YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.

STATEMENTS AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2024 AND 2023

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.

Opinion

We have audited the accompanying balance sheets of YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD. (the "Company") as at December 31, 2024 and 2023, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2024 financial statements. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2024 financial statements are stated as follows:

Evaluation of Inventories

Refer to Note 4, Note 5, and Note 8 for accounting policy on evaluation of inventories and details of inventories. Inventory is an important asset for the Company. As of December 31, 2024, the Company's inventory amounted to NT$16,991,278 thousand, which accounted for 97% of the total assets.

Inventory includes land, building materials, designs, and the costs related to construction, which was valued at the lower of cost or net realizable value. The net realizable value is based on the recent actual transaction price of each construction project or the surrounding area where the construction project is located. Inventory

valuation is listed as a key audit matter because the relevant evaluation process involves major estimates and judgments.
How our audit addressed the matter:

1. At the end of the year, we observed and counted all inventories to determine the actual completion progress of the inventory and selected sample to check the accuracy of the accumulated inventory cost of the building under construction.
2. We selected samples to check the supporting documents of inventory valuation and recalculated the net realizable value of inventory to ensure the appropriateness of inventory valuation.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The engagement partners on the audits resulting in this independent auditors’ report are Xiu-wen Chen and Chang-Jun Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China
February 24, 2025

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.

BALANCE SHEETS

DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars)

		December 31, 2024		December 31, 2023	
	ASSETS	Amount	%	Amount	%
	CURRENT ASSETS				
1100	Cash (Notes 6)	$ 279,819	2	$ 403,233	2
1170	Accounts receivable (Notes 7 & 20)	24,870	-	24,800	-
1200	Other receivables	168	-	276	-
1320	Inventories (Note 4, 5, 8 & 27)	16,991,278	97	16,155,939	96
1478	Guarantee deposits paid, current portion	3,860	-	7,491	-
1479	Other current assets (Note 9)	60,085	-	168,031	1
11XX	Total current assets	17,360,080	99	16,759,770	99
	NONCURRENT ASSETS				
1600	Property, plant and equipment (Note 4, 10 & 27)	17,590	-	17,596	-
1755	Right-of-use assets (Note 4 & 11)	27	-	356	-
1760	Investment property (Note 4, 12 & 27)	11,165	-	11,279	-
1920	Guarantee deposits paid, non-current	28,988	-	29,085	-
1980	Other non-current financial assets (Note 27)	41,060	1	41,060	1
1995	Other non-current assets	1,838	-	2,382	-
15XX	Total non-current assets	100,668	1	101,758	1
1XXX	Total Assets	$ 17,460,748	100	$ 16,861,528	100
	LIABILITIES				
	CURRENT LIABILITIES				
2100	Current borrowings (Note 13 & 27)	$ 2,505,000	14	$ 1,370,000	8
2110	Short-term notes and bills payable (Note 13 & 27)	199,920	1	-	-
2130	Current contract liabilities (Note 4 & 20)	89,457	1	424,229	3
2150	Notes payable (Note 15)	6,059	-	-	-
2170	Accounts payable (Note 15)	540,914	3	625,914	4
2220	Other payables (Note 16)	91,865	1	153,096	-
2230	Current tax liabilities (Note 22)	531,813	3	501,354	3
2280	Current lease liabilities (Note 4 & 11)	2,079	-	3,827	-
2321	Long-term bonds payable, current portion (Note 14)	1,588,824	9	-	-
2322	Long-term borrowings, current portion (Note 13 & 27)	1,933,000	11	2,211,000	13
2399	Other current liabilities	19,585	-	7,259	1
21XX	Total current liabilities	7,508,516	43	5,296,679	32
	NON-CURRENT LIABILITIES				
2530	Bonds payable (Note 14)	599,252	3	2,187,351	13
2540	Long-term bank loans (Note 13 & 27)	1,077,000	6	2,053,000	12
2580	Non-current lease liabilities (Note 4 & 11)	107,713	1	186,374	1
2640	Net defined benefit liability, non-current (Note 4 & 17)	1,145	-	1,753	-
2645	Guarantee deposits received	256	-	156	-
25XX	Total non-current liabilities	1,785,366	10	4,428,634	26
2XXX	Total Liabilities	9,293,882	53	9,725,313	58
	EQUITY (Note 19)				
3110	Ordinary share	2,174,281	13	2,174,281	13
3200	Capital surplus	231,750	1	231,750	1
	Retained earnings				
3310	Legal reserve	2,275,136	13	2,002,356	11
3350	Unappropriated retained earnings	3,485,699	20	2,727,828	17
3300	Total retained earnings	5,760,835	33	4,730,184	28
3XXX	Total Equity	8,166,866	47	7,136,215	42
	Total Liabilities and Equity	$ 17,460,748	100	$ 16,861,528	100

The accompanying notes are an integral part of these financial statements.

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME

YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except as for earnings per share amount)

		2024		2023	
	Items	Amount	%	Amount	%
4000	Operating revenue (Note 4 & 20)	$10,035,475	100	$8,227,076	100
5510	Operating costs (Note 8 & 21)	5,213,801	52	4,395,985	53
5900	Gross profit (loss) from operations	4,821,674	48	3,831,091	47
	Operating expenses (Note 21)				
6100	Selling expenses	258,560	3	218,203	3
6200	Administrative expenses	204,537	2	202,994	3
6000	Total operating expenses	463,097	5	421,197	6
6900	Net operating income (loss)	4,358,577	43	3,409,894	41
	Non-operating income and expenses				
7100	Interest income	2,050	-	1,298	-
7190	Other income	121	-	169	-
7050	Finance costs (Note 21)	(3,028)	-	(3,981)	-
7000	Total non-operating income and expenses	(857)	-	(2,514)	-
7900	Profit (loss) from continuing operations before tax	4,357,720	43	3,407,380	41
7950	Total tax expense (Note 4 & 22)	872,731	8	678,789	8
8200	Profit (loss)	3,484,989	35	2,728,591	33
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	687	-	(790)	-
8500	Total comprehensive income	$3,485,676	35	$2,727,801	33

(Continued)

		2024		2023	
	Items	Amount	%	Amount	%
	Earnings per share (Note 23)				
9750	Basic	$ 16.03		$ 12.55	
9850	Diluted	$ 16.03		$ 12.55	

(Concluded)

The accompanying notes are an integral part of these financial statements.

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.

STATEMENTS OF CHANGES IN EQUITY

YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars)

				Retained Earnings			
		Ordinary share	Capital surplus	Legal reserve	Unappropriated retained earnings	Total retained earnings	Total equity
A1	Balance at January 1, 2023	$2,174,281	$ 231,750	$1,849,060	$1,532,991	$3,382,051	$5,788,082
	Appropriation of 2022 earnings (Note19)						
B1	Legal reserve	-	-	153,296	(153,296)	-	-
B5	Cash dividends	-	-	-	(1,379,668)	(1,379,668)	(1,379,668)
		-	-	153,296	(1,532,964)	(1,379,668)	(1,379,668)
D1	Net profit for the year ended December 31, 2023	-	-	-	2,728,591	2,728,591	2,728,591
D3	Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	(790)	(790)	(790)
D5	Total comprehensive income in 2023	-	-	-	2,727,801	2,727,801	2,727,801
Z1	Balance at December 31, 2023	2,174,281	231,750	2,002,356	2,727,828	4,730,184	7,136,215
	Appropriation of 2023 earnings (Note19)						
B1	Legal reserve	-	-	272,780	(272,780)	-	-
B5	Cash dividends	-	-	-	(2,455,025)	(2,455,025)	(2,455,025)
		-	-	272,780	(2,727,805)	(2,455,025)	(2,455,025)
D1	Net profit for the year ended December 31, 2024	-	-	-	3,484,989	3,484,989	3,484,989
D3	Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	687	687	687
D5	Total comprehensive income in 2024	-	-	-	3,485,676	3,485,676	3,485,676
Z1	Balance at December 31, 2024	$2,174,281	$ 231,750	$2,275,136	$3,485,699	$5,760,835	$8,166,866

The accompanying notes are an integral part of these financial statements.

