

YUNGSHIN CONSTRUCTION &  
DEVELOPMENT CO., LTD.  
and SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED  
MARCH 31, 2025 AND 2024  
and INDEPENDENT AUDITORS'  
REVIEW REPORT

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For the convenience of readers and for information purpose only, the auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. 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.

### Introduction

We have reviewed the accompanying consolidated balance sheets of YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD. and its subsidiaries (collectively, the "Company") as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### Scope of Review

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company as of March 31, 2025 and 2024, its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China  
April 28, 2025

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD. and SUBSIDIARIES  
**CONSOLIDATED BALANCE SHEETS**  
MARCH 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars)

ASSETS		March 31, 2025		December 31, 2024		March 31, 2024	
		Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>							
1100	Cash (Note 6)	\$ 103,489	1	\$ 279,819	2	\$ 141,040	1
1170	Accounts receivable (Note 7 & 20)	41,010	-	24,870	-	75,315	-
1200	Other receivables	521	-	168	-	1,084	-
1220	Current tax assets (Note 22)	22	-	-	-	-	-
1320	Inventories (Note 8 & 28)	18,460,775	98	16,991,278	97	15,837,124	97
1478	Guarantee deposits paid, current portion	13,390	-	3,860	-	7,491	-
1479	Other current assets (Note 9)	80,467	-	60,085	-	128,821	1
1480	Current assets recognised as incremental costs to obtain contract with customers (Note 20)	1,672	-	-	-	-	-
11XX	Total current assets	<u>18,701,346</u>	<u>99</u>	<u>17,360,080</u>	<u>99</u>	<u>16,190,875</u>	<u>99</u>
<b>NONCURRENT ASSETS</b>							
1600	Property, plant and equipment (Note 10)	17,447	-	17,590	-	17,638	-
1755	Right-of-use assets (Note 11)	779	-	27	-	274	-
1760	Investment property (Note 12 & 28)	11,136	-	11,165	-	11,250	-
1920	Guarantee deposits paid, non-current	30,457	-	28,988	-	29,085	-
1980	Other non-current financial assets (Note 28)	41,060	1	41,060	1	41,060	1
1995	Other non-current assets	2,179	-	1,838	-	2,249	-
15XX	Total non-current assets	<u>103,058</u>	<u>1</u>	<u>100,668</u>	<u>1</u>	<u>101,556</u>	<u>1</u>
1XXX	Total Assets	<u>\$ 18,804,404</u>	<u>100</u>	<u>\$ 17,460,748</u>	<u>100</u>	<u>\$ 16,292,431</u>	<u>100</u>
<b>LIABILITIES &amp; EQUITY</b>							
<b>CURRENT LIABILITIES</b>							
2100	Current borrowings (Note 13)	\$ 2,470,000	13	\$ 2,505,000	14	\$ 550,000	3
2110	Short-term notes and bills payable (Note 13, 27, 28)	899,945	5	199,920	1	-	-
2130	Current contract liabilities (Note 20)	56,146	-	89,457	1	364,881	2
2150	Notes payable (Note 15)	1,888	-	6,059	-	836	-
2170	Accounts payable (Note 15)	528,787	3	540,914	3	590,160	4
2216	Dividends payable, non-cash assets distributions (Note 19)	3,152,708	17	-	-	2,455,025	15
2219	Other payables (Note 16)	84,977	1	91,865	1	113,661	1
2230	Current tax liabilities (Note 22)	603,191	3	531,813	3	767,215	5
2280	Current lease liabilities (Note 11)	2,817	-	2,079	-	3,271	-
2321	Long-term bonds payable, current portion (Note 14)	1,588,962	8	1,588,824	9	999,243	6
2322	Long-term borrowings, current portion (Note 13 & 27)	2,218,000	12	1,933,000	11	1,277,000	8
2399	Other current liabilities	15,430	-	19,585	-	20,408	-
21XX	Total current liabilities	<u>11,622,851</u>	<u>62</u>	<u>7,508,516</u>	<u>43</u>	<u>7,141,700</u>	<u>44</u>
<b>NON-CURRENT LIABILITIES</b>							
2530	Bonds payable (Note 14)	599,294	3	599,252	3	1,188,286	7
2540	Long-term bank loans (Note 13 & 28)	1,166,000	6	1,077,000	6	2,053,000	13
2580	Non-current lease liabilities (Note 11)	106,213	1	107,713	1	160,254	1
2640	Net defined benefit liability, non-current	1,165	-	1,145	-	1,772	-
2645	Guarantee deposits received	256	-	256	-	196	-
25XX	Total non-current liabilities	<u>1,872,928</u>	<u>10</u>	<u>1,785,366</u>	<u>10</u>	<u>3,403,508</u>	<u>21</u>
2XXX	Total Liabilities	<u>13,495,779</u>	<u>72</u>	<u>9,293,882</u>	<u>53</u>	<u>10,545,208</u>	<u>65</u>
<b>EQUITY (Note 19)</b>							
3110	Ordinary share	2,174,281	12	2,174,281	13	2,174,281	13
3200	Capital surplus	216,152	-	231,750	1	231,750	1
	Retained earnings						
3310	Legal reserve	2,623,704	14	2,275,136	13	2,275,136	14
3350	Unappropriated retained earnings	294,488	2	3,485,699	20	1,066,056	7
3300	Total retained earnings	<u>2,918,192</u>	<u>16</u>	<u>5,760,835</u>	<u>33</u>	<u>3,341,192</u>	<u>21</u>
3XXX	Total Equity	<u>5,308,625</u>	<u>28</u>	<u>8,166,866</u>	<u>47</u>	<u>5,747,223</u>	<u>35</u>
	Total Liabilities and Equity	<u>\$ 18,804,404</u>	<u>100</u>	<u>\$ 17,460,748</u>	<u>100</u>	<u>\$ 16,292,431</u>	<u>100</u>

