052
Miaoli Weizhen Section	991,305	619,932
Total	\$ 3,930,493	\$ 3,330,743

(1) As of December 31, 2024 and 2023, interest capitalized is recognized as construction in progress, amounted NT\$ 88,454 thousand and NT\$ 60,187 thousand, respectively. Please refer to Note VI(xxiii). Capitalization rates range from 2.687%~2.941% and 2.52%~3.09%, respectively.

(2) Kaosiung FuCheng project is constructed buildings at Kaosiung Fengshan section superficies right. The duration of the superficies was 70 years, starting

from August 21, 2020 to August 20, 2090. The details are as follows:

Item	2024.12.31	2023.12.31
Royalties for superficies right	\$ 603,638	\$ 603,638
Right-of-use assets	153,208	153,208
Construction in progress	790,519	461,083
Total	<u>\$ 1,547,365</u>	<u>\$ 1,217,929</u>

As of December 31, 2023, the right-of-use assets in Kaosiung FuCheng project was remeasured lease liabilities and increased the amount of NT\$2,943 thousand in the right-of-use assets, because of land value adjustment and increasing land lease monthly.

- (3) Taipei Zhongzheng District project is constructed buildings at Taipei Zhongzheng District section superficies right. The duration of the superficies was 70 years, starting from December 23, 2020 to December 22, 2090. The details are as follows:

Item	2024.12.31	2023.12.31
Royalties for superficies right	\$ 715,881	\$ 715,881
Right-of-use assets	185,330	185,330
Construction in progress	173,495	45,841
Total	<u>\$ 1,074,706</u>	<u>\$ 947,052</u>

As of December 31, 2023, the right-of-use assets in Taipei Zhongzheng District project was remeasured lease liabilities and increased the amount of NT\$2,821 thousand in the right-of-use assets, because of land value adjustment and increasing land lease monthly.

- (4) The land rent for the superficies of the Kaohsiung Fucheng Project and the Taipei Zhongzheng Project is recognized as right-of-use assets and lease liabilities in accordance with IFRS 16. Please refer to Note VI(xv) for details.
- (5) Due to changes in the development timeline of the case B of Taoyuan Sanmin section, the Company will proceed with development once the land utilization plan is clearly defined. Accordingly, the previously recorded construction in progress land of NT\$419,006 thousand for the case B of Taoyuan Sanmin section has been reclassified as land held for a construction site. The construction-in-progress costs already incurred have been reclassified as prepayments of NT\$36,763 thousand and miscellaneous expenses of NT\$150 thousand.
- (6) As of December 31, 2024 and 2023, the above mentioned constructions in progress were pledged. Please refer to Note VIII for more details.
- (7) As of December 31, 2024 and 2023, the insured amounts under construction all

risks insurance were NT\$3,013,000 thousand and NT\$589,000 thousand, respectively.

4. Prepayment for land purchases

Item	2024.12.31	2023.12.31
Royalties for superfices right Taipei Nanhai District A	\$ —	\$ 215,229

- (1) In 2023, interest capitalized is recognized as prepayment for land purchases, amounted NT\$ 259 thousand. Please refer to Note VI(xxiii).
- (2) In November 13, 2023, the Company has signed up a Contract of Establishment of Superficies for National Non-public Use Land for land in Nanhai District A, Taipei, with the Northern Region Branch, National Property Administration, MOF. The amount of NT\$477,700 thousand in the royalties for superfices right. As of December 31, 2023, royalties paid amounted to NT\$214,970 thousand. Together with capitalized interest of NT\$259 thousand, the amount was recorded under inventories – Prepayment for land purchases. The registration of superfices rights was completed on January 12, 2024, and the amount was reclassified as inventories – royalty for superfices rights. Please refer to Note VI(v)5 for details.

5. Royalties for superfices rights

Item	2024.12.31	2023.12.31
Taipei Nanhai District A	\$ 479,904	\$ —
Taipei Nanhai District B	165,458	—
Taipei Fuhe	213,221	—
Total	\$ 858,583	\$ —

- (1) The Company entered into a “Contract for the Establishment of Superficies on National Non-Public Land” with the Northern Region Branch of the National Property Administration, Ministry of Finance, for the Taipei Nanhai District A . The registration of the superfices was completed on January 12, 2024. The superfices has a term of 70 years, commencing on November 13, 2023, and ending on November 12, 2093. During the term, the Company is entitled to construct buildings on the subject land in accordance with the purpose and usage specified in the contract. The superfices is intended for the construction and sale of residential and commercial properties. The paid royalty of NT\$477,700 thousand and other necessary costs of NT\$2,204 thousand were recognized as inventories – royalty for superfices rights.
- (2) The Company entered into a “Contract for the Establishment of Superficies on

National Non-Public Land” with the Northern Region Branch of the National Property Administration, Ministry of Finance, for the Taipei Nanhai District B. The registration of the superficies was completed on May 23, 2024. The superficies has a term of 70 years, commencing on March 25, 2024, and ending on March 24, 2094. During the term, the Company is entitled to construct buildings on the subject land in accordance with the purpose and usage specified in the contract. The superficies is intended for the construction and sale of residential and commercial properties. The paid royalty of NT\$164,500 thousand and other necessary costs of NT\$958 thousand were recognized as inventories – royalty for superficies rights.

- (3) The Company entered into a “Contract for the Establishment of Superficies on National Non-Public Land” with the Northern Region Branch of the National Property Administration, Ministry of Finance, for the Taipei Fuhe. The registration of the superficies was completed on May 23, 2024. The superficies has a term of 70 years, commencing on March 25, 2024, and ending on March 24, 2094. During the term, the Company is entitled to construct buildings on the subject land in accordance with the purpose and usage specified in the contract. The superficies is intended for the construction and sale of residential and commercial properties. The paid royalty of NT\$212,060 thousand and other necessary costs of NT\$1,161 thousand were recognized as inventories – royalty for superficies rights.
- (4) In 2024, interest expenses of NT\$1,843 thousand were capitalized and reclassified from prepayment for land purchases to inventories – royalty for superficies rights. Please refer to Note VI(xxiii) for details.
- (5) As of December 31, 2024, information regarding the pledged royalty for superficies rights is disclosed in Note VIII.

6.Right-of-use assets

Item	2024.12.31	2023.12.31
Taipei Nanhai District A	\$ 100,783	\$ 100,783
Taipei Nanhai District B	78,592	—
Taipei Fuhe	66,194	—
Total	\$ 245,569	\$ 100,783

- (1) The land rent for the superficies of the Taipei Nanhai District A, Taipei Nanhai District B, and Taipei Fuhe is recognized as right-of-use assets and lease liabilities in accordance with IFRS 16. The royalties paid are recorded under inventories – royalty for superficies rights.

Due to an adjustment in the declared land value, the monthly land rent for the Taipei Nanhai District A increased. As a result, the lease liability was remeasured and the right-of-use asset was increased by NT\$1,040 thousand as of December 31, 2023.

(2) As of December 31, 2024 and 2023, information regarding the pledged right-of-use assets is disclosed in Note VIII.

7. Relevant expenses of inventories recognized as sales cost:

Item	2024	2023
Cost of sales	\$ 5,184,136	\$ 2,881,031
Loss from price decline of inventory	8,419	—
Total	<u>\$ 5,192,555</u>	<u>\$ 2,881,031</u>

(vi) Other financial assets

Item	2024.12.31	2023.12.31
Other current financial assets:		
Trust account of performance guarantee	\$ —	\$ 1,665
Price Payment Trust Account	22,590	—
Total	<u>\$ 22,590</u>	<u>\$ 1,665</u>
Other non-current financial assets:		
Special bank account	<u>\$ 19,939</u>	<u>\$ 19,819</u>

(vii) Property, Plant and Equipment

1. Details of net property, plant and equipment are as follows:

Item	2024.12.31	2023.12.31
Land	\$ 224,904	\$ 17,371
Buildings and structures, net	174,540	5,166
Computer and telecommunication equipment, net	2,007	1,144
Transportation equipment, net	1,264	478
Office equipment, net	5,600	—
Other equipment, net	29,741	—
Construction in progress and Equipment Pending Inspection	809	—
Property, plant and equipment, net	<u>\$ 438,865</u>	<u>\$ 24,159</u>

2. Details of changes in property, plant and equipment are as follows:

							Construction in Progress and Equipment Pending Inspection	
<u>Cost</u>	Land	Buildings and structures	Computer and telecommunication equipment	Transportation equipment	Office equipment	Other equipment		Total
Balance at January 1, 2024	\$ 17,371	\$ 8,169	\$ 3,120	\$ 1,640	\$ 1,809	\$ -	\$ -	\$ 32,109
Addition from purchase	161,293	143,535	1,590	1,148	5,990	31,276	809	345,641
Other items transferred in	46,240	29,390	-	-	-	-	-	75,630
Disposal and write-off	-	-	(260)	-	-	-	-	(260)
Balance at December 31, 2024	224,904	181,094	4,450	2,788	7,799	31,276	809	453,120
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2024	-	3,003	1,976	1,162	1,809	-	-	7,950
Depreciation expense	-	3,551	724	362	390	1,535	-	6,562
Disposal and write-off	-	-	(257)	-	-	-	-	(257)
Balance at December 31, 2024	-	6,554	2,443	1,524	2,199	1,535	-	14,255
Property, plant and equipment, net	\$224,904	\$174,540	\$ 2,007	\$ 1,264	\$ 5,600	\$ 29,741	\$ 809	\$ 438,865

							Construction in Progress and Equipment Pending Inspection	
<u>Cost</u>	Land	Buildings and structures	Computer and telecommunication equipment	Transportation equipment	Office equipment	Other equipment		Total
Balance at January 1, 2023	\$ 17,371	\$ 8,169	\$ 2,059	\$ 1,674	\$ 1,809	\$ -	\$ -	\$ 31,082
Addition from purchase	-	-	1,061	-	-	-	-	1,061
Disposal and write-off	-	-	-	(34)	-	-	-	(34)
Balance at December 31, 2023	17,371	8,169	3,120	1,640	1,809	-	-	32,109
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2023	-	2,843	1,434	923	1,809	-	-	7,009
Depreciation expense	-	160	542	273	-	-	-	975
Disposal and write-off	-	-	-	(34)	-	-	-	(34)
Balance at December 31, 2023	-	3,003	1,976	1,162	1,809	-	-	7,950
Property, plant and equipment, net	\$ 17,371	\$ 5,166	\$ 1,144	\$ 478	\$ -	\$ -	\$ -	\$ 24,159

3. As for December 31, 2024 and 2023, property, plant and equipment were pledged.

Please refer to Note VIII for more details.

4. As for December 31, 2024 and 2023, property, plant and equipment were insured for the amounts of NT\$ 113,033 thousand and NT\$ 10,461 thousand, respectively.

5. As for the end of years 2024 and 2023, the above assets had no interest capitalized.

6. As for December 31, 2024, and 2023, the land on Bafenliao Subsection of Ruifang Town listed as property- land was accounted NT\$ 7,481 thousand, while the land could not be transferred as it was attributed as agricultural land. On account of assets preservation, the right to mortgage has been attributed to the Company.

7. Transferred from other items,the prepaid property payment (recorded under other

non-current assets – others) of NT\$75,630 thousand was reclassified to property, plant and equipment upon completion of the title transferred on January 3, 2024. Please refer to Note VII for details.