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars)

	Items	2024	2023
	Cash flows from (used in) operating activities		
A10000	Profit (loss) before tax	$4,357,720	$3,407,380
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	1,004	827
A20200	Amortization expense	672	325
A20900	Interest expense	3,028	3,981
A21200	Interest income	(2,050)	(1,298)
A30000	Changes in operating assets and liabilities		
A31150	Accounts receivable	(70)	(24,684)
A31180	Other receivable	(7)	(104)
A31200	Inventories	(768,831)	835,810
A31240	Other current assets	107,946	36,066
A32125	Contract liabilities	(334,772)	362,437
A32130	Notes payable	6,059	(13,065)
A32150	Accounts payable	(85,000)	(126,663)
A32180	Other payable	(93,839)	64,723
A32230	Other current liabilities	12,326	5,617
A32240	Net defined benefit liability	79	(17,322)
A33000	Cash inflow (outflow) generated from operations	3,204,264	4,534,030
A33100	Interest received	2,165	1,153
A33300	Interest paid	(115,338)	(183,012)
A33500	Income taxes refund (paid)	(842,272)	(380,997)
AAAA	Net cash flows from (used in) operating activities	2,248,820	3,971,174
	Cash flows from (used in) investing activities		
B02700	Acquisition of property, plant and equipment	(555)	(1,602)
B03700	Increase in refundable deposits	-	(13,823)
B03800	Decrease in refundable deposits	3,728	-
B06500	Increase in other financial assets	-	(18,008)
B06700	Increase in other non-current assets	(128)	(2,047)
BBBB	Net cash flows from (used in) investing activities	3,045	(35,480)
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	3,325,000	2,845,000
C00200	Decrease in short-term loans	(2,190,000)	(3,315,000)

(Continued)

Items		2024	2023
C00500	Increase in short-term notes and bills payable	$ 4,049,826	$ 8,595,505
C00600	Decrease in short-term notes and bills payable	(3,849,906)	(9,595,240)
C01200	Proceeds from issuing bonds	-	599,008
C01600	Proceeds from long-term debt	357,000	1,570,500
C01700	Repayments of long-term debt	(1,611,000)	(3,105,600)
C03000	Increase in guarantee deposits received	100	-
C04020	Payments of lease liabilities	(1,274)	(1,921)
C04500	Cash dividends paid	(2,455,025)	(1,379,668)
CCCC	Net cash flows from (used in) financing activities	(2,375,279)	(3,787,416)
EEEE	Net increase (decrease) in cash and cash equivalents	(123,414)	148,278
E00100	Cash and cash equivalents at beginning of period	403,233	254,955
E00200	Cash and cash equivalents at end of period	$ 279,819	$ 403,233

(Concluded)

The accompanying notes are an integral part of these financial statements.

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organization

YUNGSHIN Construction & Development Co., Ltd. (the "Company") was incorporated in 1987. The Company is primarily engaged in selling and leasing commercial buildings and public housing constructed by commissioned construction contractors.

The Company's ordinary shares were listed on the Taiwan Over-The-Counter Securities Exchange in May 1998.

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

2. The Date of Authorization for Issuance of the Financial Statements and Procedures for Authorization

The financial statements were authorized for issuance by the Board of Directors on February 24, 2025.

3. Application of New Standards, Amendments and Interpretations

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

The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have a significant effect on the Company's accounting policies.

(2) The IFRSs issued by International Accounting Standards Board (IASB) and endorsed by the FSC with effective date starting 2025

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 1)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

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

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB（Note1）
IFRS Accounting Standards「Annual Improvements—Volume 11」	January 1, 2026
Amendments to IFRS 7 and IFRS 9 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 7 and IFRS 9 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	TBD by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

<u>IFRS 18 "Presentation and Disclosures in Financial Statements"</u>

IFRS 18 will supersede IAS 1" Presentation of Financial Statements". The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Company shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as 'other' only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Company as a whole, the Company shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

As of the date the financial statements were authorized for issue, the Company continues in evaluating the impact on its financial position and financial performance from the initial adoption of the aforementioned standards or interpretations and related applicable period. The related impact will be disclosed when the Company completes its evaluation.

4. Summary of Significant Accounting Policies

(1) Statement of compliance

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

(2) Basis of preparation

The financial statements have been prepared on the historical cost basis except for financial instruments and net defined benefit liability which are measured at fair value.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

A. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

C. Level 3 inputs are unobservable inputs for an asset or liability.

(3) Classification of current and noncurrent assets and liabilities

Current assets include:

A. Assets held primarily for the purpose of trading;

B. Assets expected to be realized within 12 months after the reporting period; and

C. Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

A. Liabilities held primarily for the purpose of trading;
B. Liabilities due to be settled within 12 months after the reporting period; and
C. Liabilities for which the Corporation does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as noncurrent.

The Company is engaged in the contract construction of buildings sales business. The operating cycle is usually longer than one year. The classification criteria for current or non-current of construction-related assets and liabilities is based on the operating cycle.

(4) Accounting treatment of operation

Accounting treatment of operating income from construction projects as below:

A. Operating revenue recognized and payments received in advance

The payment received from the buildings and land held for sale is included in the contract liabilities, and the accumulated amount of contract liability is recognized as revenue when it matches one of below conditions:

1. The ownership of the properties has been transferred to the customer and the house has been delivered.
2.The ownership transferred (or house delivered) before the Balance Sheet Date and the house delivered (or ownership transferred) after the Balance Sheet Date.

Revenue from the properties is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

B. Inventories、Construction in progress and Operating costs

The Company's properties are constructed in self-build. The land cost, superficies, construction cost and expense are accounted for as “Construction in progress”; When the construction is completed, the costs are transferred to “Building and land held for sale”. When it meets the conditions recognized as revenue, the construction cost of each unit shall be respected according to the land and building area of the entire project. The building and land held for sale is accounted for as “Inventories”.

The superficies are acquired with the purpose of building construction for sale. The royalty and the term of the rental are measured into inventory cost under IFRS 16.

Inventories include "Buildings and land held for sale", " Land held for construction site", "Construction in progress" and "Prepayment for land purchases". Inventories are stated at the lower of cost or net realizable value to make the sale. Inventory write-downs are made by item.

C. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(5) Assets related to contract costs

When a sales contract is obtained, selling commission paid to agents under exclusive sale agreements are recognized as assets (incremental costs of obtaining a contract) to the extent of the expected recoverable costs, and are recognized in profit or loss when the revenue is recognized.

(6) Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less recognized accumulated depreciation.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

(7) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, Investment properties are measured at cost less accumulated depreciation. Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

Properties are recognized as investment property with the carrying amount at the commencement date of a lease

(8) Impairment of "Property, plant and equipment", "Investment property" and "Right-of-use assets"

At the end of each reporting period, the Company ascertain whether there is any indication that the "Property, plant and equipment", "Investment property" or "Right-of-use assets" may be impaired, and if so, measurement of the estimated recoverable amount of the asset. If it was impossible to estimate the recoverable amount, estimate the recoverable amount of the cash-generating unit (CGU) which the asset belongs. Corporate assets are allocated to CGUs on a reasonable and consistent basis.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or CGU is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or CGU in prior years. A reversal of an impairment loss is recognized in profit or loss.

(9) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss (FVTPL) are recognized immediately in profit or loss.

A. Financial assets

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

(A) Measurement categories

Financial assets that meet the following conditions are subsequently measured at amortized cost:

a. The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

b. The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, accounts receivable, other receivables, other financial assets and guarantee deposits paid are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset.