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

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD. and SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

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

		THE THREE MONTHS ENDED MARCH 31			
		2025		2024	
	Items	Amount	%	Amount	%
4000	Operating revenue (Note20)	\$ 909,710	100	\$3,075,653	100
5000	Operating costs (Note7 & 21)	<u>491,230</u>	<u>54</u>	<u>1,614,933</u>	<u>53</u>
5900	Gross profit (loss) from operations	<u>418,480</u>	<u>46</u>	<u>1,460,720</u>	<u>47</u>
	Operating expenses (Note 21)				
6100	Selling expenses	19,133	2	86,625	3
6200	Administrative expenses	<u>30,947</u>	<u>4</u>	<u>41,760</u>	<u>1</u>
6000	Total operating expenses	<u>50,080</u>	<u>6</u>	<u>128,385</u>	<u>4</u>
6900	Net operating income (loss)	<u>368,400</u>	<u>40</u>	<u>1,332,335</u>	<u>43</u>
	Non-operating income and expenses				
7100	Interest income	471	-	951	-
7010	Other income	241	-	82	-
7050	Finance costs (Note 21)	( <u>2,228</u> )	-	( <u>936</u> )	-
7000	Total non-operating income and expenses	( <u>1,516</u> )	-	<u>97</u>	-
7900	Profit (loss) from continuing operations before tax	366,884	40	1,332,432	43
7950	Total tax expense (Note 4 & 22)	<u>72,417</u>	<u>8</u>	<u>266,399</u>	<u>8</u>
8200	Profit (loss)	<u>\$ 294,467</u>	<u>32</u>	<u>\$1,066,033</u>	<u>35</u>
8500	Total comprehensive income	<u>\$ 294,467</u>	<u>32</u>	<u>\$1,066,033</u>	<u>35</u>
8610	Profit (loss), attributable to owners of parent	<u>\$ 294,467</u>		<u>\$1,066,033</u>	
8710	Comprehensive income, attributable to owners of parent	<u>\$ 294,467</u>		<u>\$1,066,033</u>	
	Earnings per share (Note 23 )				
9750	Basic	<u>\$ 1.35</u>		<u>\$ 4.90</u>	
9850	Diluted	<u>\$ 1.35</u>		<u>\$ 4.90</u>	

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

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD. and SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