(viii) Investment property

1. Details of net investment property are as follows:

Item	2024.12.31	2023.12.31
Land	\$ 373,564	\$ 331,890
Buildings and structures, net	384,344	172,713
Investment property, net	<u>\$ 757,908</u>	<u>\$ 504,603</u>

2. Details of changes in investment property are as follows:

<u>Cost</u>	Land	Buildings and structures	Total
Balance at January 1, 2024	\$ 331,890	\$ 221,661	\$ 553,551
Addition-purchase	-	139	139
Deduction-disposal	(1,256)	(3,368)	(4,624)
Transfer pricing	42,930	220,767	263,697
Increase- parking space obtained through a swap	342	843	1,185
Deduction - parking spot given up through exchange	(342)	(1,058)	(1,400)
Balance at December 31, 2024	<u>373,564</u>	<u>438,984</u>	<u>812,548</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2024	-	48,948	48,948
Deduction-disposal	-	(336)	(336)
Depreciation expense	-	6,200	6,200
Deduction - parking spot given up through exchange	-	(172)	(172)
Balance at December 31, 2024	<u>-</u>	<u>54,640</u>	<u>54,640</u>
Investment property, net	<u>\$ 373,564</u>	<u>\$ 384,344</u>	<u>\$ 757,908</u>

<u>Cost</u>	Land	Buildings and structures	Total
Balance at January 1, 2023	\$ 307,131	\$ 197,342	\$ 504,473
Business Combinations	17,030	-	17,030
Addition-purchase	-	84	84
Deduction-disposal	(4,973)	(8,878)	(13,851)
Transfer pricing	12,702	33,113	45,815
Balance at December 31, 2023	<u>331,890</u>	<u>221,661</u>	<u>553,551</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2023	-	45,931	45,931
Deduction-disposal	-	(969)	(969)
Depreciation expense	-	3,986	3,986
Balance at December 31, 2023	<u>-</u>	<u>48,948</u>	<u>48,948</u>
Investment property, net	<u>\$ 331,890</u>	<u>\$ 172,713</u>	<u>\$ 504,603</u>

3. As for December 31, 2024 and 2023, investment properties were insured for the amounts of NT\$ 130,234 thousand and NT\$ 95,568 thousand, respectively.

4. The cost arising from lease out the buildings and land held for the sale of the Company was a total NT\$ 263,697 thousand and NT\$ 45,815 thousand, as for December 31, 2024 and 2023. It was recorded under investment property from buildings and land held for sale. Please refer to Note VI(v) for more details.

5. Rental income and direct operating expenses of investment property:

	2024	2023
Rental income of investment property	<u>\$ 11,838</u>	<u>\$ 11,410</u>
Direct operating expenses arising from investment property that generated rental income	<u>\$ 8,290</u>	<u>\$ 5,978</u>

6. The fair value of investment property held by the Group was NT\$ 1,075,837 thousand and NT\$ 730,596 thousand, as of December 31, 2024 and 2023, respectively. The assessment of fair value was based on evaluations by independent external auditors, the economic environment, and changes in transaction prices in the market. The evaluation was performed through the sales comparison approach and income approach, and values generated by the two methods were averaged as a result. Significant unobservable inputs are individual factor and income capitalization rate, which is level 3 fair value. Please refer to Note XII(ii) for more details.

7. As for December 31, 2024 and 2023, the above investment properties were pledged. Please refer to Note VIII for more details.

(ix) Intangible Assets

1. Details of net intangible assets are as follows:

Item	2024.12.31	2023.12.31
Computer software, net	<u>\$ 1,837</u>	<u>\$ 1,652</u>

2. Details of changes in intangible assets are as follows:

<u>Cost</u>	<u>Computer software</u>	<u>Cost</u>	<u>Computer software</u>
Balance at January 1, 2024	\$ 4,803	Balance at January 1, 2023	\$ 4,701
Addition from purchase	995	Addition from purchase	1,319
Deduction- write-off	—	Deduction- write-off	(1,217)
Balance at December 31, 2024	<u>5,798</u>	Balance at December 31, 2023	<u>4,803</u>
<u>Accumulated amortization and impairment</u>		<u>Accumulated amortization and impairment</u>	
Balance at January 1, 2024	3,151	Balance at January 1, 2023	3,643
Amortization	810	Amortization	725
Deduction- write-off	—	Deduction- write-off	(1,217)
Balance at December 31, 2024	<u>3,961</u>	Balance at December 31, 2023	<u>3,151</u>
Net amount as of December 31, 2024	<u>\$ 1,837</u>	Net amount as of December 31, 2023	<u>\$ 1,652</u>

(x) Short-term loans

Type of borrowings	2024.12.31	2023.12.31	Collateral
Bank borrowings			
Secured borrowings	\$ 41,960	\$ 60,000	Buildings and land held for sale
Credit borrowings	—	468,000	None
Total	\$ 41,960	\$ 528,000	

1. The interest rate collars of Short-term loans by the Group are 2.35%~2.858% and 2.125%~2.75% as of December 31, 2024 and 2023, respectively.
2. The amount in short-term loans granted by the bank that have not yet been used are NT\$ 270,000 thousand and NT\$ 320,000 thousand respectively, as of December 31, 2024 and 2023.
3. The Company's assets were pledged to the above borrowings as collateral. Please refer to Note VIII for more details.

(xi) Short-term notes and bills payable

Item	2024.12.31	2023.12.31	Collateral
Secured borrowings	\$ —	\$ —	Buildings and land held for sale 、 investment property
Credit borrowings	20,000	—	None
Subtotal	20,000	—	
Less: Discount	(11)	—	
Short-term notes and bills payable, net	\$ 19,989	\$ —	

1. As of December 31, 2024 and 2023, the interest rate collars of short-term notes and bills payable are 2.828%~2.938% and 2.558%~2.658%, respectively.
2. As of December 31, 2024 and 2023, the amounts of short-term notes and bills payable that have not yet been used are NT\$ 404,600 thousand and NT\$ 391,600 thousand, respectively.
3. The Company's assets were pledged to the above borrowings as collateral. Please refer to Note VIII for more details.

(xii) Current contract liabilities

Item	2024.12.31	2023.12.31
Advance land receipts		
Taichung Lianwu	\$ 1,370	\$ 50
Taoyuan Sanmin A	—	76
Taoyuan Kuaiji	360	—
Luodong Gongzheng	10,350	—
Danhai	83,344	46,350
Subtotal	95,424	46,476

Advance building receipts		
Linkou A7	—	276
Taoyuan Sanmin A	—	123,133
Xinzhuang Fuduxin	—	5,448
Danhai	321,133	429,536
Taichung Lianwu	14,886	25,914
Taoyuan Kuaiji	19	—
Luodong Gongzheng	11,752	—
Subtotal	<u>347,790</u>	<u>584,307</u>
Other contract liabilities		
Taoyuan Sanmin A	—	1,307
Danhai	64	2,372
Taichung Lianwu	—	14
Subtotal	<u>64</u>	<u>3,693</u>
Total	<u>\$ 443,278</u>	<u>\$ 634,476</u>
	<u>Item</u>	<u>2024.12.31</u>
Contract liabilities-building and land sales	<u>\$ 443,278</u>	<u>\$ 634,476</u>

The opening balance of contract liabilities is NT\$ 634,476 thousand and NT\$ 427,503 thousand, as of January 1, 2024 and 2023, respectively. As of December 31, 2024 and 2023, all contract obligations were satisfied and recognized as revenue that amounted to NT\$ 627,555 thousand and NT\$ 320,238 thousand, respectively.

(xiii) Other payables

Item	2024.12.31	2023.12.31
Construction retainage received	\$ 1,125	\$ 2,175
Payable promotional expenses	46,625	33,842
Compensation payable to employees and directors	44,955	33,222
Others	38,269	43,767
Total	<u>\$ 130,974</u>	<u>\$ 113,006</u>

(xiv) Long-term liabilities, current portion

Item	2024.12.31	2023.12.31
Long-term loans, current portion	<u>\$ 1,661,700</u>	<u>\$ 4,846,314</u>

(xv) Lease liabilities

Item	Summary	Lease term	Discount Rate	2024.12.31	2023.12.31
Land for superficies right	Kaohsiung Fucheng Project	2020.08.21 ~2090.08.20	1.980%	\$ 148,681	\$ 149,774
Land for superficies right	Taipei Zhongzheng District	2020.12.23 ~2090.12.22	1.890%	180,083	181,444
Land for superficies right	Taipei Nanhai District A	2023.11.13 ~2093.11.12	2.650%	100,213	100,717
Land for superficies right	Taipei Nanhai District B	2024.03.25 ~2094.03.24	2.650%	78,291	—
Land for superficies right	Taipei Fuhe	2024.03.25 ~2094.03.24	2.650%	65,941	—
Total				<u>\$ 573,209</u>	<u>\$ 431,935</u>

1.Details of the Group's lease liabilities are as follows:

As of December 31, 2024:

Item	Future minimum lease payments	Interest	Present value of minimum lease payments
Within 1 year	\$ 16,544	\$ 12,788	\$ 3,756
1 to 3 years	33,089	25,327	7,762
3 years or more	1,064,500	502,809	561,691
Total	<u>\$ 1,114,133</u>	<u>\$ 540,924</u>	<u>\$ 573,209</u>
Current	\$ 16,544	\$ 12,788	\$ 3,756
Non-current	1,097,589	528,136	569,453
Total	<u>\$ 1,114,133</u>	<u>\$ 540,924</u>	<u>\$ 573,209</u>

As of December 31, 2023:

Item	Future minimum lease payments	Interest	Present value of minimum lease payments
Within 1 year	\$ 11,994	\$ 9,036	\$ 2,958
1 to 3 years	23,989	17,887	6,102
3 years or more	775,131	352,256	422,875
Total	<u>\$ 811,114</u>	<u>\$ 379,179</u>	<u>\$ 431,935</u>
Current	\$ 11,994	\$ 9,036	\$ 2,958
Non-current	799,120	370,143	428,977
Total	<u>\$ 811,114</u>	<u>\$ 379,179</u>	<u>\$ 431,935</u>

As of December 31, 2023, the right-of-use assets in Kaohsiung FuCheng District project and Taipei Zhongzheng District project and Taipei Nanhai District A project was remeasured lease liabilities and increased the amount of NT\$2,943 thousand and NT\$2,821 thousand and NT\$1,040 thousand, respectively, because of land value adjustment and increasing land lease monthly.As of December 31, 2024, there were no land value adjustment.

2.The amount of lease liabilities recognized in profit or loss and cash flows statements is as follows:

Item	Year ended December 31, 2024	Year ended December 31, 2023
Interest expense on lease liabilities	<u>\$ 11,981</u>	<u>\$ 6,660</u>
Expense on short-term lease contracts	<u>\$ 4,043</u>	<u>\$ 1,282</u>
Total cash outflow for leases	<u>\$ 15,493</u>	<u>\$ 9,091</u>

(xvi) Long-term loans

Bank Name	Type of borrowings	2024.12.31	Contract period	Collateral
Wu Ku Branch, Bank of Taiwan	Secured borrowings	207,000	2019.11.08~2025.11.08	Land held for construction site(Note7)
Mega International Commercial Bank	Secured borrowings	929,000	2012.09.25~2025.09.25	Land held for construction site
Mega International Commercial Bank	Secured borrowings	239,000	2024.01.05~2044.01.05	Property, plant and equipment
Mega International Commercial Bank	Secured borrowings	69,000	2024.01.05~2039.01.05	Property, plant and equipment
Fengshan Branch, Bank of Taiwan	Secured borrowings	411,700	2020.08.17~2025.08.17	Land used in construction
Mega International Commercial Bank	Secured borrowings	499,716	2021.02.01~2027.04.01	Land used in construction (Note5)
Mega International Commercial Bank	Unsecured loan	626,000	2024.09.09~2026.09.09	None
Chengdong Branch, Land Bank of Taiwan	Secured borrowings	327,500	2021.05.25~2029.05.25	Land used in construction (Note6)
Chengdong Branch, Land Bank of Taiwan	Secured borrowings	74,420	2021.08.06~2026.08.06	Land held for construction site
Agricultural Bank of Taiwan	Secured borrowings	262,730	2024.01.19~2029.01.18	Inventory-Land for superficies right 、Inventory-Right-of-use assets
Agricultural Bank of Taiwan	Secured borrowings	207,090	2024.05.29~2029.05.29	Inventory-Land for superficies right 、Inventory-Right-of-use assets
Total		3,853,156		
Less: Long-term loans, current portion		(1,661,700)		
Payable after one year or one operating cycle		<u>\$ 2,191,456</u>		