(B) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Company always recognizes lifetime expected credit losses (ECLs) for accounts receivables. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

ECLs reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Company determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Company):

a. Internal or external information show that the debtor is unlikely to pay its creditors.

b. When a financial asset is overdue for at least 7 days unless the Company has reasonable and corroborative information to support a more lagged default criterion.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

(C) Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

B. Financial liabilities

(A) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

(B) Derecognition of financial liabilities

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

C. Equity instruments

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

(10) Leases

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

A. The Company as lessor

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

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

When a lease simultaneously include land and building elements, the Company classifies them as finance lease or operating lease based on whether substantially all of the risks and rewards from ownership of the elements have been transferred to the lessee. Lease payments are apportioned to land and buildings in proportion to the fair value of land and building lease rights on the contract establishment date. If lease payments can be apportioned reliably to these two elements, each element is treated according to the applicable lease classification. If lease payments cannot be allocated reliably to the two elements, the entire lease is classified as a finance lease, except when both elements clearly meet the standards of operating leases, the entire lease would be classified as an operating lease.

B. The Company as lessee

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

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities, and subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities.

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

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

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

(11) Employee benefits

A. Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

B. Post-employment benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

The costs of defined benefits under the defined benefit retirement plan (including service cost, net interest, and the remeasurement amount) are calculated based on the projected unit credit method. The cost of services (including the cost of services of the current period) and the net interest of the net defined benefit liability (asset) are recognized as employee benefit expenses when they are incurred. Remeasurement (comprising actuarial gains and losses, and return on plan assets net of interests) is recognized in other comprehensive profit and loss and included in retained earnings. It is not reclassified to profit or loss in subsequent periods.

Net defined benefit liabilities (assets) are the deficit (surplus) of the contribution made according to the defined benefit retirement plan.

(12) Taxation

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

A. Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

B. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements 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 generally recognized for all deductible temporary differences that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates 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.

C. 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.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions on 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 relevant. Actual results may differ from these estimates.

Key sources of estimation uncertainty - inventory valuation

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and historical experience in the sale of product of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

6. Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand	$ 69	$ 49
Demand deposits	279,736	403,170
Checking deposits	14	14
	$ 279,819	$ 403,233

7. Accounts receivable

	December 31, 2024	December 31, 2023
Accounts receivable		
Measured at amortized cost	$ 24,870	$ 24,800

The accounts receivable is collected under a legal right. There are no overdue accounts receivable or loss provisions at the balance sheet date.

8. Inventories

	December 31, 2024	December 31, 2023
Buildings and land held for sale	$ 4,644,345	$ 6,560,487
Land held for construction site		
TDR or fragmental lands	86,754	44,195
Construction in progress	11,994,569	9,264,371
Prepayment for land purchases	152,744	93,018
Right-of-use asset	112,866	193,868
	$ 16,991,278	$ 16,155,939

The Company entered into agreements of national non-public use land with National Property Administration, MOF, and non-related party for the establishment of the superficies from 2017 to 2020, with a contract term maturing between September 2087 and February 2091. The duration of superficies is 70 years. The superficies could be used for building houses based on the lease contract. The leasehold right of superficies was recognized as a right-of-use asset and lease liabilities according to IFRS16.

The operating cost related to inventories were recognized NT$5,213,801 thousand and NT$4,395,985 thousand in 2024 and 2023。

The company obtained bank financing and issued corporate bonds to build housing projects. Please refer to Note 21(1) for information of capitalization of borrowing costs.

Please refer to Note 27 for details of inventories pledged as collateral.

9. Other current assets

	December 31, 2024	December 31, 2023
Offset against business tax payable	$ 48,287	$ 159,040
Others	11,798	8,991
	$ 60,085	$ 168,031

10. Property, plant and equipment

2024

	Land	Buildings	Machinery and Equipment	Office equipment	Transport equipment	Leasehold improvements	Total
Cost							
Balance at January 1, 2024	$ 13,469	$ 4,723	$ -	$ 2,930	$ 602	$ 1,696	$ 23,420
Additions	-	-	285	270	-	-	555
Balance at December 31, 2024	$ 13,469	$ 4,723	$ 285	$ 3,200	$ 602	$ 1,696	$ 23,975
Accumulated depreciation							
Balance at January 1, 2024	$ -	$ 2,574	$ -	$ 1,537	$ 17	$ 1,696	$ 5,824
Depreciation expense	-	77	19	365	100	-	561
Balance at December 31, 2024	$ -	$ 2,651	$ 19	$ 1,902	$ 117	$ 1,696	$ 6,385
Net balance at December 31, 2024	$ 13,469	$ 2,072	$ 266	$ 1,298	$ 485	$ -	$ 17,590

2023

	Land	Buildings	Office equipment	Transport equipment	Leasehold improvements	Total
Cost						
Balance at January 1, 2023	$ 13,469	$ 4,723	$ 1,930	$ -	$ 1,696	$ 21,818
Additions	-	-	1,000	602	-	1,602
Balance at December 31, 2023	$ 13,469	$ 4,723	$ 2,930	$ 602	$ 1,696	$ 23,420

(Continued)

Accumulated depreciation	Land	Buildings	Office equipment	Transport equipment	Leasehold improvements	Total
Balance at January 1, 2023	$ -	$ 2,497	$ 1,287	$ -	$ 1,656	$ 5,440
Depreciation expense	-	77	250	17	40	384
Balance at December 31, 2023	$ -	$ 2,574	$ 1,537	$ 17	$ 1,696	$ 5,824
Net balance at December 31, 2023	$ 13,469	$ 2,149	$ 1,393	$ 585	$ -	$ 17,596

(Concluded)

Investment properties are depreciated using the straight-light method over their estimated useful lives as follows:

Buildings	60 Years
Machinery and Equipment	10 Years
Office equipment	5~8 Years
Transport equipment	5 Years
Leasehold improvements	3 Years

Please refer to Note27 for details of inventories pledged as collateral.

11. Leasing arrangements

(1) Right-of-use asset

	December 31, 2024	December 31, 2023
Carrying amount		
Building	$ 27	$ 356
Depreciation expense		
Building	$ 329	$ 329

Except for the aforementioned recognized depreciation, the Company did not have any significant additions, sublease or impairment of right-of-use assets during 2024 and 2023.

(2) Lease liabilities

	December 31, 2024	December 31, 2023
Carrying amount		
Current	$ 2,079	$ 3,827
Non-current	$ 107,713	$ 186,374

The lease liabilities related to superficies were NT$109,763 thousand and NT$189,833 thousand at December 31, 2024 and 2023.

Discount rate ranges for lease liabilities were as follows:

	December 31, 2024	December 31, 2023
Building	1.579	1.579
Land	2.0292	2.0292

(3) Material leasing activities and terms

The Company leases buildings for office use with maturity in January 2025. The Company does not have bargain purchase options to acquire the leasehold buildings at the end of the lease terms.

Please refer to Note 8 for the lease right of superficies.

(4) Other lease information

	2024	2023
Expenses relating to short-term leases or low-value asset leases	$ 342	$ 757
Total cash outflow for leases	$4,648	$7,310

12. Investment property

2024

	Land	Buildings	Total
Cost			
Balance at January 1, 2024 and December 31, 2024	$ 4,782	$ 6,969	$ 11,751
Accumulated depreciation			
Balance at January 1, 2024	-	472	472
Depreciation	-	114	114
Balance at December 31, 2024	-	586	586
Net balance at December 31, 2024	$ 4,782	$ 6,497	$ 11,279

(Continued)

2023

Cost	Land	Buildings	Total
Balance at January 1, 2023 and December 31, 2023	$ 4,782	$ 6,969	$ 11,751
Accumulated depreciation			
Balance at January 1, 2023	-	358	358
Depreciation	-	114	114
Balance at December 31, 2023	-	472	472
Net balance at December 31, 2023	$ 4,782	$ 6,497	$ 11,279

(Concluded)

Rental contracts are typically made for periods of 5 years. The rights of lease term extension contain clauses for market rental reviews. The lessee does not have a bargain purchase option to acquire the investment property at the expiry of the lease period.