(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, 2025	\$2,174,281	\$ 231,750	\$2,275,136	\$3,485,699	\$5,760,835	\$8,166,866
Appropriation of 2024 earnings (Note 19)							
B1	Legal reserve	-	-	348,568	( 348,568)	-	-
B5	Cash dividends	-	( 15,598)	-	( 3,137,110)	( 3,137,110)	( 3,152,708)
		-	( 15,598)	348,568	( 3,485,678)	( 3,137,110)	( 3,152,708)
D1	Net profit for the three months ended March 31, 2025	-	-	-	294,467	294,467	294,467
Z1	Balance at March 31, 2025	<u>\$2,174,281</u>	<u>\$ 216,152</u>	<u>\$2,623,704</u>	<u>\$ 294,488</u>	<u>\$2,918,192</u>	<u>\$5,308,625</u>
A1	Balance at January 1, 2024	\$2,174,281	\$ 231,750	\$2,002,356	\$2,727,828	\$4,730,184	\$7,136,215
Appropriation of 2023 earnings (Note 19)							
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 three months ended March 31, 2024	-	-	-	1,066,033	1,066,033	1,066,033
Z1	Balance at March 31, 2024	<u>\$2,174,281</u>	<u>\$ 231,750</u>	<u>\$2,275,136</u>	<u>\$1,066,056</u>	<u>\$3,341,192</u>	<u>\$5,747,223</u>

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

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD. and SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars)

		THE THREE MONTHS ENDED MARCH 31	
		2025	2024
Cash flows from (used in) operating activities			
A10000	Profit (loss) before tax	\$ 366,884	\$1,332,432
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	269	244
A20200	Amortization expense	188	160
A20900	Interest expense	2,228	936
A21200	Interest income	( 471 )	( 951 )
A30000	Changes in operating assets and liabilities		
A31150	Accounts receivable	( 16,140 )	( 50,515 )
A31180	Other receivable	( 51 )	( 15 )
A31200	Inventories	( 386,085 )	329,923
A31240	Other current assets	( 20,375 )	39,210
A31270	Decrease (increase) in assets recognised as incremental costs to obtain contract with customers	( 1,672 )	-
A32125	Contract liabilities	( 33,311 )	( 59,348 )
A32130	Notes payable	( 4,171 )	836
A32150	Accounts payable	( 12,127 )	( 35,754 )
A32180	Other payable	( 24,401 )	( 54,643 )
A32230	Other current liabilities	( 4,543 )	13,149
A32240	Net defined benefit liability	20	19
A33000	Cash inflow (outflow) generated from operations	( 133,758 )	1,515,683
A33100	Interest received	170	158
A33300	Interest paid	( 29,366 )	( 22,922 )
A33500	Income taxes refund (paid)	( 1,039 )	( 538 )
AAAA	Net cash flows from (used in) operating activities	( 163,993 )	1,492,381
Cash flows from (used in) investing activities			
B02200	Net cash flow from acquisition of subsidiaries	( 815,547 )	-
B02700	Acquisition of property, plant and equipment	-	( 175 )
B03700	Increase in refundable deposits	( 10,999 )	-
B06700	Increase in other non-current assets	( 519 )	( 27 )
BBBB	Net cash flows from (used in) investing activities	( 827,065 )	( 202 )
Cash flows from (used in) financing activities			
C00100	Increase in short-term loans	240,000	50,000
C00200	Decrease in short-term loans	( 270,000 )	( 870,000 )

(Continued)

		THE THREE MONTHS ENDED MARCH 31	
		2025	2024
C00500	Increase in short-term notes and bills payable	\$2,899,640	\$ -
C00600	Decrease in short-term notes and bills payable	( 2,199,615 )	-
C01600	Proceeds from long-term debt	290,000	-
C01700	Repayments of long-term debt	( 145,000 )	( 934,000 )
C03000	Increase in guarantee deposits received	-	40
C04020	Payments of lease liabilities	( 297 )	( 412 )
CCCC	Net cash flows from (used in) financing activities	<u>814,728</u>	<u>( 1,754,372 )</u>
EEEE	Net increase (decrease) in cash and cash equivalents	( 176,330 )	( 262,193 )
E00100	Cash and cash equivalents at beginning of period	<u>279,819</u>	<u>403,233</u>
E00200	Cash and cash equivalents at end of period	<u>\$ 103,489</u>	<u>\$ 141,040</u>

(Concluded)

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



YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD. and SUBSIDIARIES  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

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

1. History and Organization

YUNGSHIN Construction & Development Co., Ltd. (the “Company” or “YCDC”) 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 consolidated 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 accompanying consolidated financial statements were authorized for issuance by the Board of Directors on April 28, 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)

Amendments to IAS 21 “Lack of Exchangeability”

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 or its subsidiaries’ accounting policies.