Bank Name	Type of borrowings	2023.12.31	Contract period	Collateral
Taishan Branch, Land Bank of Taiwan	Secured borrowings	\$ 1,269	2005.06.27~2025.06.27	Property, plant and equipment
Wu Ku Branch, Bank of Taiwan	Syndicated loans	4,053,060	2019.05.15~2024.05.15	Buildings and land held for sale(Note8) 、Investment property
Wu Ku Branch, Bank of Taiwan	Secured borrowings	281,000	2019.09.05~2024.09.05	Land held for sale
Wu Ku Branch, Bank of Taiwan	Secured borrowings	217,913	2020.10.29~2024.09.05	Land held for sale
Wu Ku Branch, Bank of Taiwan	Secured borrowings	248,500	2019.11.08~2024.11.08	Land used in construction (Note7)
Mega International Commercial Bank	Secured borrowings	929,000	2012.09.25~2025.09.25	Land held for construction site
Wugu District Farmer's Association	Secured borrowings	45,000	2021.10.22~2024.10.22	Investment property
Fengshan Branch, Bank of Taiwan	Secured borrowings	411,700	2020.08.17~2025.08.17	Land used in construction
Mega International Commercial Bank	Secured borrowings	499,716	2021.02.01~2027.04.01	Land used in construction (Note5)
Chengdong Branch, Land Bank of Taiwan	Secured borrowings	327,500	2021.05.25~2026.05.25	Land used in construction (Note6)
Chengdong Branch, Land Bank of Taiwan	Secured borrowings	84,400	2021.08.06~2026.08.06	Land held for construction site
Total		7,099,058		
Less: Long-term loans, current portion		(4,846,314)		
Unamortized syndicated loan arrangement fee		(913)		

Payable after one year or one operating cycle \$ 2,251,831

1. The interest rates of long-term loans by the Group range from 2.00% ~ 3.242% and 2.22% ~ 3.11% as of December 31, 2024 and 2023, respectively.
2. The amount in long-term loans granted by the bank that have not yet been used are NT\$ 3,090,094 thousand and NT\$ 1,669,884 thousand, as of December 31, 2024 and 2023, respectively.
3. The Group's assets were pledged to the above borrowings as collateral, please refer to Note VIII.
4. Repayment terms for bank secured borrowings:
 - (1) Taishan Branch, Land Bank of Taiwan (contract period: 2005/6/27 to 2025/6/27): The interest is based on the annuity method, payable monthly, starting from the funding date. The loan has been repaid in advance on November 26, 2024.
 - (2) Wu Ku Branch, Bank of Taiwan (Contract period: 2019/11/08 to 2025/11/08): Interest is paid monthly. By May 12, 2025, a minimum of NT\$20,750 thousand in principal must be repaid. The remaining principal is to be settled upon maturity. Case B of Taoyuan Sanmin must commence by November 8, 2025.
 - (3) Mega International Commercial Bank (Contract period: 2024/01/05 to 2044/01/05): There is a 3-year grace period. The first installment begins one month after the loan disbursement date, with each subsequent month counted as one installment period. From periods 1 to 36, interest is paid monthly. From periods 37 to 240, both principal and interest are paid monthly.
 - (4) Mega International Commercial Bank (Contract period: 2024/01/05 to 2039/01/05): There is a 3-year grace period. The first installment begins one month after the loan disbursement date, with each subsequent month counted as one installment period. From periods 1 to 36, interest is paid monthly. From periods 37 to 180, both principal and interest are paid monthly.
 - (5) Mega International Commercial Bank (Contract period: 2024/09/09 to 2026/09/09): The first installment starts seven months after the loan disbursement date. There are 18 monthly installments in total, with NT\$57,000 thousand repaid each period. The remaining principal is repaid in the 18th installment.

Other bank loans not listed above: Interest is paid monthly, with principal repaid in full upon maturity.
5. The Group's Taipei Zhongzheng District easement rights financing (Mega International Commercial Bank) approved changes in credit conditions in July 2023, and the credit period was changed to 6 years and 2 months from the date of use.
6. The Group's secured loan from Chengdong Branch, Land Bank of Taiwan had its loan term extended by three years, approved in May 2024.
7. The Group's secured loan from Wu Ku Branch, Bank of Taiwan was granted a one-year extension for both the loan maturity and the construction commencement deadlines in November 2024.

8. The Bank of Taiwan Syndicated Loan

(1) Syndicated loan amount NT\$ 6,850,000 thousand

On April 26, 2019, the Company has entered a syndicated credit agreement with a Group of lenders that amounted to NT\$ 6,850,000 thousand. The two financial institutes that provided funds were the Bank of Taiwan (as the lead lender and performed administrative tasks) and the Land Bank of Taiwan; the purpose of this facility was to make payment for borrowings from other financial institutes and to support expenditures for the construction of the Danhai project.

(2) Terms and conditions

Line of credit	As of December 31, 2024, the drawn loan facilities	Payment Terms	Annual percentage rate	Credit method
\$ 6,850,000	\$ 6,850,000	6 years from the date of initially drawn loan facilities (Note)	Floating interest rate plus 1.004% points~1.08%	Drawdown loan on a revolving basis is not permitted

Note: The original credit term was five years from the first drawdown date. In May 2024, the credit terms were revised to extend the term by one year, changing it to six years from the first drawdown date, with the new maturity date set for May 15, 2025. However, the Company had already made early repayment on October 15, 2024.

According to the terms of the syndicated loan agreement, the Company shall not dispose of any material assets and rights, buy back shares or, and reduce capital or, allocate or distribute dividends when there is a violation, or an expected violation of the agreement, in the duration of the loan, unless as permitted by most of the lenders in a written document.

(3) Arrangement fee for syndicated loans

The arrangement fee for syndicated loans applied by the Company amounts NT\$ 13,700 thousand, which is to be deducted from the initial measurement of related financial liabilities, which is evenly amortized during the life of the loan.

(4) Repayment term

Interest is payable monthly, and the principal will be paid off when it is mature; however, if the construction of the building is completed for sales, at least 70% of the sales price shall be used to repay for the principal of each A, B, C loans according to the proportion of credit remainder. In any case, the Company shall repay in full the principal and interest of the loan not yet settled before the maturity date of the credit period is reached.

(xvii) Retirement benefit plans

The Group's employee retirement measures established in accordance with the Labor Pension Act is of the defined contribution pension plan. The regulations stipulate that the Group is responsible for funding labor retirement benefits with a rate no less than 6%

of the employee's monthly salary. The Group has established the employee retirement measures as stipulated in the regulation and transfers each month, 6% of employees' salary as funding of retirement benefits into individual retirement accounts managed by the Bureau of Labor Insurance.

The Group recognized the expenses in total on defined contribution pension plan are NT\$ 2,776 thousand and NT\$ 2,180 thousand, respectively, in the fiscal years 2024 and 2023.

(xviii) Provisions

1. Analysis of total provisions is shown below:

Item	2024.12.31	2023.12.31
Current	\$ 1,818	\$ 1,764
Non-current	\$ 46,272	\$ 56,019

	Current provisions			Non-current warranty provision
	Provisions for employee benefits	Provision for short-term liabilities pending legal proceedings	Total	
Balance as of January 1, 2024	\$ 1,501	\$ 263	\$ 1,764	\$ 56,019
Recognized as the provision in the current period	1,011	—	1,011	—
Provisions incurred in the current period and written off	(694)	—	(694)	(9,747)
Reversal in the current period	—	(263)	(263)	—
Balance as of December 31, 2024	\$ 1,818	\$ —	\$ 1,818	\$ 46,272

	Current provisions			Non-current warranty provision
	Provisions for employee benefits	Provision for short-term liabilities pending legal proceedings	Total	
Balance as of January 1, 2023	\$ 1,760	\$ —	\$ 1,760	\$ 23,409
Recognized as the provision in the current period	1,778	263	2,041	38,273
Recognized as other income at due date	—	—	—	(1,962)
Provisions incurred in the current period and written off	(2,037)	—	(2,037)	(3,701)
Balance as of December 31, 2023	\$ 1,501	\$ 263	\$ 1,764	\$ 56,019

- Provision of liabilities estimates the possible costs in the future on basis of past experiences, the judgment of management, and other known reasons.
- The provision for short-term liabilities pending legal proceedings was finalized by a court ruling in August 2024, with the company prevailing in the lawsuit, and the provision was reversed and recognized as other income (Labor Appeal Case No. 6 of 2023).

(xix) Equity

1. Ordinary share

	<u>2024.12.31</u>	<u>2023.12.31</u>
Authorized shares (shares in thousands)	<u>500,000</u>	<u>500,000</u>
Authorized share capital	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
Number of share capital (shares in thousands)		
Number of ordinary shares	<u>366,212</u>	<u>366,212</u>
Number of share capital issued		
Ordinary share	<u>\$ 3,662,113</u>	<u>\$ 3,662,113</u>

The ordinary shares issued has a par value of NT\$ 10 per share, each share entitled to one vote and the right to collect dividends.

2. Capital surplus

<u>Item</u>	<u>2024.12.31</u>	<u>2023.12.31</u>
Capital arising from ordinary share	\$ 964,821	\$ 964,821
Treasury stock transaction	27,031	27,031
Total	<u>\$ 991,852</u>	<u>\$ 991,852</u>

Pursuant to the Company Act, capital surplus arising from paid-in capital in excess of par value on the issuance of ordinary shares and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the company has no accumulated deficit. Further, the Regulations Governing the Offering and Issuance of Securities by Securities Issuers requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year, as the investments by the equity method, employ share options. Capital surplus arising from share options, may not be used for any purpose.

3. Retained earnings

(1) Legal reserve

Pursuant to the Company Act, the Company shall raise 10% of its earnings after tax as the legal reserve until the cumulative amount of capital surplus is equal to the total capital. The legal reserve may be used to cover the deficit, for a company that has no accumulated deficit may use 25% of the part exceeds by the legal reserve over the paid-in capital to issue new stocks or cash to shareholders in proportion to their share ownership.

(2) Special reserve

Pursuant to Rule No. 1010012865, issued by the FSC on April 6, 2012, the

Company is required to set aside the same amount of special capital reserve from current profit or loss and unappropriated earnings of the previous year, equivalent to the current net debit balance of the other components of equity accounted for the current year, such as the accumulated balance of foreign currency translation reserve, unrealized loss on available-for-sale financial assets, gain or loss from changes in fair value of hedging instruments in cash flow hedges, etc.; for cumulative deduction amount to stockholders' equity of previous year, the same amount of special capital reserve set aside from the unappropriated earnings of the previous year, shall not be appropriated. When the debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(3) Retained earnings and dividend policy

In consideration of the capital needs and long-term financial planning for future development, the current dividend policy adopts a residual dividend policy. The current year's earnings after year-end accounting, if any, shall first be used to offset prior years' operating losses, and then 10% of the remaining amount shall be set aside as a legal reserve. This does not apply if the legal reserve has reached the Company's paid-in capital. Special reserve is then allocated or reversed in accordance with the law or regulations of the authority. If there is a balance, the board will take into account the Company's financial situation and propose a surplus distribution proposal of the balance and the accumulated undistributed surplus from the beginning of the same period to the shareholders meeting for a resolution. Dividends for shareholders may be distributed in cash or stocks, and the cash dividend shall not be less than 10% of the total shareholders' dividends.

The appropriations of retained earnings in fiscal year 2023 and 2022, as resolved in the shareholders meetings on June 19, 2024 and June 13, 2023, respectively, presented as follows:

Item	Year ended December 31, 2023	
	Appropriation of retained earnings	Dividend per share (NT\$)
Legal reserve	\$ 172,340	
Cash dividend	1,281,740	3.5
Total	<u>\$ 1,454,080</u>	

Item	Year ended December 31, 2022	
	Appropriation of retained earnings	Dividend per share (NT\$)
Legal reserve	\$ 64,446	
Cash dividend	585,938	1.6
Total	<u>\$ 650,384</u>	

The above mentioned proposal of dividends distribution of years 2023 and 2022, were resolved in shareholders' meeting to authorize Chairman to resolve the dividend record date; the ex-rights and dividend dates are set on August 25, 2024 and July 14, 2023, respectively.