The total lease payments to be received in the future for the sublease of the operating leases are as follows:

	December 31, 2024	December 31, 2023
Year 1	$ 936	$ 936
Year 2	780	936
Year 3	-	780
Year 4	-	-
Year 5	-	-
	$ 1,716	$ 2,652

Investment properties are depreciated using the straight-light method over 60 years.

The fair values of the investment properties as of December 31, 2024 and 2023 were NT$55,123 thousand and NT$55,029 thousand which were measured using level 3 inputs. The fair value has not been evaluated by an independent evaluator. It is only evaluated by the management of the Company using the evaluation model commonly used by market participants with similar real estate transaction prices.

All investment property of the Company is its own equity. For information on investment property mortgage, please refer to Note 27.

13. Borrowings

(1) Current borrowings

Secured borrowings	December 31, 2024	December 31, 2023
Bank borrowings	$ 55,000	$ -

(Continued)

Unsecured borrowings	December 31, 2024	December 31, 2023
Unsecured business loans	$ 2,450,000	$ 1,370,000
	$ 2,505,000	$ 1,370,000
Interest rate （%）	1.825～2.575	1.800～1.85

(Concluded)

(2) Short-term notes and bills payable (at December 31, 2023)

Unmatured short-term notes and bills payable as below：

December 31, 2023

Promissory Institution	Nominal Amount	Discount	Carrying Amount	Rate（%）
CP payable				
Yuanta Bank／CBF	$ 200,000	$ 80	$ 199,920	1.67

(3) Long-term borrowings

Secured borrowings	December 31, 2024	December 31, 2023
Bank borrowings -maturities before February 2030	$ 3,010,000	$ 4,264,000
Less: Current portion	1,933,000	2,211,000
	$ 1,077,000	$ 2,053,000
Interest rate （%）	2.675～2.825	2.43～2.7

14. Bonds payable

	December 31, 2024	December 31, 2023
Unsecured Corporate Bonds		
Issued in 07/2023; A maturity of 5 years with issuer call option; Annually compound and pay 1 time at fixed interest rate 2.975%	$ 600,000	$ 600,000
Secured Corporate Bond		
Issued in 07/2021; Principal repaid in a lump sum at maturity (5-year); Annually compound and pay 1 time at fixed interest rate 0.59%	400,000	400,000

(Continued)

	December 31, 2024	December 31, 2023
Issued in 09/2021; Principal repaid in a lump sum at maturity (5-year); Annually compound and pay 1 time at fixed interest rate 0.55%	600,000	600,000
Issued in 06/2022; Principal repaid in a lump sum at maturity (5-year); Annually compound and pay 1 time at fixed interest rate 1.85%	190,000	190,000
Issued in 06/2022; Principal repaid in a lump sum at maturity (5-year); Annually compound and pay 1 time at fixed interest rate 1.8%	400,000	400,000
	2,190,000	2,190,000
Less: Discount	1,924	2,649
	2,188,076	2,187,351
Less: Current portion	1,588,824	-
	$ 599,252	$ 2,187,351

(Concluded)

The above mentioned secured corporate bonds are guaranteed by SCSB, Yuanta Bank, and Maga Bank.

15. Notes payable & Accounts payable

	December 31, 2024	December 31, 2023
Notes payable—Operating	$ 6,059	$ -
Accounts payable—Operating	$ 540,914	$ 625,914

The average payment period for building materials is 30 to 75 days. The Company has financial risk management policy in place to ensure all payables are paid within the pre-agreed credit terms; therefore, no interest was charged on the outstanding accounts payable.

16. Other payables

	December 31, 2024	December 31, 2023
Advertising commission payable	$ 36,663	$ 91,961
Payroll expense	22,246	24,228
Interest payable	20,523	21,898
Accrued profit sharing bonus to employees	4,362	3,411
After-sales maintenance expense	2,927	5,079
Others	5,144	6,519
	$ 91,865	$ 153,096

17. Pensions

(1) Defined contribution plan

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Corporation makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

(2) Defined benefit plan

The defined benefit plans adopted by the Company under the Labor Standards Act are operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries for the 6 months before retirement. The Company contributes amounts in a certain percentage of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor; the Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company's defined benefit plans are as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligation	$ 41,343	$ 38,706
Fair value of plan assets	(40,198)	(36,953)
Net defined benefit assets	$ 1,145	$ 1,753

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2023	$ 37,463	($ 19,178)	$ 18,285
Service cost			
Current service cost	115	-	115
Interest expense (income)	450	(230)	220
Recognized in profit or loss	565	(230)	335
Remeasurements			
Return on plan assets (excluding amounts included in net interest)	-	(308)	(308)
Actuarial gain — Changes in financial assumptions	171	-	171

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Actuarial loss—Experience adjustments	$ 927	$ -	$ 927
Recognized in other comprehensive income	1,098	(308)	790
Contributions from the employer	-	(17,657)	(17,657)
Benefits paid	(420)	420	-
Balance at December 31, 2023	38,706	(36,953)	1,753
Service cost			
Current service cost	119	-	119
Interest expense (income)	426	(407)	19
Recognized in profit or loss	545	(407)	138
Remeasurements			
Return on plan assets (excluding amounts included in net interest)	-	(2,779)	(2,779)
Actuarial gain — Changes in financial assumptions	507	-	507
Actuarial loss—Experience adjustments	1,585	-	1,585
Recognized in other comprehensive income	2,092	(2,779)	(687)
Contributions from the employer	-	(59)	(59)
Benefits paid	(-)	-	-
Balance at December 31, 2024	$ 41,343	($ 40,198)	$ 1,145

(Concluded)

The defined benefit plans recognized in profit or loss by major categories as follows:

	2024	2023
Operating expenses	$ 138	$ 335

Through the defined benefit plan under the Labor Standards Act, the Company is exposed to the following risks:

A. Investment risk

The plan assets are invested in domestic (and foreign) equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

B. Interest rate risk

A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

C. Salary risk

The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations are as follows:

	December 31, 2024	December 31, 2023
Discount rate (%)	1.5	1.1
Expected rate of salary increase (%)	3.0	2.0
Employee turnover (%)	0～25	0～25

If possible reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31, 2024	December 31, 2023
Discount rate		
0.1% increase	($ 156)	($ 171)
0.1% decrease	$ 157	$ 173
Expected rate of salary increase		
0.1% increase	$ 114	$ 133
0.1% decrease	($ 113)	($ 132)

The sensitivity analysis presented above may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31, 2024	December 31, 2023
Expected contributions to the plans for the next year	$ 60	$ 58
Average duration of the defined benefit obligation	3.8 years	4.4 years

18. Maturity analysis of assets and liabilities

The current/non-current classification of the Company's assets and liabilities relating to the construction business was based on its operating cycle. The amounts expected to be recovered or settled within 1 year after the reporting period and more than 1 year after the reporting period for related assets and liabilities were as follows:

	Within 1 Year	Beyond 1 Year	Total
December 31, 2024			
Assets			
Accounts receivable	$ 24,870	$ -	$ 24,870
Inventories	4,670,483	12,320,795	16,991,278
Guarantee deposits paid	3,860	-	3,860
	$ 4,699,213	$ 12,320,795	$17,020,008
Percentage (%)	28	72	100
Liabilities			
Current borrowings	$ 2,505,000	$ -	$ 2,505,000
Short-term notes and bills payable	199,920	-	199,920
Contract liabilities	89,457	-	89,457
Notes payable	6,059	-	6,059
Accounts payable	361,506	179,408	540,914
Other payable	68,199	23,666	91,865
Current lease liabilities (Superficies)	808	1,243	2,051
Long-term bonds payable, current portion	-	1,588,824	1,588,824
Long-term borrowings, current portion	650,000	1,283,000	1,933,000
	$ 3,880,949	$ 3,076,141	$ 6,957,090
Percentage (%)	56	44	100
December 31, 2023			
Assets			
Accounts receivable	$ 24,800	$ -	$ 24,800
Inventories	6,519,026	9,636,913	16,155,939
Guarantee deposits paid	7,491	-	7,491
	$ 6,551,317	$ 9,636,913	$16,188,230
Percentage (%)	40	60	100
Liabilities			
Current borrowings	$ 1,370,000	$ -	$ 1,370,000
Contract liabilities	424,229	-	424,229