The Company's earnings distribution proposal in fiscal year 2024. has not yet been submitted to the Board of Directors.

(4) Employee's compensation and directors' remuneration

Distributions of employee's compensation and that of directors' remuneration are as follows:

In accordance with the regulations in the articles of incorporation of the Company. If the Company is profitable in the fiscal year (refers to pre-tax profit before subtracting bonuses and remunerations allocated to employees and directors), no less than 1% of the profit shall be offered as bonuses for employees, and no more than 2% of the profit shall be allocated as remuneration for directors. However, if the Company still has accumulated losses, an amount shall be reserved in advance to make up for the losses. Employee compensation is mainly in the form of stocks or cash, and the recipients shall include the employees of subsidiaries who meet certain criteria. The remunerations for directors are to be paid in cash onl. The above allocation shall be determined by the board and reported to the shareholder meetings.

As resolved by the Board of Directors on March 12, 2024, and reported in the shareholders' meeting on June 19, 2024, the employees' compensation and Directors' remuneration of year 2023 that would be paid in cash were accrued at NT\$ 19,543 thousand and NT\$ 13,680 thousand, respectively, which has no difference from the amount accounted for expense as stated in the 2023 financial statements.

For the year ended December 31, 2024, employees' compensation and directors' remuneration were accrued at NT\$ 29,970 thousand and NT\$ 14,985 thousand, respectively,the proposal of distributing the Company's employees' compensation and directors' remuneration has been approved by the Board of Directors on March 13, 2025.

The employees' compensation and directors' remuneration were accrued on the basis of the amount of current net profit before tax before the deduction of employees' compensation and directors' remuneration, and taking into account the distribution ratio of previous years, in accordance with articles of incorporation of the Company. If differences incurred between the actual distributed amount as determined by the shareholders and that was accrued, such difference would be recorded as profit or loss of the next fiscal year.

For information of resolution to be approved by the Board of Directors, plus appropriation of earnings and remunerations of employees and directors

resolved by shareholders' meeting, please refer to the Market Observation Post System website of TWSE.

(xx) Operating revenue

	Year ended December 31, 2024	Year ended December 31, 2023
Revenue from contracts with customers:		
Revenue of buildings and land sales	\$ 8,788,862	\$ 5,224,058
Other - rental revenue	13,086	11,397
Total	<u>\$ 8,801,948</u>	<u>\$ 5,235,455</u>
Revenue recognition point:		
At a point in time	\$ 8,788,862	\$ 5,224,058
Over time	13,086	11,397
Total	<u>\$ 8,801,948</u>	<u>\$ 5,235,455</u>

1. The sales area of the Group's construction projects in 2024 and 2023 is all in Taiwan.
2. The aggregated amount of transaction price allocated to unsatisfied performance obligation from the Group's signed contracts, as of December 31, 2024 and 2023, and its expected fiscal year of revenue recognition are as follows:

	Contracted amount	Expected year of revenue recognition
As of December 31, 2024	<u>\$ 1,736,622</u>	2025
As of December 31, 2023	<u>\$ 3,323,326</u>	2024

(xxi) Other income

	Year ended December 31, 2024	Year ended December 31, 2023
Rental revenue	\$ 82	\$ 82
Dividends income	679	2,322
Gain on reversal of bad debts	—	2
Other income, others	6,263	4,868
Total	<u>\$ 7,024</u>	<u>\$ 7,274</u>

(xxii) Other gains and losses

	Year ended December 31, 2024	Year ended December 31, 2023
Gain on disposal of investment property(Note)	\$ 329	\$ 12,625
Loss on disposal of investment property(Note)	(43)	—
Loss on disposal of property, plant and equipment	(3)	—
Other expenses	—	(262)
Total	<u>\$ 283</u>	<u>\$ 12,363</u>

Note: In 2024 and 2023, the company's gains or loss from the disposal of investment properties were derived from the sale of residential units or parking spaces under Linkou A7、Taoyuan Kuaiji and Xin Zhuang Hefeng, which were listed as investment property in the accounts.

(xxiii) Finance costs

	Year ended December 31, 2024	Year ended December 31, 2023
Interest expense		
Interest on bank borrowings	\$ 152,893	\$ 251,228
Amortization of arrangement fee for a syndicated loan	913	2,741
The imputed interest on deposit	44	23
Imputed interest on contract liabilities	—	8,131
Interest on the lease liability	11,981	6,660
Subtotal	165,831	268,783
Less: amount of the capitalized assets that meet the requirements	(90,297)	(188,915)
Total	\$ 75,534	\$ 79,868

Details of amount of the capitalized assets that meet the requirements are as follows:

	Year ended December 31, 2024	Year ended December 31, 2023
Buildings under construction	\$ 88,454	\$ 60,187
Buildings held for sale	—	128,469
Inventory-prepayment for land purchases	—	259
Inventory-royalties for superficies right	1,843	—
Total	\$ 90,297	\$ 188,915

(xxiv) Expenses by nature

	Year ended December 31, 2024	Year ended December 31, 2023
Depreciation and amortization charges		
Depreciation of property, plant and equipment	\$ 6,562	\$ 975
Depreciation of investment property	6,200	3,986
Amortization of intangible assets	810	725
Total	\$ 13,572	\$ 5,686

(xxv) Employee benefit expense

	Year ended December 31, 2024	Year ended December 31, 2023
Wages and salaries	\$ 81,866	\$ 64,412
Labor and health insurance fees	5,739	4,325
Pension costs	2,776	2,180
Remuneration of Directors	16,785	15,480
Other employee benefit expense	8,274	5,299
Total	\$ 115,440	\$ 91,696

Please refer to Note VI(xix) for information on the remuneration of employees and directors.

(xxvi) Taxation

1. Income tax expense

(1) Components of income tax expense:

Item	Year ended December 31, 2024	Year ended December 31, 2023
Current income tax expense	\$ 292,596	\$ 152,837
Land value increment tax	80,198	44,502
(Decrease) increase in deferred tax expense	(49,300)	293
5% income tax on undistributed surplus earnings	2,794	—
Income tax assessed and paid for prior years	35	—
Income tax expense included in profit or loss	<u>\$ 326,323</u>	<u>\$ 197,632</u>

(2) The Group's income tax expenses recognized as other comprehensive income as of December 31, 2024 and 2023, were both NT\$ 0 thousand.

2. Analysis of items of the Group's deferred income tax liabilities are as follows:

(1) Deferred income tax liabilities

	2024.1.1	Included in profit or loss	2024.12.31
Temporary differences			
Buildings and land held for sale and construction in progress			
Capitalized interest	<u>\$ (50,198)</u>	<u>\$ (49,300)</u>	<u>\$ (898)</u>
	2023.1.1	Included in profit or loss	2023.12.31
Temporary differences			
Buildings and land held for sale and construction in progress			
Capitalized interest	<u>\$ (49,905)</u>	<u>\$ 293</u>	<u>\$ (50,198)</u>

3. Unrecognized deferred tax assets:

As of December 31, 2024 and 2023, the amounts of deferred income tax assets not recognized by the Group due to there was not probable to have taxable profits were NT\$ 17,240 thousand and NT\$ 23,544 thousand, respectively.

4. A reconciliation between net profit before tax and income tax expense presented in statements of comprehensive income is as follows:

Item	Year ended December 31, 2024	Year ended December 31, 2023
Net profit before tax	<u>\$ 2,953,495</u>	<u>\$ 1,921,033</u>
Tax computed at applicable tax rate (20%)	590,699	384,207
Reasons for differences:		
Exempt income of land transaction	(323,031)	(240,586)
Unrealized loss due to decline in inventories	1,684	—
Dividends not included in taxable income	(136)	(464)
Capitalized interest on buildings under construction and buildings held for sale	—	(37,731)
Other adjustments in accordance with the tax act	18,444	44,972
Tax loss carryforwards from the previous ten years	(2,652)	—
Intercompany eliminations	7,588	175
Operating loss carryforwards for the current year	—	2,264

Current tax expense	292,596	152,837
Land value increment tax	80,198	44,502
(Decrease) increase in deferred tax expense	(49,300)	293
5% income tax on distributed surplus earnings	2,794	—
Income tax assessed and paid for prior years	35	—
Income tax expense included in profit or loss	<u>\$ 326,323</u>	<u>\$ 197,632</u>

5. The composition of the Group's income tax expense and current income tax (assets) liabilities is described as follows:

	Year ended December 31, 2024	Year ended December 31, 2023
Current tax expense	\$ —	\$ —
Less: Withholding tax	—	(33)
Current income tax refund receivable	—	(33)
Increases : Income tax refund receivable from prior years	(33)	—
Income tax assessed and paid for prior years	(2,510)	(5,224)
Current tax assets	<u>\$ (2,543)</u>	<u>\$ (5,257)</u>

Item	Year ended December 31, 2024	Year ended December 31, 2023
Current tax expense	\$ 292,596	\$ 152,837
Less: Withholding Tax and Provisional Tax Payments	(76,988)	(335)
Current income tax payable	215,608	152,502
Increases : 5% income tax on distributed surplus earnings	2,794	—
Additional income tax payable from prior years	35	—
Current tax liabilities	<u>\$ 218,437</u>	<u>\$ 152,502</u>

6. As of December 31, 2024, the final deadline of tax credit for the unused deduction of losses and the balance is as follows: None.
7. The tax authorities have examined the income tax returns of the Company through 2022 and the payment of tax was made.

(xxvii) Earnings per share

Year ended December 31, 2024		
	Weighted average number of shares (shares in thousands)	Earnings per share (NT\$)
Profit after tax		
<u>Basic earnings per share</u>	<u>\$ 2,627,172</u>	<u>\$ 366,212</u>
		<u>\$ 7.71</u>
Year ended December 31, 2023		
	Weighted average number of shares (shares in thousands)	Earnings per share (NT\$)
Profit after tax		
<u>Basic earnings per share</u>	<u>\$ 1,723,401</u>	<u>\$ 366,212</u>
		<u>\$ 4.71</u>

(xxviii) Operating lease arrangements

1. The Group has leased out assets in the form of operating leases to lessees for uses as offices, residences, shops and parking lots etc. Rental incomes(Account as operating revenue and other revenue) recognized in the fiscal year 2024 and 2023 are NT\$ 13,168 thousand and NT\$ 11,479 thousand. Total amount of future minimum lease

payments of non-cancellable lease agreement is as follows:

Item	2024.12.31	2023.12.31
Within 1 year	\$ 13,931	\$ 11,694
1 to 5 years	24,272	20,053
Over 5 years	15,344	8,387
Total	<u>\$ 53,547</u>	<u>\$ 40,134</u>

2. The Group leases xerox machine ,advertising sign, construction office and warehouse etc. in the form of operating leases and pays a fixed rent in accordance with the agreement. Rental expenditures recognized in the fiscal year 2024 and 2023 are NT\$ 4,195 thousand (included operating expenses NT\$ 1,754 thousand and overhead used in construction NT\$ 2,441 thousnad) and NT\$ 1,706 thousand (including operating expenses of NT\$ 1,290 thousand and overhead used in construction of NT\$ 416 thousand), respectively. Total amount of future minimum lease payments of non-cancellable lease agreement is as follows:

Item	2024.12.31	2023.12.31
Within 1 year	\$ 394	\$ 438
1 to 5 years	180	89
Over 5 years	—	—
Total	<u>\$ 574</u>	<u>\$ 527</u>