(Continued)

	Within 1 Year	Beyond 1 Year	Total
Accounts payable	$ 392,580	$ 233,334	$ 625,914
Other payable	111,201	41 ,895	153,096
Current lease liabilities (Superficies)	1,357	2,102	3,459
Long-term borrowings, current portion	1,167,000	1,044,000	2,211,000
	$ 3,466,367	$ 1,321,331	$ 4,787,698
Percentage (%)	72	28	100

(Concluded)

19. Equity

(1) Ordinary share

	December 31, 2024	December 31, 2023
Authorized Shares (1,000 shares)	250,000	250,000
Share capital- Authorized	$ 2,500,000	$ 2,500,000

	December 31, 2024	December 31, 2023
Shares Outstanding (1,000 shares)	217,428	217,428
Share capital- Outstanding	$ 2,174,281	$ 2,174,281

(2) Capital surplus

Items	December 31, 2024	December 31, 2023
Share premium	$ 192,056	$ 192,056
Treasury stock	39,694	39,694
	$ 231,750	$ 231,750

The aforementioned capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or stock dividends up to a certain percentage of the Company's paid-in capital.

(3) Retained earnings and dividend policy

According to Article of “Articles of Association”, if earnings are available for distribution at the end of a fiscal year, 10% of net earnings – that is, after offsetting any loss from the prior year(s) and paying all taxes and dues – shall be set aside as a legal reserve and appropriated under the Company Act. Where such statutory surplus reserve amounts to the total paid-in capital, this provision shall not apply. After that, if the distribution of the balance plus the retained earnings accrued from prior years in the form of new shares to be issued by the Company, the board of directors shall propose a surplus distribution plan and submit the distribution plan to the shareholders' meeting for approval, and then distribute it.

If the surplus profit distributable as dividends and bonuses in whole or in part can be distributed in the form of cash, the Board of Directors is authorized to make a resolution adopted by a majority vote at a Board meeting, and the distribution shall be submitted a report to the shareholders meeting.

The dividend policy stipulated in the Articles of Association is as follows:

A. The Company's current industry operating environment and growth phase

The core business of the Company is a real estate investment, which is capital-intensive and closely related to prosperity.

B. Dividend policy

Considering the business environment, long-term financial planning, budgeting, and rights and interests of shareholders' protection, to keep long-term development, the distribution of dividends depends on the demand for operation and the degree of dilution of earnings per share. Appropriate stock or cash dividends are distributed, of which cash dividends shall not be less than 10% of the total dividends.

The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2023 and 2022, which were approved by the Company's board of directors in February 2024 and March 2023, were as follows:

	Appropriation of Earnings		Dividends Per Share ($)	
	2023	2022	2023	2022
Legal reserve	$ 272,780	$ 153,296		
Cash dividends	2,455,025	1,379,668	$11.2912	$6.3454

The appropriations of earnings for 2024 were approved by the Company's board of directors on February 24, 2025, as follows:

	Appropriation of Earnings	Dividends Per Share ($)
Legal reserve	$ 348,568	
Cash dividends	3,137,110	$14.42826

The cash distribution from the capital surplus, 0.07174 per share, totaling NT$15,598,295, was also adopted by the Company's board of directors on February 24, 2025.

20. Operating revenue

	2024	2023
Revenue from contracts with customers		
Sales revenue	$10,034,145	$ 8,226,148
Others	1,330	928
	$10,035,475	$ 8,227,076

(1) Contract balances

	December 31, 2024	December 31, 2023	January 1, 2023
Accounts receivable	$ 24,870	$ 24,800	$ 116
Current contract liabilities			
Building and land for sale	$ 89,457	$ 424,229	$ 61,792

The changes in the balance of contract liabilities resulted primarily from the difference in timing between the satisfaction of performance obligations and customer payment, there were no other significant changes in 2024 and 2023.

Revenue recognized in the current reporting period for the year 2024 and 2023 from the contract liabilities at the beginning of the year were NT$424,229 thousand and NT$61,792 thousand.

(2) Disaggregation of revenue

Major components of operating revenue were incomes from building and land for sale, please refer to LIST 10.

21. Profit (loss) from continuing operations before tax

The following items were included in profit before income tax：

(1) Finance costs

	2024	2023
Interest on bank loans	$ 112,793	$ 187,092
Amortization of discount on bonds payable	34,709	25,258
Interest on lease liabilities	3,032	4,632
Other	4	2
Interest expenses on financial liability at fair value not through profit or loss	150,538	216,984
Less: Amounts included in the cost of qualifying assets	147,510	213,003
	$ 3,028	$ 3,981

Information about capitalized interest was as follows：

	2024	2023
Capitalized interest amount	$147,510	$213,003
Capitalization rate（%）	1.84～2.24	2.02～2.24

(2) Depreciation and amortization

	2024	2023
Property, plant and equipment	$ 561	$ 384
Right-of-use assets	329	329
Investment property	114	114
Other non-current assets	672	325
	1,676	1,152
Depreciation analysis by function		
Operating expenses	$1,004	$827
Amortization analysis by function		
Operating expenses	$ 672	$325

(3) Employee benefits expense

	2024	2023
Short-term employee benefits		
Salaries	$ 70,733	$ 66,077
Labor and health insurance	5,200	4,091
Others	17,406	14,228
	93,339	84,396
Post-employment benefits		
Defined contribution plans	2,438	2,256
Retirement benefit plans（Note17）	138	335
	2,576	2,591
	$ 95,915	$ 86,987
Analysis by function		
Operating expenses	$ 95,915	$ 86,987

(4) Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees at rates of no less than 1‰ and no higher than 1%, and remuneration of directors at rates of no higher than 3%, respectively, of net profit before income tax, compensation of employees and remuneration of directors. The compensation of employees and remuneration of directors for the years ended December 31, 2024 and 2023, which were approved by the Company's board of directors in February 2025 and February 2024. In addition, no director's remuneration is expected to be paid and has not been estimated.

	2024	2023
Compensation of employees	$4,362	$3,411

If there is a change in the amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in accounting estimate.

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the financial statements for the years ended December 31, 2023 and 2022.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available on the Market Observation Post System website of the TWSE.

22. Income tax

(1) Income tax recognized in profit or loss

	2024	2023
Current tax		
In respect of the current year	$ 869,939	$ 675,965
Land value increment tax	2,792	2,824
	$ 872,731	$ 678,789

Reconciliation between income tax expense and accounting profit：

	2024	2023
Profit before income tax	$ 4,357,720	$ 3,407,380
Income tax expense calculated at the statutory rate	$ 871,544	$ 681,476
Income tax on unappropriated earnings	(2,837)	(2,145)
Land value increment tax	2,792	2,824
Unrecognized temporary differences	1,232	(3,366)
	$ 872,731	$ 678,789

(2) Tax liabilities and tax assets

	December 31, 2024	December 31, 2023
Current tax liabilities		
Income tax payable	$ 531,813	$ 501,354

(3) Income tax assessments

The Company's income tax returns through 2022 have been assessed by the tax authorities.

23. Earnings per share

The net profit and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

	2024	2023
Net profit for the year	$ 3,484,989	$ 2,728,591

Number of ordinary shares

(in thousands of shares)

	2024	2023
Earnings used in the computation of basic earnings per share	217,428	217,428
Dilutive factors		
Compensation of employees	35	42
Earnings used in the computation of diluted earnings per share	217,463	217,470

The Company may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

24. Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net equity that is not subject to any externally imposed capital requirements.

25. Financial instruments

(1) Fair value of financial instruments that are not measured at fair value

The carrying amounts of the respective recognized financial assets or financial liabilities at fair value as stated in the balance sheet were close to fair value.

(2) Categories of financial instruments

	December 31, 2024	December 31, 2023
Financial assets		
At amortized cost（Note 1）	$ 378,765	$ 505,945
Financial Liabilities		
At amortized cost（Note 2）	8,542,090	8,600,517

Note1： The balances included financial assets at amortized cost, which comprise cash and cash equivalents, accounts receivable, other receivables, other financial assets and refundable deposits.

Note2： The balances included financial liabilities at amortized cost, which comprise short-term borrowings, short-term bills payable, notes and accounts payable, other payables, bonds payable, long-term borrowings (including current portion), and deposits received.

(3) Financial risk management objectives and policies

The major financial instruments of the Company include accounts receivable, notes and bills payable, accounts payable, bonds payable, and borrowings.

A. Market risk

The carrying amounts of the Company financial assets and financial liabilities with exposure to interest rates at the balance sheet date were as follows:

	December 31, 2024	December 31, 2023
Fair value interest rate risk		
Financial liabilities	$ 2,297,868	$ 2,377,552
Cash flow interest rate risk		
Financial assets	320,796	444,230
Financial liabilities	5,515,000	5,634,000

The sensitivity analysis below was determined based on the Company’s exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the whole year. 1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management’s assessment of the reasonably possible change in interest rates.

If the borrowing interest rate of New Taiwan dollars had increased/decreased by 1% or with all other variables held constant, financial liabilities for the years ended December 31, 2024 and 2023 would have increased/decreased by NT$55,150 thousand and NT$56,340 thousand, respectively. The main factor is changes in floating borrowing interest rates to which cash flows with exposure.

B. Credit risk

Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. At the end of the reporting period, the major exposure to the credit risk of the Company was the failure of the counterparty to discharge its obligation, which posted to the carrying amount of the respective recognized financial assets as stated in the balance sheet. The amount of the Company's receivables is not significant, so no significant credit risk is expected.

C. Liquidity risk

The Company monitors rolling forecasts of the Company’s liquidity requirements to ensure it has sufficient cash to meet operational needs. In addition, maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

(A) Liquidity risk tables

The following table details the Company’s remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay.

The Company's bank borrowings subject to repayments on demand are included in the earliest time intervals regardless of the probability of the banks choosing to exercise their rights immediately.

The cash flow with floating interest rates is subject to changes due to differences between the floating interest rates and the interest rates estimated as of the balance sheet date.

December 31, 2024	Less Than 1 Year	Over 1 Years	Total
Non-derivative financial liabilities			
Non-interest-bearing liabilities	$ 435,765	$ 203,329	$ 639,094
Lease liabilities	3,056	195,668	198,724
Floating interest rate liabilities	3,255,326	2,486,353	5,741,679
Fixed interest rate liabilities	237,525	2,270,640	2,508,165
	$ 3,931,672	$ 5,155,990	$ 9,087,662

The contractual maturity analysis of Lease liabilities：

	Less Than 1 Year	1~5 Year	5~10 Years	10~15 Years	15~20 Years	Over 20 Years
Lease liabilities	$ 3,056	$ 12,111	$ 15,138	$ 15,138	$ 15,138	$ 138,143

December 31, 2023	Less Than 1 Year	Over 1 Years	Total
Non-derivative financial liabilities			
Non-interest-bearing liabilities	$ 503,781	$ 275,385	$ 779,166
Lease liabilities	5,542	341,189	346,731
Floating interest rate liabilities	2,655,487	3,273,304	5,928,791
Fixed interest rate liabilities	34,225	2,304,865	2,339,090
	$ 3,199,035	$ 6,194,743	$ 9,393,778

The contractual maturity analysis of Lease liabilities：

	Less Than 1 Year	1~5 Year	5~10 Years	10~15 Years	15~20 Years	Over 20 Years
Lease liabilities	$ 5,542	$ 20,825	$ 25,996	$ 25,996	$ 25,996	$ 242,376

(B) Line of Credit

	December 31, 2024	December 31, 2023
Unsecured bank loan		
Drawdowns	$ 2,450,000	$ 1,370,000
Remaining	60,000	60,000
	$ 2,510,000	$ 1,430,000

	December 31, 2024	December 31, 2023
Secured bank loan		
Drawdowns	$ 3,265,000	$ 4,264,000
Remaining	5,867,000	4,156,000
	$ 9,132,000	$ 8,420,000

26. Related Party Transactions

(1) Related party category

Related party	Category
Jung-Ming Chen	Chairman of the Company
Yongshuo Investment Co., Ltd.	Substantive related party
Yu-Fang Lu	Vice President of the Company

(2) Operating revenue (2023)

Item	Relationship	2023
Sales revenue	Vice President of the Company	$ 10,947

The amount of the related party transaction is subject to market prices and the service years of the related party, and the payment terms are the same as non-related parties.

(3) Guarantee

On December 31, 2024, part of the Company's short-term bills was guaranteed through personal joint guarantee by the chairman of the Company. The drawdown amounts were NT$200,000 thousand.

(4) Remuneration of key management personnel：

	2024	2023
Short-term employee benefits	$ 16,831	$ 16,937
Post-employment benefits	578	670
	$ 17,409	$ 17,607

27. Pledged Assets

The following assets were provided as collateral for borrowings and performance guarantee：

		December 31, 2024	December 31, 2023
(1)	Pledged time deposit certificate (posted in other financial assets)	$ 41,060	$ 41,060
(2)	Inventories		
	Construction in progress	10,525,742	8,869,819
	Buildings and land held for sale	-	768,295
		10,525,742	9,638,114

(Continued)

		December 31, 2024	December 31, 2023
(3)	Property, plant and equipment		
	Land	$ 13,469	$ 13,469
	Building	2,072	2,149
		15,541	15,618
(4)	Investment property		
	Land	4,782	4,782
	Building	6,383	6,497
		11,165	11,279
		$10,593,508	$ 9,706,071

(Concluded)

28. Significant Contingent Liabilities and Unrecognized Contract Commitments

As of December 31, 2024, the significant contingent liabilities and unrecognized contract commitments of the Company were as below：

The total amount of the contracts signed by the Company for construction projects that has not yet been concluded was NT$3,440,500 thousand, of which the unrecorded amount was NT$2,135,605 thousand.

29. Significant Events after the Balance Sheet Date

(1) The Company incurred NT$816,000 thousand in acquiring 100% ownership of Zhongda Development Enterprise Co., Ltd. from the related party, Yongshuo Investment Co., Ltd., in January 2025.

(2) A jointly constructed and sold in partitions contract of building residential properties for sale in Nanzi Dist., Kaohsiung between the Company (the builder) and Zhongda Development Enterprise Co., Ltd (the landowner,) was approved by the Board in January 2025. It includes a 60% revenue distribution ratio for the landowner and a 40% for the builder.

30. Significant Assets and Liabilities Denominated in Foreign Currencies

The Company has no significant foreign currency assets and liabilities.

31. Supplementary Disclosures

(1) Information on Significant Transactions & (2) Information on Investees

A. Loans of funds to others：None.

B. Endorsements/guarantees for others：None.

C. Holding of marketable securities：None.

D. Acquisition or sale of the same security with the accumulated costs or prices exceeding $300 million or 20% of the Company's paid-in capital：None.

E. Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital：Please refer to Table 1.

F. Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital：None.

G. Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital：None.

H. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital：None.

I. Trading in derivative instruments：None.

J. Other matters：Significant inter-company transactions：N/A

K. Information on investees：None.

(3) Information on Investments in Mainland China：None.

(4) Information of major shareholders：Please refer to Table 2.

32. Operating Segment Information

The Company is aggregated into a single operating segment. For the financial information please refer to each statement of this report.