(xxix) Changes in liabilities from financing activities

	Short-term loans	Short-term notes and bills payable	Long-term loans (including current portion)	Lease liabilities	Others	Liabilities from financing activities-gross
As of January 1, 2024	\$ 528,000	\$ -	\$ 7,098,145	\$ 431,935	\$ 1,976	\$ 8,060,056
Changes in cash flows from financing activities	(486,040)	20,000	(3,245,902)	(3,512)	1,675	(3,713,779)
Changes in non-cash:						
Amortized syndicated loan arrangement fee	-	-	913	-	-	913
Discount on short-term notes and bills payable	-	(11)	-	-	-	(11)
New lease	-	-	-	144,786	-	144,786
As of December 31, 2024	<u>\$ 41,960</u>	<u>\$ 19,989</u>	<u>\$ 3,853,156</u>	<u>\$ 573,209</u>	<u>\$ 3,651</u>	<u>\$ 4,491,965</u>

	Short-term loans	Short-term notes and bills payable	Long-term loans (including current portion)	Lease liabilities	Others	Liabilities from financing activities-gross
As of January 1, 2023	\$ 422,090	\$ 240,954	\$ 8,449,524	\$ 327,819	\$ 1,648	\$ 9,442,035
Changes in cash flows from financing activities	105,910	(241,000)	(1,354,120)	(2,431)	326	(1,491,315)
Changes in non-cash:						
Amortized syndicated loan arrangement fee	-	-	2,741	-	-	2,741
New lease	-	-	-	99,743	-	99,743
Lease liabilities remeasurement	-	-	-	6,804	-	6,804
Discount on short-term notes and bills payable	-	46	-	-	-	46
Business Combinations	-	-	-	-	2	2
As of December 31, 2023	<u>\$ 528,000</u>	<u>\$ -</u>	<u>\$ 7,098,145</u>	<u>\$ 431,935</u>	<u>\$ 1,976</u>	<u>\$ 8,060,056</u>

VII. Related Party Transaction

(i) Names of related parties and relationship with the Group

Name of related parties	Relationship with the Group
Lih Pao Construction Co., Ltd.	The Chairperson of that company is the relative of the Company's Chairperson, within the 2 degrees of kinship under the civil code.
Pao Juan Development Enterprise Co., Ltd.	Parties with substantial relation to the Company
Sheng Jun Enterprise Co., Ltd	The Chairperson of that company and the Company's Chairperson, are relatives within the 2 degree of kinship under the civil code.
Xin Shengdi Enterprise Co., Ltd	The Chairperson of that company and the Company's Chairperson, are relatives within the 2 degree of kinship under the civil code.
Fullon Hotels & Resorts	The legal representative director of that company is the relative of the 2 degrees of kinship under the civil code and the Chairperson of the Company is also a Director of that Company (effective July 4, 2024)
Fullon Hotel Fulong	The Chairperson of that company is the relative of the Company's Chairperson, within the 2 degree of kinship under the civil code.
Spring Color International Co., Ltd.	The Chairman of that company is the Chairman of the Company as well.
Ansheng Construction Co., Ltd	More than half of directors of that company are relatives of the Company's chairperson, within the 2 degrees of kinship under the civil code.
Zhongfu Construction Co., Ltd	Parties with substantial relation to the Company
Zhongyi Construction Co., Ltd	Parties with substantial relation to the Company
Baoshi Construction Co., Ltd.	Parties with substantial relation to the Company
Yuan Tai Enterprise Co., Ltd	Parties with substantial relation to the Company.
Pengcheng Construction Co., Ltd	The chairperson of that Company is the relative of the Company's Chairperson, with the 2 degree of kinship under the civil code.
Soochow Investment Co., Ltd	Parties with substantial relation to the Company.
Yamay International Development Corp.	Parties with substantial relation to the Company and The Vice chairperson of that company is the relative of the Company's Chairperson, within the 2 degrees of kinship under the civil code.
Fuxiang Development Enterprise Ltd.	The Chairperson of that company is the relative of the Company's Chairperson, within the 2 degree of kinship under the civil code.
Lih Pao Cultural & Arts Foundation	The Chairperson of that Foundation is the relative of the Company's Chairperson, with the 2 degree of kinship under the civil code.
Li Xin Emporium Co., Ltd	The Chairperson of that Company is the relative of the Company's Chairperson, with the 2 degree of kinship under the civil code.
Liu Bing Huang	The relative of the Company's director, with the 2 degree of kinship under the civil code.
Wu 0 Qian	The relative of the Company's general manager, with the 2 degree of kinship under the civil code.

Feng 0 Tang	Spouse of a close relative of the general manager of the company
Wu 0 Jun	The relative of the Company's general manager, with the 2 degree of kinship under the civil code.
Wu 0 Wen	The Company's management.

(ii) Significant transactions between the Group and related parties are disclosed as follows:

1. Sales

Name of related parties	Year ended December 31, 2024	Year ended December 31, 2023
Wu 0 Qian 、 Feng 0 Tang	\$ -	\$ 13,148
Wu 0 Jun	11,897	-
Total	<u>\$ 11,897</u>	<u>\$ 13,148</u>

The sales price of the company's goods sold to related parties is negotiated in accordance with general market conditions, and the payment conditions are also equivalent to those of non-related parties.

2. Purchase

(1) Details are as follows:

Name of related parties	Year ended December 31, 2024	Year ended December 31, 2023
Ansheng Construction Co., Ltd	\$ 279,808	\$ 171,328
Zhongfu Construction Co., Ltd	160,000	2,981,962
Zhongyi Construction Co., Ltd .	36,475	—
Baoshi Construction Co., Ltd.	—	332,957
Total	<u>\$ 476,283</u>	<u>\$ 3,486,247</u>

(2) Information on construction contracts that the Company has signed with the following related parties but not yet settled or current settled as of December 31, 2024 and 2023 are as below:

① Ansheng Construction Co., Ltd

As of December 31, 2024:

Construction projects	Contracting	(tax excluded) Total contract price	Paid amount	Unpaid amount
Taichung Lianwu section	Contract for labor and materials	\$ 759,332	\$ 759,332	\$ —
Kaosiung Fucheng section	Contract for labor and materials	2,154,323	482,559	1,671,764
Total		<u>\$ 2,913,655</u>	<u>\$ 1,241,891</u>	<u>\$ 1,671,764</u>

As of December 31, 2023:

Construction projects	Contracting	(tax excluded) Total contract price	Paid amount	Unpaid amount
Lot 8, Taichung Zhenxing section	Contract for labor and materials	\$ 1,173,987	\$ 1,173,987	\$ —
Taichung Lianwu section	Contract for labor and materials	759,332	754,651	4,681
Kaosiung Fucheng section	Contract for labor and materials	856,638	291,257	565,381
Total		<u>\$ 2,789,957</u>	<u>\$ 2,219,895</u>	<u>\$ 570,062</u>

② Zhongfu Construction Co., Ltd

As of December 31, 2024:

Construction projects	Contracting	(tax excluded) Total contract price	Paid amount	Unpaid amount
Case of Danhai	Contract for labor and materials	\$ 7,396,978	\$ 7,233,677	\$ 163,301
Case of Kaosiung O4	Contract for labor and materials	2,675,163	145,000	2,530,163
Total		<u>\$ 10,072,141</u>	<u>\$ 7,378,677</u>	<u>\$ 2,693,464</u>

As of December 31, 2023:

Construction projects	Contracting	(tax excluded) Total contract price	Paid amount	Unpaid amount
Case of Danhai	Contract for labor and materials	\$ 7,396,978	\$ 6,540,540	\$ 856,438
Case of Kaosiung O4	Contract for labor and materials	2,675,163	10,000	2,665,163
Total		<u>\$ 10,072,141</u>	<u>\$ 6,550,540</u>	<u>\$ 3,521,601</u>

③ Baoshi Construction Co., Ltd.

As of December 31, 2024:

Construction projects	Contracting	(tax excluded) Total contract price	Paid amount	Unpaid amount
Case A of Taoyuan Sanmin section	Contract for labor and materials	\$ 613,988	\$ 583,778	\$ 30,210

As of December 31, 2023:

Construction projects	Contracting	(tax excluded) Total contract price	Paid amount	Unpaid amount
Case A of Taoyuan Sanmin section	Contract for labor and materials	\$ 613,988	\$ 452,126	\$ 161,862

④ Zhongyi Construction Co., Ltd.

As of December 31, 2024:

Construction projects	Contracting	(tax excluded) Total contract price	Paid amount	Unpaid amount
Case of Kaosiung O4	Contract for labor and materials	\$ 95,988	\$ 36,475	\$ 59,513

As of December 31, 2023:

Construction projects	Contracting	(tax excluded) Total contract price	Paid amount	Unpaid amount
Case of Kaosiung O4	Contract for labor and materials	\$ 95,988	\$ —	\$ 95,988

The payment due under the above construction agreements was paid according to the progress of the construction. The transaction terms and conditions made no significant difference with those for non-related parties.

3. Other receivables – related parties

Name of related parties	2024.12.31	2023.12.31
Zhongfu Construction Co., Ltd	\$ 13	\$ -

4. Prepayments

(1) Other prepayments and prepaid expenses

Name of related parties	2024.12.31	2023.12.31
LihPao Construction Co., Ltd	\$ 8	\$ 7
Fullon Hotels & Resorts	187	3
Baoshi Construction Co., Ltd. (Note1、2)	7,561	7,561
Total	\$ 7,756	\$ 7,571

Note: 1. The company recognised the amount paid to the unfinished fences constructions as prepayments, until the company gets the building permit, prepayments will be transferred to the item of inventory-construction in progress.

2. The company signed the contract of fences constructions and Water Channel Diversion Project etc. with Baoshi Construction Co., Ltd, the details of unpaid amount are as follows:

As of December 31, 2024:

Construction projects	Contracting	(tax excluded) Total contract price	Paid amount	Unpaid amount
Zhongxing Section in Hsinchu	Contract for labor and materials	\$ 1,087	\$ 1,087	\$ —
Zhongxing Section in Hsinchu	Contract for labor and materials	1,171	1,171	—
Zhongxing Section in Hsinchu	Contract for labor and materials	5,452	5,303	149
Total		\$ 7,710	\$ 7,561	\$ 149

As of December 31, 2023:

Construction projects	Contracting	(tax excluded) Total contract price	Paid amount	Unpaid amount
Zhongxing Section in Hsinchu	Contract for labor and materials	\$ 1,087	\$ 1,087	\$ —
Zhongxing Section in Hsinchu	Contract for labor and materials	1,171	1,171	—
Zhongxing Section in Hsinchu	Contract for labor and materials	5,452	5,303	149
Total		<u>\$ 7,710</u>	<u>\$ 7,561</u>	<u>\$ 149</u>

5. Other current assets-Other

Name of related parties	2024.12.31	2023.12.31
Lih Pao Construction Co., Ltd	\$ —	\$ 4,520
Zhongfu Construction Co., Ltd	—	77
Total	<u>\$ —</u>	<u>\$ 4,597</u>

6. Other non-current assets-Other

Name of related parties	2024.12.31	2023.12.31
Lih Pao Construction Co., Ltd	<u>\$ —</u>	<u>\$ 75,630</u>

The company signed a " Purchase Contract of Real Estate " with its related party, Libao Construction Co., Ltd., on November 14, 2023. The total contract price is NT\$376,855 thousand (excluding tax), it will be used as an office. As of December 31, 2023, The prepaid real estate payment amounted to NT\$75,630 thousand, which was listed under other non-current assets - other items, and the transfer was completed on January 3, 2024. The total contract price for the aforementioned real estate transaction amounts to NT\$376,855 thousand. Including other necessary costs of NT\$3,603 thousand, the total comes to NT\$380,458 thousand, which has been recorded under property, plant and equipment. Please refer to Note VI(vii) for details.

7. Contract Liabilities – Current (Advance Receipts for Real Estate Sales)

Item	2024.12.31	2023.12.31
Wu 0 Wen	<u>\$ 95</u>	<u>\$ -</u>

The total contract price for the sale of real estate to related parties in 2024 amounted to NT\$12,970 thousand (including tax). The selling price was negotiated based on general market conditions, and the payment terms were comparable to those offered to non-related parties.

8. Accounts payable to related parties

Name of related parties	2024.12.31	2023.12.31
Ansheng Construction Co., Ltd	\$ 110,920	\$ 22,904
Zhongfu Construction Co., Ltd	197,716	861,587
Baoshi Construction Co., Ltd.	31,721	163,163
Total	<u>\$ 340,357</u>	<u>\$ 1,047,654</u>

9. Other payables to related parties

Name of related parties	2024.12.31	2023.12.31
Fullon Hotels & Resorts	\$ 232	\$ —
Pao Juan Development Enterprise Co., Ltd.	1	—
Total	<u>\$ 233</u>	<u>\$ —</u>

10. Other current liabilities-Other(Temporary credits and Receipts under custody)

Name of related parties	2024.12.31	2023.12.31
Wu 0 Qian 、 Feng 0 Tang	\$ 26	\$ 92
Wu 0 Jun	42	—
Total	<u>\$ 68</u>	<u>\$ 92</u>

11. Rental revenue

			Year ended December 31, 2024	
Lessee	Location	Lease term	Monthly rent	Rental revenue
Sheng Jun Enterprise Co., Ltd	Section 1, Chengtai Road, Wugu District	2024.01.01 ~2024.12.31	\$ 3	\$ 34
Xin Shengdi Enterprise Co., Ltd	Section 1, Chengtai Road, Wugu District	2024.01.01 ~2024.12.31	\$ 3	\$ 34
			Year ended December 31, 2023	
Lessee	Location	Lease term	Monthly rent	Rental revenue
Sheng Jun Enterprise Co., Ltd	Section 1, Chengtai Road, Wugu District	2023.01.01 ~2023.12.31	\$ 3	\$ 34
Xin Shengdi Enterprise Co., Ltd	Section 1, Chengtai Road, Wugu District	2023.01.01 ~2023.12.31	\$ 3	\$ 34

12. Rent expense

			Year ended December 31, 2024	
Lessor	Location	Lease term	Monthly rent	Rent expense
Pao Juan Development Enterprise Co., Ltd.	Archive Room and warehouse on Section 1, Chengtai Road, Wugu District	2024.01.01 ~2024.12.31	\$ 5	\$ 62
Pao Juan Development Enterprise Co., Ltd.	Warehouse	2023.08.01 ~2024.12.31	\$ 2	\$ 19
Pao Juan Development Enterprise Co., Ltd.	Warehouse	2024.12.18 ~2024.12.31	\$ 1	\$ 1
Pengcheng Construction Co., Ltd	Kaohsiung Office	2024.03.01 ~2025.02.28	\$ 29	\$ 290
Soochow Investment Co., Ltd	Section 1, Chengtai Road, Wugu District	2023.05.01 ~2024.04.30	\$ 14	\$ 57
Soochow Investment Co., Ltd	Section 1, Chengtai Road, Wugu District	2024.05.01 ~2024.12.31 (Note1)	\$ 14	\$ 43
Lih Pao Construction Co., Ltd	Parking Space	Preliminary tenancy		\$ 9

Note 1 : The lease has been terminated early on July, 31, 2024.

Lessor	Location	Lease term	Year ended December 31, 2023	
			Monthly rent	Rent expense
Pao Juan Development Enterprise Co., Ltd.	Archive Room and warehouse on Section 1, Chengtai Road, Wugu District	2023.01.01 ~2023.12.31	\$ 5	\$ 62
Pao Juan Development Enterprise Co., Ltd.	Conference room	2022.08.01 ~2023.07.31	\$ 2	\$ 12
Pao Juan Development Enterprise Co., Ltd.	Conference room	2023.08.01 ~2024.12.31	\$ 2	\$ 8
Pao Juan Development Enterprise Co., Ltd.	Conference room	Preliminary tenancy		\$ 7
Pengcheng Construction Co., Ltd	Section 1, Chengtai Road, Wugu District	2023.01.01 ~2023.12.31 (Note2)	\$ 27	\$ 108
Pengcheng Construction Co., Ltd	Photocopier	Preliminary tenancy		\$ 3
Soochow Investment Co., Ltd	Section 1, Chengtai Road, Wugu District	2023.05.01 ~2024.04.30	\$ 14	\$ 114

Note 2 : The lease has been terminated early on April, 30, 2023.

13. Operating expenses (not including rent expense)

Name of related parties	Year ended December 31, 2024	Year ended December 31, 2023
Fullon Hotels & Resorts	\$ 4,519	\$ 2,682
Fullon Hotel Fulong	55	74
Pao Juan Development Enterprise Co., Ltd.	1,026	1,085
Lih Pao Construction Co., Ltd.	426	95
Spring Color International Co., Ltd.	—	766
Li Xin Emporium Co., Ltd.	1	—
Yamay International Development Corp.	1	—
Zhongfu Construction Co., Ltd	—	71
Lih Pao Cultural & Arts Foundation	3,550	5,000
Fuxiang Development Enterprise Ltd.	652	595
Pengcheng Construction Co., Ltd	—	36
Total	\$ 10,230	\$ 10,404

Details of operating expenses on transactions with above mentioned related parties are as follows:

Item	Year ended December 31, 2024	Year ended December 31, 2023
Entertainment expense	\$ 4,504	\$ 3,691
Traveling expense	7	11
Employee benefits	250	261
Advertisement expense	180	57
Utilities expense	104	96
Repairs and maintenance expense	9	9
Other expenses	1,626	1,279
Donation expense	3,550	5,000
Total	<u>\$ 10,230</u>	<u>\$ 10,404</u>

14. Overhead used in construction

Name of Related Parties	Year ended December 31, 2024	Year ended December 31, 2023
Fullon Hotels & Resorts	<u>\$ —</u>	<u>\$ 385</u>

15. Key management compensation

Name of Related Parties	Year ended December 31, 2024	Year ended December 31, 2023
Short-term employee benefits	\$ 28,739	\$ 29,920
Post-employment compensation	98	92
Total	<u>\$ 28,837</u>	<u>\$ 30,012</u>

16. Other transactions

- (1) Yuan Tai Enterprise Co., Ltd has provided the Company a joint guarantee for the construction of the Case A of Taoyuan Sanmin in April 2022, the guarantee period ends on construction's completion date(that is the date obtaining the occupation permit). The project was completed in October 2023 and obtained the permit.
- (2) In December 2022, the company purchased the entire equity of " Geng Xin Construction Co., Ltd." and signed an "Equity Sales and Purchase Agreement" with Liu Bing Huang and three others. Among them, the company purchased 2,169,642 shares from related party Liu Bing Huang in January 2023 for a total price of NT\$16,393 thousand.

VIII. Pledged Asset

The Group provided the assets below as collateral or subject to the limit, details are as follows:

Name of Assets	2024.12.31	Type of pledge
Land	\$ 217,423	Long-term loans guarantee
Buildings and structures	174,540	Long-term loans guarantee
Investment property	381,379	Short-term Notes and Bills payable 、 Short-term loans guarantee
Inventories - land used in construction	2,257,455	Long-term loans guarantee
Inventories - buildings and land held for sale	4,796,776	Short-term Notes and Bills payable 、 Short-term loans guarantee
Inventories - land held for construction site	2,301,276	Long-term loans guarantee
Inventories - Royalties for superficies right	858,583	Long-term loans guarantee
Inventories - Right-of-use assets	245,569	Long-term loans guarantee
Other current financial assets	22,590	Price Payment Trust account
Other non-current financial assets	19,939	Reimbursement bank account
Total	<u>\$ 11,275,530</u>	
Name of Assets	2023.12.31	Type of pledge
Land	\$ 9,890	Long-term loans guarantee
Buildings and structures	5,165	Long-term loans guarantee
Investment property	258,400	Short-term Notes and Bills payable and Long 、 Short-term loans guarantee
Inventories - land used in construction	2,676,461	Long-term loans guarantee
Inventories - buildings and land held for sale	6,352,705	Short-term Notes and Bills payable and Long 、 Short-term loans guarantee
Inventories - land held for construction site	1,882,270	Long-term loans guarantee
Other current financial assets	1,665	Trust account of performance guarantee
Other non-current financial assets	19,819	Reimbursement bank account
Total	<u>\$ 11,206,375</u>	

IX. Significant Contingent Liabilities and Unrecognized Contractual Commitment

- (i) The Group has entered a significant construction contract, as of December 31, 2024 and 2023, the total contract price amounted to NT\$ 13,386,465 thousand and NT\$ 12,114,852 thousand, respectively, amounts paid were NT\$ 7,553,877 thousand and NT\$ 7,645,331 thousand, respectively. In contrast, the payments not yet been made were NT\$ 5,832,588 thousand and NT\$ 4,469,521 thousand which will be paid along

with the progress of the construction project.

- (ii) The company has signed a major real estate purchase contract. As of December 31, 2024 and 2023, the total contract price amounted of NT\$ 1,229 thousand and NT\$ 854,555 thousand, the paid amount were NT\$ 809 thousand and NT\$ 290,600 thousand, and the unpaid amount was NT\$ 420 thousand and NT\$ 563,955 thousand.
- (iii) The company is investing in the Kaohsiung City Mass Rapid Transit System Orange Line O4 Station land development project executed by the Kaohsiung City Government Rapid Transit Engineering Bureau. , the guarantee bank details are as follows:

Guarantee Bank	Guaranteed	Guarantee period
Land Bank of Taiwan	\$ 98,444	2021.11.08 to 2026.03.31

X. Significant Disaster Losses: None.

XI. Significant Events After Reporting Period: None.

XII. Others

(i) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group adjusts the amount of the borrowings on the basis of the progress of construction, and the funds required for operating.

(ii) Financial instruments

1. Financial instruments by category

Financial assets	2024.12.31	2023.12.31
Measured at amortized cost		
Cash and cash equivalents	\$ 574,535	\$ 678,367
Notes and accounts receivable	49,662	144,092
Other receivables (including related parties)	256	684
Other current financial assets	22,590	1,665
Guarantee deposits paid	10,315	8,923
Long-term notes and accounts receivable	15,080	491
Other non-current financial assets	19,939	19,819
Total	<u>\$ 692,377</u>	<u>\$ 854,041</u>

Financial liabilities	2024.12.31	2023.12.31
Measured at amortized cost		
Short-term loans	\$ 41,960	\$ 528,000
Short-term notes and bills payable	19,989	—
Notes and accounts payable (including related parties)	582,034	1,188,840
Other payables (including related parties)	131,207	113,006
Other current liabilities, others	48,892	55,810
Long-term loans (including long-term loans, current portion)	3,853,156	7,098,145
Lease liabilities	573,209	431,935
Guarantee deposits received	3,651	1,976
Total	<u>\$ 5,254,098</u>	<u>\$ 9,417,712</u>

2. Fair value information

(1) The financial assets not at fair value and the book value of financial liabilities were considered by the Group's management as close to their fair value or has no reliable, fair value measurement.

(2) Valuation techniques and assumptions used in fair value measurements

The fair value of the Group's financial assets and financial liabilities were determined by using the following techniques and assumptions:

A. The fair value of financial assets subject to standard terms and conditions and were transacting in active markets was determined after reference of the quoted market price (including stocks of exchange-listed and oot-listed companies and bond funds-quasi money market).

B. The fair value of other financial assets and financial liabilities was determined by using the generally recognized valuation model based on discounted cash Flow analysis.