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL

2024

(Expressed in thousands of New Taiwan dollars)

TABLE 1

Company Name	Property	Transaction Date	Transaction Amount	Payment Status (Paid)	Counterparty	Nature of Relationships	Prior Transaction of Related Counterparty				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
YCDC	Lot 20, Dachang Sec., Renwu Dist., Kaohsiung	2024.01.19	$ 687,500	$ 687,500	Natural persons	None	-	-	-	$ -	Appraisal reports	Plan to build residential properties for sale.	-
YCDC	Lot 41, Sijia Sec., Fengshan Dist., Kaohsiung	2024.03.27	$ 563,215	$ 563,215	Natural persons	None	-	-	-	$ -	Appraisal reports	Plan to build residential properties for sale.	-
YCDC	Lot 82, Baocheng Sec., Fengshan Dist., Kaohsiung	2024.04.01	$ 383,132	$ 383,132	Natural persons	None	-	-	-	$ -	Appraisal reports	Plan to build residential properties for sale.	-
YCDC	Lot 138,138-1,138-2,138-3,149-2 and 149-5, Lantian East Sec., Nanzi Dist., Kaohsiung	2024.04.25 ~2024.05.15	$ 585,242	$ 585,242	Natural persons	None	-	-	-	$ -	Appraisal reports	Plan to build residential properties for sale.	-
YCDC	Lot 10 and 11, Lantian West Sec., Nanzi Dist., Kaohsiung	2024.05.24 ~2024.06.14	$ 371,772	$ 371,772	Natural persons	None	-	-	-	$ -	Appraisal reports	Plan to build residential properties for sale.	-
YCDC	Lot 46,47 and 48, Heping East Section, Nanzi Dist. , Kaohsiung	2024.07.05	$ 553,017	$ 553,017	Natural persons	None	-	-	-	$ -	Appraisal reports	Plan to build residential properties for sale.	-
YCDC	Lot 15, Zhongan Sec., Qianzhen Dist., Kaohsiung	2024.09.09	$ 374,584	$ 152,000	Fly Fong Temple	None	-	-	-	$ -	Appraisal reports	Plan to build residential properties for sale.	-

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.

MAJOR SHAREHOLDERS INFORMATION

DECEMBER 31, 2024

TABLE 2

Name of major shareholders	Shares	
	Number of Shares Owned	Ownership (%)
Yongshuo Investment Co., Ltd.	88,692,563	40.79
Capital Tip Customized Taiwan Select High Dividend ETF	21,742,000	9.99
Gaoxin Construction Co., Ltd.	16,540,904	7.60
Jiazhan Investment Co., Ltd.	15,199,746	6.99

Note1: The substantial shareholders in this table are shareholders holding more than 5% of the ordinary shares that have completed delivery of non-physical registration on the last business day of the current quarter calculated by the Taiwan Depository & Clearing Corporation. Share capital indicated in the Company's financial statements may differ from the actual number of shares that have been issued and delivered without physical registration as a result of different basis of preparation.

Note2: If entrusted, the holdings of the shareholder must be disclosed separately at the trustee’s account. For information about a transfer by an over-10%-stake insider, along with personal holdings and shares being entrusted, please refer to the MOPS website.

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.

STATEMENT OF INVENTORIES

DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars)

LIST 1

Project Name	Amount	
	Cost	Net Realizable Value (Note 1)
Buildings and land held for sale		
Her Fon	$ 973,416	$ 2,148,595
Shui Lu	891,732	1,533,071
R5 New Generation (Note 2)	752,760	1,237,774
Cheng Guang	682,467	1,345,135
Hui Shang Pin	674,423	1,183,024
Fenghua Town (Note 2)	632,805	928,861
Chien Lop	68,661	164,013
Yuan Xu	51,844	121,900
Yong Guang	29,103	59,421
	4,757,211	8,721,794
Land held for construction		
TDR or fragmental lands	86,754	86,754
Construction in progress (Note 2)	11,994,569	14,285,581
Prepayment for land purchases	152,744	152,744
	$ 16,991,278	$ 23,246,873

Note1: Market value is evaluated on the basis of net realizable value.

Note2: The right-of-use assets related to superficies of "Buildings and land held for sale" were NT$112,866 thousand.

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.

STATEMENT OF CHANGES IN CONSTRUCTION IN PROGRESS

2024

(Expressed in thousands of New Taiwan dollars)

LIST 2

		Addition			Decrease	
Project	Beginning Balance	Construction Costs	Land Payment	Capitalized Interest	Transfer Out after Completion	Ending Balance
Shui Lu (Project Fengdong)	$ 821,243	$ 214,119	$ -	$ 8,416	$1,043,778	$ -
Baocheng III	-	16,991	385,937	1,681	-	404,609
Dachang II	1,449,522	325,738		25,643	-	1,800,903
Dachang III	-	30,462	692,646	3,026	-	726,134
Fengdong II	639,556	248,712	-	11,315	-	899,583
Heping V	-	946	557,047	-	-	557,993
Zhong-an II	-	10	-	-	-	10
Longhua IX	1,049,266	281,062	-	18,673	-	1,349,001
Kaohsiung Univ. II	524,481	241,074		9,939	-	775,494
Kaohsiung Univ. III	898,517	165,352	-	15,301	-	1,079,170
Kaohsiung Univ. VI	-	358	591,044	-	-	591,402
Kaohsiung Univ. VII	-	-	374,464	-	-	374,464
Longhua X	-	44,929	283,417	3,144	-	331,490
Hui Shang Pin (Baocheng II)	1,099,205	165,246	-	6,034	1,270,485	-
Cheng Guang (Project Dachang)	727,531	224,367	-	7,489	959,387	-
Project Normal Univ.	1,318,311	101,933	-	21,443	-	1,441,687
Project Sijia	-	17,820	567,328	2,457	-	587,605
Xinmin V	-	-	89,646	-	-	89,646
Qile (Zhongdu V)	736,739	235,690	-	12,949	-	985,378
	$ 9,264,371	$2,314,809	$3,541,529	$ 147,510	$3,273,650	$11,994,569

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.

STATEMENT OF OTHER FINANCIAL ASSETS

DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

LIST 3

Type	Rate (%)	Period	Amount	Remark
Time Deposit Pledge				
First Bank	1.69	2024.05.11～2025.05.11	$ 11,654	Note
Mega Bank	1.69	2024.09.08～2025.09.12	6,354	Note
Yuanta Bank	1.655	2024.05.18～2025.12.28	23,052	Note
			$ 41,060	

Note: Given to National Property Administration as a performance guarantee.

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.

STATEMENT OF SHORT-TERM BORROWINGS

DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

LIST 4

Type	Contract Period	Rate（%）	Ending Balance	Credit Amount	Collateral
Unsecured borrowings	2024.07.29～2025.07.29	1.825~1.895	$ 2,450,000	$2,510,000	N
Secured borrowings	2024.05.19～2025.07.29	2.345~2.575	55,000	410,000	Please refer to Note 27
			$ 2,505,000		

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.

STATEMENT OF NOTES PAYABLE

DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars)

LIST 5

Vendor Name	Description	Amount
W.M.Chang Architects, Associates & Planners	Architectural Fees	$ 3,611
Cheng Chun-mao & Qiu Shi-wei Associates Architects	Architectural Fees	2,448
		$ 6,059

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.

STATEMENT OF ACCOUNTS PAYABLE

DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars)

LIST 6

Vendor Name	Description	Amount
Dr. Design Kitchen Co., Ltd.	Payments for construction contracts or material	$ 63,204
Yu Hong Engineering Co., Ltd.	Payments for construction contracts or material	45,984
Wa Ta Her Co., Ltd.	Payments for construction contracts or material	36,306
Blue Ocean Engineering Co., Ltd.	Payments for construction contracts or material	34,524
Jin Fa Marble Ltd.	Payments for construction contracts or material	30,086
Others (Note)		330,810
		$ 540,914

Note : The balance of each vendor in "Others" is less than 5% of the account balance.

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.

STATEMENT OF LEASE LIABILITIES

DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

LIST 7

Item	Description	Contract Period	Discount (%)	Ending Balance
Building	Leasing office space	2021.08.01~2025.01.31	1.579	$ 29
Superficies - R5 New Generation	Land lease	2019.12.28~2089.12.27	2.0292	50,605
Superficies - Fenghua Town	Land lease	2021.02.08~2091.02.07	2.0292	59,158
				109,792
Current portion				(2,079)
Non-current portion				$107,713

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.