(3) Fair value measurement recognized in the balance sheet

Below are an analysis of valuation techniques used by financial instruments at fair value. Each level is defined as follows:

A. Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

C. Level 3: Inputs are not based on observable market data.

Basic categorization of the Group's financial assets and liabilities at fair

value, by their nature and fair value level is presented as follows:

		2024.12.31			
		Level 1	Level 2	Level 3	Total
Recurring non-derivative assets					
Current financial assets at fair value through other comprehensive income					
Shares of listed companies	\$	451	\$ -	\$ -	\$ 451
Non-current financial assets at fair value through other comprehensive income					
Shares of listed companies		2,464	-	-	2,464
Shares of unlisted companies		-	-	36,404	36,404
Total		<u>\$ 2,915</u>	<u>\$ -</u>	<u>\$ 36,404</u>	<u>\$ 39,319</u>
Recurring fair value measurement disclosures					
Investment property	\$	-	\$ -	\$ 1,075,837	\$ 1,075,837
		2023.12.31			
		Level 1	Level 2	Level 3	Total
Recurring non-derivative assets					
Current financial assets at fair value through other comprehensive income					
Shares of listed companies	\$	475	\$ -	\$ -	\$ 475
Non-current financial assets at fair value through other comprehensive income					
Shares of listed companies		2,199	-	-	2,199
Shares of unlisted companies		-	-	31,652	31,652
Total		<u>\$ 2,674</u>	<u>\$ -</u>	<u>\$ 31,652</u>	<u>\$ 34,326</u>
Recurring fair value measurement disclosures					
Investment property	\$	-	\$ -	\$ 730,596	\$ 730,596

No transferring between Level 1 and Level 2 for the years ended 2024 and 2023.

(4) Valuation techniques for measuring fair value

- A. The fair value of financial assets subject to standard terms and conditions and were transacting in active markets was determined after reference of the quoted market price (including stocks and funds of exchange-listed and oct-listed companies).
- B. The equity instruments not traded in active market (including not exchange-listed and oct-listed companies) that use market approach or asset-based approach for valuation of fair value estimates the fair value by using the same or comparable price derived from equity instruments traded in an active market, and other relevant information.
- C. Please refer to Note VI(viii) for details of information on the fair value of the Group's investment property measured at cost.

(5) Significant unobservable inputs of level 3 within the fair value hierarchy

The Group's assets measured at recurring fair value of level 3 within the fair value hierarchy, used for significant unobservable inputs measured at fair value are as

follows:

As of December 31, 2024

	Valuation technique	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
	Market approach	Price-book ratio (P/B)	Value multiples (1.68-2.06)	Higher the price-book ratio, the higher the fair value estimates.	If the stock price has risen (dropped) 10%, the Company's equity will increase NT\$ 3,671 thousand/decrease NT\$ 3,671 thousand.
		Stock price to EPS ratio (P/E)	Value multiples (21.35-26.09)	Higher the stock price to EPS ratio, the higher the fair value estimates.	
Financial assets: Financial Assets at Fair Value through Other Comprehensive Income - stock	Market approach	Liquidity discount rate (P/B)	Liquidity discount rate (10.52%-21.22%)	Higher the liquidity discount rate, the lower the fair value estimates.	If the liquidity discount rate has risen (dropped) 5%, the Company's equity will decrease NT\$ 2,299 thousand/increase NT\$ 2,324 thousand.
		Liquidity discount rate (P/E)			

As of December 31, 2023

	Valuation technique	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
	Market approach	Price-book ratio (P/B)	Value multiples (1.83-2.23)	Higher the price-book ratio, the higher the fair value estimates.	If the stock price has risen (dropped) 10%, the Company's equity will increase NT\$ 3,130 thousand/decrease NT\$ 3,142 thousand.
		Stock price to EPS ratio (P/E)	Value multiples (17.34-21.20)	Higher the stock price to EPS ratio, the higher the fair value estimates.	
Financial assets: Financial Assets at Fair Value through Other Comprehensive Income - stock	Market approach	Liquidity discount rate (P/B)	Liquidity discount rate (17.81%-28.67%)	Higher the liquidity discount rate, the lower the fair value estimates.	If the liquidity discount rate has risen (dropped) 5%, the Company's equity will decrease NT\$ 2,217 thousand/increase NT\$ 2,263 thousand.
		Liquidity discount rate (P/E)			

Note: Stock valuation as of December 31, 2024 and 2023, the stock price results are averaged using the stock price to book ratio and the stock price to earnings per share ratio, and the assessed value after liquidity discount is taken into account as a stock price reference.

3. Financial risk management policy

The Group's financial risk management's objective is to manage market risk, credit risk, and liquidity risk regarding operating activities. To reduce relevant financial risks, the Group is devoted to identifying, evaluating and circumventing market uncertainties for mitigating the potential negative impacts on the Group's financial performance due to market movements.

The Group's significant financial activities are reviewed by the Board of Directors in accordance with relevant regulations and the internal control system. The internal auditors have assisted the Group's Board by taking the supervisory role, continually engaged in reviewing policy compliance and different risk exposure amounts.

4. Nature and extend of significant financial risks

(1) Market risk

The Group's market risks refer to the exposure of financial instruments to risks regarding fair value and fluctuation in cash flows incurred from market price changes. Market risks include primarily foreign currency exchange rate risk, interest risk, and price risk.

a. Foreign currency exchange rate risk

The Group focused primarily on domestic sales. Thus, there has no significant risk of changes in the foreign currency exchange rate for the Group.

b. Interest rate risk

The Group's interest risks arise from short-term loans, long-term loans, short-term notes and bills payable, and bonds payable. Borrowings issued at variable rates expose the Group to cash flow interest rate risk, which is partially offset by cash held at variable rates. Whereas the borrowings issued at fixed rates expose the Group to the risk of fair value interest rate. The Group's short-term and long-term loans, and short-term notes and bills payable were debt with floating interest rate. Thus, any changes in the market interest rate would lead to changes in these financial facilities' effective interest rate and caused fluctuation in future cash flows. Whereas the increase of 1% in market interest rate, has increased the Group's cash outflows to NT\$ 39,151 thousand and NT\$ 76,261 thousand, respectively, as of December 31, 2024 and 2023.

c. Price risk

The Group holds listed and non-listed equity securities and other investments. The fair value is exposed to risks due to the uncertainty in future value of portfolios and the price fluctuation arising from market price

fluctuation.

As of December 31, 2024 and 2023, for listed Group stocks of investments by equity instrument measured at fair value through other comprehensive income, its 1% increase / decrease in the price of equity securities affected the Group's equity amounted to NT\$ 29 thousand and NT\$ 27 thousand, respectively.

(2) Credit risk

Credit risk refers to a breach of contractual obligations by the counterparty, which leads the Group to a financial loss risk. The Group's credit risks are primarily from receivables and other receivables incurred in business activities. Business related credit risk and financial credit risk are managed separately.

a. Business related credit risk

The Group is primarily engaged in contractor appointment and management to build public housing and commercial buildings for leasing and selling. Thus, the Group's accounts receivable in the book are basically incurred on purchases of the Group's products by customers. Most of the Group's customers obtained loans from banks, although accounts receivable usually incurred due to time differences between the transfer date of funds and the time on approval of its appropriation, the lending bank would write-off soon after funds are allocated; however, if the customer has insufficient funds and needs to apply for installment payment, the Group will determine whether to collect payments in installment under the Agreement, after assessing the customer's credit quality and ability to repay. Thus the Group is not exposed to significant risk.

b. Financial credit risk

Since the counterparties to the forgoing financial instruments are reputable banks and financial institutions with a stable rating, management believes its exposure to default by counter-party is low.

(3) Liquidity risk

The Group maintains sufficient funding to support operating requirements and ensures compliance to terms and conditions in loan contracts, through the management and monitors its liquidity requirements and use of bank facilities, as operating funds are deemed sufficient to meet the cash flow demand; therefore, liquidity risk is not considered to be significant.

The Group's investments of stocks of listed companies and funds, recognized as financial assets at FVTOCI and financial assets at FVTPL

respectively, have an active market, thus are expected to be sold quickly with the price close to fair value in the market. The Group's investments of unlisted companies' stocks, recognized as financial assets at FVTOCI - non-current, have no active market and thus are expected to have material liquidity risk.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity Groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The contractual cash flow amount disclosed in the following table is the undiscounted amount (principal and interest are included).

As of December 31, 2024:

Non-derivative financial liabilities	Within 1 year	1 to 3 years	3 years or more	Total
Short-term loans	\$ 42,752	\$ —	\$ —	\$ 42,752
Short-term Notes and bills Payable	20,000	—	—	20,000
Notes payable (including related parties)	54,272	—	—	54,272
Accounts payable (including related parties)	527,762	—	—	527,762
Other payables (including related parties)	131,207	—	—	131,207
lease liabilities	16,544	33,089	1,064,500	1,114,133
Long-term loans (including current portion)	1,641,582	1,286,466	1,230,953	4,159,001
Total	<u>\$ 2,434,119</u>	<u>\$ 1,319,555</u>	<u>\$ 2,295,453</u>	<u>\$ 6,049,127</u>

As of December 31, 2023:

Non-derivative financial liabilities	Within 1 year	1 to 3 years	3 years or more	Total
Short-term loans	\$ 535,748	\$ —	\$ —	\$ 535,748
Notes payable (including related parties)	28,942	—	—	28,942
Accounts payable (including related parties)	1,159,898	—	—	1,159,898
Other payables (including related parties)	105,673	7,333	—	113,006
lease liabilities	11,994	23,989	775,131	811,114
Long-term loans (including current portion)	5,044,328	1,854,608	503,054	7,401,990
Total	<u>\$ 6,886,583</u>	<u>\$ 1,885,930</u>	<u>\$ 1,278,185</u>	<u>\$ 10,050,698</u>

The Group does not expect the timing of the cash flows estimated through the maturity date will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

XIII. Supplementary Disclosures

(i) Information About Significant Transactions

1. Financing provided to others: None.
2. Provision of endorsements and guarantees to others: None.
3. Holding of marketable securities at the end of the period: Please refer to Table 1.
4. Aggregate purchases or sales of the same securities reaching NT\$300 million or 20% of paid-in capital or more: None.
5. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: Please refer to Table 2.
6. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
7. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid in capital or more: Please refer to Table 3.
8. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: None.
9. Derivatives transactions: None.
10. Business relationships and significant transaction amounts between the parent company and its subsidiaries, and among the subsidiaries: Please refer to Table 4.

(ii) Information on Investees

Information on investee that the Company directly or indirectly exercises significant influence or control over (excluding mainland China investees): Please refer to Table 5.

(iii) Information on Investments in Mainland China

1. The name of the investee in mainland China, the main businesses, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, the amount received as dividends from the investee, and the limitation on investee: None.
2. Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in mainland China on financial reports: None.

(iv) Information of major shareholders: Please refer to Table 6.

XIV. Segment Information

(i) Industry Information:

The Company is primarily engaged in the construction, leasing, and sale of residential housing and commercial buildings. Its subsidiaries are mainly engaged in the construction of residential and commercial buildings.

(ii) Information on departmental profits, losses and assets

Year ended December 31, 2024

Item	Building engineering	Construction engineering	Internal write-off	Total
Revenue from customers	\$ 8,801,948	\$ —	\$ —	\$ 8,801,948
Revenue between segment	324	474,518	(474,842)	—
Segment revenue amount	<u>\$ 8,802,272</u>	<u>\$ 474,518</u>	<u>\$ (474,842)</u>	<u>\$ 8,801,948</u>
Segment profit and loss	<u>\$ 3,603,517</u>	<u>\$ 37,941</u>	<u>\$ (38,265)</u>	<u>\$ 3,603,193</u>
Segment assets	<u>\$14,436,993</u>	<u>\$ 194,470</u>	<u>\$ (124,373)</u>	<u>\$14,507,090</u>
Segment liabilities	<u>\$ 5,895,060</u>	<u>\$ 107,096</u>	<u>\$ (36,999)</u>	<u>\$ 5,965,157</u>

Year ended December 31, 2023

Item	Building engineering	Construction engineering	Internal write-off	Total
Revenue from customers	\$ 5,235,455	\$ —	\$ —	\$ 5,235,455
Revenue between segment	324	10,908	(11,232)	—
Segment revenue amount	<u>\$ 5,235,779</u>	<u>\$ 10,908</u>	<u>\$ (11,232)</u>	<u>\$ 5,235,455</u>
Segment profit and loss	<u>\$ 2,350,762</u>	<u>\$ 878</u>	<u>\$ (1,202)</u>	<u>\$ 2,350,438</u>
Segment assets	<u>\$17,497,581</u>	<u>\$ 74,985</u>	<u>\$ (68,261)</u>	<u>\$17,504,305</u>
Segment liabilities	<u>\$10,306,072</u>	<u>\$ 6,725</u>	<u>\$ —</u>	<u>\$10,312,797</u>

(iii) Product Category and Service Category Information

In 2024 and 2023, the Group's major revenue are from buildings and land sales.

(iv) Geographic Information

The Group has no foreign operating segment.

(v) Export Sales Information

The Group has no export sales revenue.

(vi) Major Customers Information

In 2024 and 2023, there were no key customers who contribute to 10% of the Group's revenue.

Advancetek Enterprise Co., Ltd. And Subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2024

Table 1

Unit: share/thousands of NTD

Holding Company Name	Type and Name of Marketable Securities		Relationship with the Issuer of Marketable Securities	Account item	At end of period				Remark
					Shares/Units	Book value	Ownership held by the Company	Market Price	
Advancetek Enterprise Co., Ltd.	Stock	En Tie Commercial Bank Co., Ltd.	None	Current financial assets at fair value through other comprehensive income	32,126	\$ 451	—	\$ 451	Note 2
	Stock	Taiwan Biotech Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	1,270,210	36,404	0.43	36,404	Note 1
	Stock	Tah Chung Steel Corporation	None	Non-current financial assets at fair value through other comprehensive income	22	—	—	—	
	Stock	Far EasTone Telecom Co., Ltd.(Note 3)	None	Non-current financial assets at fair value through other comprehensive income	27,559	2,464	—	2,464	Note 2
				Total		\$ 38,868		\$ 38,868	

Note 1: The stock value is calculated based on the market approach. Please refer to Note XII(ii) for details.

Note 2: Calculated on the basis of the closing price at the end of December 2024.

Note 3: On February 25, 2022, Far EasTone Telecom Co., Ltd. approved the signing of a merger contract with Asia Pacific Telecom Co., Ltd. by the board of directors, and merged with Asia Pacific Telecom Co., Ltd. by absorption. Far EasTone Telecommunications Co., Ltd. For the surviving company, the merger base date is December 25, 2023, and the share exchange ratio is 9.34406%. The Company originally held 294,944 shares of Asia Pacific Telecom Co., Ltd. After the merger and share exchange, the Company held 27,559 shares of Far EasTone Telecom Co., Ltd.

Advancetek Enterprise Co., Ltd. And Subsidiaries

Acquisition of real estate amounting to at least NT\$300 million or more than 20% of the paid-in capital

Year ended December 31, 2024

Table 2

Unit: thousands of NTD

Acquisition of real estate by a company	Name of property	Date of occurrence	Transaction amount	Payment Status	Counterparty	Relationship	The previous transfer information of the counterparty if the counterparty is a related party				Reference for price determination	Purpose and utilization status of acquisition	Other agreement Owner terms
							Owner	Relationship with the issuer	Transfer date	Amount			
Advancetek Enterprise Co., Ltd	Land rights in Nanhai Section, Zhongzheng District A, Taipei (Inventory - Royalties for superficies right)	Winning date 2023.10.30	\$ 477,700	Denominated according to the contract (\$477,700 has be paid)	Northern District Branch of the State-owned Property Administration of the Ministry of Finance	None	-	-	-	-	Public bidding	Build house for sale	N
		Signing day 2023.11.13											
		Set date 2024.01.12											
Advancetek Enterprise Co., Ltd	Property on Zhonghua Road, Xinzhuang District, New Taipei City (Property, Plant, and Equipment)	Board resolution day 2023.11.07	\$ 376,855 (Tax excluded)	Denominated according to the contract (\$ 376,855 has be paid)	Lih Pao Construction Co., Ltd.	Note 1	None (Note2)	N/A	N/A	N/A	Appraisal report from Xincai Real Estate Appraisers, the valuation amount is \$390,631	office	N
		Signing day 2023.11.14											
		Transfer date 2024.01.03											
Advancetek Enterprise Co., Ltd	Land rights in Nanhai Section, Zhongzheng District B, Taipei (Inventory - Royalties for superficies right)	Winning date 2024.03.11	\$ 164,500	Denominated according to the contract (\$164,500 has be paid)	Northern District Branch of the State-owned Property Administration of the Ministry of Finance	None	-	-	-	-	Public bidding	Build house for sale	N
		Signing day 2024.03.25											
		Set date 2024.05.23											

Acquisition of real estate by a company	Name of property	Date of occurrence	Transaction amount	Payment Status	Counterparty	Relationship	The previous transfer information of the counterparty if the counterparty is a related party				Reference for price determination	Purpose and utilization status of acquisition	Other agreement Owner terms
							Owner	Relationship with the issuer	Transfer date	Amount			
Advancetek Enterprise Co., Ltd	Land rights in Fuhe Section, Zhongzheng District, Taipei (Inventory - Royalties for superficies right)	Winning date 2024.03.11	\$ 212,060	Denominated according to the contract (\$212,060 has be paid)	Northern District Branch of the State-owned Property Administration of the Ministry of Finance	None	-	-	-	-	Public bidding	Build house for sale	N
		Signing day 2024.03.25											
		Set date 2024.05.23											

Note 1: The Chairperson of that company is the relative of the Company's Chairperson, within the 1 degrees of kinship under the civil code.

Note 2: The real estate is a new house built and completed by Lih Pao Construction Co., Ltd. in 2023.

Advancetek Enterprise Co., Ltd. And Subsidiaries

The amount of purchase and sales with related parties has reached NT\$ 100 million or 20% or above the paid-in capital.

Year ended December 31, 2024

Table 3

Unit: thousands of NTD

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Remark
			Purchases/Sales	Amount	Percentage of total purchases (sales)	Credit period	Unit Price	Credit period	Ending Balance	Percentage of total Notes/Accounts (Payable) or Receivable	
Advancetek Enterprise Co., Ltd	Jia Yuan Construction Co., Ltd.	Subsidiaries	Purchase	\$ 368,264	16.71%	50% - within 60 days 50% - cash	Denominated according to the contract	Within 30 days or 60 days for common suppliers	\$ (36,416)	(6.77%)	Note 1 、 2
Advancetek Enterprise Co., Ltd	Zhongfu Construction Co., Ltd	Other related parties	Purchase	\$ 160,000	7.26%	50% - within 60 days 50% - cash	Denominated according to the contract	Within 30 days or within 60 days for common suppliers	\$(197,716)	(36.76%)	Note 1
Advancetek Enterprise Co., Ltd	Ansheng Construction Co., Ltd	Other related parties	Purchase	\$ 279,808	12.70%	50% - within 60 days 50% - cash	Denominated according to the contract	Within 30 days or 60 days for common suppliers	\$ (110,920)	(20.63%)	Note 1
Jia Yuan Construction Co., Ltd.	Advancetek Enterprise Co., Ltd	Parent company	Sales	\$ (474,518)	100%	50% - within 60 days 50% - cash	Denominated according to the contract	Within 30 days or 60 days for common suppliers	\$ 36,416	100%	Note 3

Note 1: Please refer to Note VII for status on construction contracts signed by the Company with related parties.

Note 2: The contracted engineering company records the purchase amount based on the periodically assessed and priced valuation.

Note 3: The engineering contracting company recognizes construction revenue using the percentage-of-completion method and records the amount as sales.

Advancetek Enterprise Co., Ltd. And Subsidiaries

The business relationship between the parent and the subsidiaries and significant transaction between them

Year ended December 31, 2024

Table 4

Unit: thousands of NTD

No. (Note 1)	Related Party	Counterparty	Relationship (Note 2)	Transactions			
				Account	Amount	Terms	Percentage of consolidated Net revenues or consolidated total assets (Note 3)
0	Advancetek Enterprise Co., Ltd.	Jia Yuan Construction Co., Ltd.	1	Operating revenue	\$ 324	The same as others	—
0	Advancetek Enterprise Co., Ltd.	Jia Yuan Construction Co., Ltd.	1	Inventory - Construction in Progress	75,322	The same as others	0. 52%
0	Advancetek Enterprise Co., Ltd.	Jia Yuan Construction Co., Ltd.	1	Inventory - Land Held for Construction Site	3,020	The same as others	0. 02%
0	Advancetek Enterprise Co., Ltd.	Jia Yuan Construction Co., Ltd.	1	Accounts Payable - Related Parties	36,416	The same as others	0. 25%
1	Jia Yuan Construction Co., Ltd.	Advancetek Enterprise Co., Ltd.	2	Rent expense	324	The same as others	—
1	Jia Yuan Construction Co., Ltd.	Advancetek Enterprise Co., Ltd.	2	Operating revenue	474,518	The same as others	5. 39%
1	Jia Yuan Construction Co., Ltd.	Advancetek Enterprise Co., Ltd.	2	Operating costs	436,577	The same as others	4. 96%
1	Jia Yuan Construction Co., Ltd.	Advancetek Enterprise Co., Ltd.	2	Contract Assets	116,283	The same as others	0. 80%
1	Jia Yuan Construction Co., Ltd.	Advancetek Enterprise Co., Ltd.	2	Accounts Receivable - Related Parties	36,416	The same as others	0. 25%

Note 1: The Company and its subsidiaries are coded as follows:

1 The Company is coded "0".

2 Subsidiaries are coded consecutively starting from "1" in the order presented in the table above.

Note 2: Transactions are categorized as follows:

1 Parent company to subsidiary

2 Subsidiary to parent company

3 Subsidiary to subsidiary

Note 3: When calculating the percentage of transaction amount to the consolidated revenues or the consolidated assets: Items of the balance sheets are calculated as its ending balance to total consolidated assets; items of income statement are calculated by its cumulative balance to the total consolidated income.

Advantec Enterprise Co., Ltd. And Subsidiaries

Information on investee companies that directly or indirectly have significant influence or control

Year ended December 31, 2024

Table 5

Unit:share / thousands of NTD

Invest company name	Investee company name	Area	Main business items	Original investment amount		Ending amount			Investee company Profit and loss for the current period	Recognized in this issue Investment gains and losses	Remark
				End of current period	End of last period	Shares	Ratio	Amount			
Advantec Enterprise Co., Ltd	Jia Yuan Construction Co., Ltd.	Wugu District, New Taipei City	Comprehensive construction industry	\$ 100,000	\$100,000	10,000,000	100%	63,137	\$ 19,113	\$ (18,827) Note 1	Subsidiaries

Note 1: Adjusted for unrealized gains and losses on cross-flow transactions between companies.

Advancetek Enterprise Co., Ltd. And Subsidiaries

Information of major shareholders

December 31, 2024

Table 6

Name of major shareholders	Number of shares held (shares)	Ownership held by the Company
Bai Xiang Investment Co., Ltd	35,029,609	9.56%
Ming Sheng Investment Co., Ltd.	33,693,881	9.20%
Wu Pao Tien	21,153,888	5.77%
Capital Tip Customized Taiwan Select High Dividend ETF	18,900,000	5.16%

Note 1: The information on major shareholders in this table is based on data of above 5% in total of common stock and preferred stock, that the companies held by shareholders have completed dematerialized registration and delivery (including treasury shares), and is calculated each quarter on the final business day, by the Taiwan Depository & Clearing Corporation. The capital stock reported in the Company's financial statements and the number of shares that the Company has completed dematerialized registration and delivery, may show discrepancies due to different basis in calculation.

Note 2: If any of the above mentioned entities has transferred control of shareholdings to a trustee, then disclosure of information regarding the entity will be in the form of the Settlor's account of trust opened by the trustee. According to the Securities and Exchange Act, the insiders or shareholders, held greater than 10% of shares shall file if any changes in stocks held, which include shareholdings that have been transferred to trustee and trust assets that the shareholder may determine the usage of shares; for filed information of insiders' shares, please refer to the Market Observation Post System website.