STATEMENT OF BONDS PAYABLE

DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

LIST 8

Bonds	Trustee	Issuance Date	Interest Payment Date	Coupon Rate (%)	Total Amount	Repayment Paid	Ending Balance	Premiums (Discounts)	Carrying Value	Repayment Terms	Collateral
Secured Corporate Bond	Taipei Fubon Bank	2021.07.20	According to the contract	0.59	$ 400,000	$ -	$ 400,000	($ 180)	$ 399,820	Repayment in a lump sum upon a 5-year maturity.	Y
Secured Corporate Bond	Taipei Fubon Bank	2021.09.27	According to the contract	0.55	600,000	-	600,000	(345)	599,655	Repayment in a lump sum upon a 5-year maturity.	Y
Secured Corporate Bond	Bank SinoPac	2022.06.08	According to the contract	1.80	400,000	-	400,000	(437)	399,563	Repayment in a lump sum upon a 5-year maturity.	Y
Secured Corporate Bond	Bank SinoPac	2022.06.08	According to the contract	1.85	190,000	-	190,000	(214)	189,786	Repayment in a lump sum upon a 5-year maturity.	Y
Unsecured Corporate Bond	Bank SinoPac	2023.07.21	According to the contract	2.975	600,000	-	600,000	(748)	599,252	Repayment in a lump sum upon a 5-year maturity with issuer call option;	N
					$ 2,190,000	$ -	$ 2,190,000	($ 1,924)	2,188,076		
Bonds payable, current portion									(1,588,824)		
									$ 599,252		

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.

STATEMENT OF LONG-TERM BORROWINGS

DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

LIST 9

Type / Creditor	Contract Period	Range of Interest Rates (%)	Amount: Due within One Business Cycle	Amount: Due after One Business Cycle	Amount: Total	Credit Amount	Collateral or Pledge
Secured borrowings							
First Bank	2022.08.30～2027.04.07	2.675～2.775	$ 450,000	$ -	$ 450,000	$ 2,126,000	Refer to Note 27
Mega Bank	2021.12.30～2030.02.10	2.675～2.725	283,000	561,000	844,000	1,680,000	Refer to Note 27
Bank of Taiwan	2022.01.10～2027.01.10	2.705~2.785	550,000	-	550,000	800,000	Refer to Note 27
Yuanta Bank	2021.03.25～2028.02.29	2.675~2.82	650,000	5,000	655,000	1,286,000	Refer to Note 27
Agricultural Bank	2024.06.04～2029.06.04	2.725	-	1,000	1,000	410,000	
CHB	2022.11.10～2027.07.25	2.825	-	510,000	510,000	1,420,000	Refer to Note 27
			$1,933,000	$1,077,000	$3,010,000		

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.

STATEMENT OF OPERATING REVENUE

FOR THE YEAR ENDED DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars)

LIST 10

Project Name	Amount
Sales revenue	
Yuan Xu	$2,069,380
Her Fon	1,297,030
Qing Yuan	1,092,941
Hui Shang Pin	1,054,069
Yong Guang	858,873
Sun Brooks	639,171
R5 New Generation	579,600
Fenghua Town	576,526
Cheng Guang	524,640
Bo Cui	495,651
Chien Lop	398,415
Shui Lu	264,616
R5 New Century	108,038
Sun Green	58,020
Emerald River	17,175
	10,034,145
Rental income	1,330
	$10,035,475

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.

STATEMENT OF OPERATING COSTS

FOR THE YEAR ENDED DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars)

LIST 11

Item	Amount
Cost of goods sold	
Direct raw material cost	$ 4,420,864
Direct labor cost	826,770
Construction overhead	778,728
Construction cost	6,026,362
Construction in progress - Beginning	9,264,371
Construction in progress - Ending	(11,994,568)
Cost of Buildings and land held for sale	3,296,165
Buildings and land held for sale - Beginning	6,754,355
Buildings and land held for sale - Ending	(4,757,211)
Others	(79,134)
Cost of goods sold	5,214,175
Income from selling leftover	(374)
	$ 5,213,801

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.

STATEMENT OF EMPLOYEE BENEFITS AND DEPRECIATION

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars)

LIST 13

	2024	2023
	Operating expenses	Operating expenses
Employee Benefits		
Payroll expense	$ 70,733	$ 66,077
Labor and health insurance	5,200	4,091
Post-employment benefits	2,576	2,591
Others	17,406	14,228
	$ 95,915	$ 86,987
Depreciation	$ 1,004	$ 827
Amortization	672	325

Note：

1. As of December 31, 2024 and 2023, the Company had 51 and 49 employees, respectively. Among them 6 directors did not serve concurrently as employees in 2024 and 2023.
2.
   (1) Average employee benefits for the years ended December 31, 2024 and 2023 were NT$2,131 thousand and NT$2,023 thousand, respectively.
   (2) Average salary for the years ended December 31, 2024 and 2023 was NT$1,572 thousand and NT$1,537 thousand, respectively.
   (3) Change in average salary was +1%.
   (4) The Company has established an audit committee to replace the supervisor.
   (5) Salary and Remuneration policy:
      ①Directors：
      The salary and remuneration of the directors of the company shall be implemented in accordance with Article 18 of the company's articles of association. If there is any profit in the year (the so-called profit refers to the pre-tax benefits deducting the distribution of employee remuneration and the benefits before the director's remuneration), the provision shall be no more than 3% Remuneration for the directors. The remuneration of directors can only be paid in cash, and the board of directors shall make a resolution and report to the shareholders meeting. The remuneration of directors is submitted by the remuneration committee to the board of directors for decision. In addition, the company has established an audit committee, so there is no issue of supervisor remuneration.

(Continued)

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.

STATEMENT OF OPERATING EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars)

LIST 12

Item	Selling expenses	Administrative expenses	Total amount
Advertising expense	$250,438	$ -	$250,438
Payroll expense	8,122	54,545	62,667
Tax	-	49,833	49,833
After-sales maintenance expense (Note 1)	-	38,764	38,764
Others (Note2)	-	61,395	61,395
	$258,560	$204,537	$463,097

Note 1: The payroll expense included in after-sales maintenance expense was NT$8,065 thousand.

Note 2: The balance of each item in "Others" is less than 10% of the account balance.

②Managerial Personnel：

The remuneration paid by the company to managers includes salary, bonus, and retirement pension and employee compensation. Salaries are issued on a monthly basis after being approved by the company's salary verification system, and year-end bonuses are issued according to the company's actual profitability and the performance of the managers after being recommended by the remuneration committee and approved by the board of directors. Retirement pensions shall be implemented in accordance with the company’s retirement system. Employee remuneration shall be provided not less than one-thousandth and not more than one-percent of annual profit in accordance with the company’s articles of association as employee remuneration. Manager’s employee remuneration shall be recommended by the remuneration committee and sent to the board of directors for approval.

③Employees：

Employee compensation includes salary, bonus, and retirement pension and employee compensation. Salaries are paid on a monthly basis after the monthly salary is approved by the company’s salary verification system. In January or July of each year, the company decides whether to adjust the salary of all employees and the method of salary adjustment with reference to the price index situation, or the director of each department evaluates the performance of the employees individually signs for promotion, etc. Or rank. Year-end bonuses are issued based on the company's actual profitability and employee performance assessments, and are approved by the chairman of the board after the recommendations of the heads of various departments. Retirement pensions are implemented in accordance with the company’s retirement system. Employees’ remuneration shall be provided for employees’ remuneration in accordance with the company’s articles of association if there is any profit in the year. The total amount of remuneration shall be approved by the board of directors. Employee remuneration is calculated by the Personnel Section, and issued at a fixed ratio of the total number of remunerations divided by the total monthly salary, and each employee is paid the same proportion of months of employee remuneration.

(Concluded)