- (2) The IFRSs issued by International Accounting Standards Board (IASB) and endorsed by the FSC with effective date starting 2026

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Date Issued by IASB</u>
Amendments to IFRS 7 and IFRS 9 “Amendments to the Classification and Measurement of Financial Instruments”, the implementation guidance related to the classification of financial assets.	January 1, 2026 (Note 1)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026.

As of the date the financial statements were authorized for issue, the Company and its subsidiaries continue 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.

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

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Date Issued by IASB (Note1)</u>
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” related to derecognition of financial liabilities	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.

#### IFRS 18 “Presentation and Disclosures in Financial Statements”

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 and its subsidiaries 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 and its subsidiaries shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company and its subsidiaries label 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 and its subsidiaries 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 and its subsidiaries continue 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. The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, "Interim Financial Reporting," endorsed and issued into effect by the FSC. The consolidated financial statements do not present all the disclosures required for a complete set of annual consolidated financial statements prepared under the IFRS Accounting Standards endorsed and issued into effect by the FSC (collectively, the "Taiwan-IFRS Accounting Standards").

##### (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) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

The detail information of the subsidiaries at the end of reporting period was as follows:

Name of Investor	Name of Investee	Main Businesses and Products	Percentage of Ownership ( % )			Desc.
			March 31, 2025	December 31, 2024	March 31, 2024	
YCDC	Zhongda Development Enterprise Co., Ltd. (the "ZHONGDA")	Residential housing selling and leasing	100	-	-	Note 1

Note 1: The Company incurred NT\$816,000 thousand in acquiring 100% ownership of ZHONGDA from the related party, Yongshuo Investment Co., Ltd., in January 2025.

### (4) Other Significant Accounting Policies

Except for the following, please refer to the financial statements for the year ended December 31, 2024.

#### A. Retirement Benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

#### B. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

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

The consolidated financial statements for material accounting judgments and key sources of estimation uncertainty are consistent with the financial statements for the year ended December 31, 2024.

6. Cash and cash equivalents

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand	\$ 105	\$ 69	\$ 9
Demand deposits	103,370	279,736	141,017
Checking deposits	<u>14</u>	<u>14</u>	<u>14</u>
	<u>\$103,489</u>	<u>\$279,819</u>	<u>\$141,040</u>

7. Accounts receivable

	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable			
Measured at amortized cost	<u>\$ 41,010</u>	<u>\$ 24,870</u>	<u>\$ 75,315</u>

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

	March 31, 2025	December 31, 2024	March 31, 2024
Buildings and land held for sale	\$ 5,224,968	\$ 4,644,345	\$ 4,946,271
Land held for construction site			
TDR or fragmental lands	88,961	86,754	44,195
Construction in progress	13,035,072	11,994,569	10,290,707
Prepayment for land purchases	260	152,744	388,901
Right-of-use asset	<u>111,514</u>	<u>112,866</u>	<u>167,050</u>
	<u>\$18,460,775</u>	<u>\$16,991,278</u>	<u>\$15,837,124</u>

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 for the three months ended March 31, 2025 and 2024 were recognized NT\$491,230 thousand and NT\$1,614,933 thousand.

The Company and its subsidiaries obtained bank financing to build housing projects. Please refer to Note 21(1) for information of capitalization of borrowing costs.

Please refer to Note 28 for details of inventories pledged as collateral.

9. Other current assets

	March 31, 2025	December 31, 2024	March 31, 2024
Offset against business tax payable	\$ 62,619	\$ 48,287	\$118,229
Others	<u>17,848</u>	<u>11,798</u>	<u>10,592</u>
	<u>\$ 80,467</u>	<u>\$ 60,085</u>	<u>\$128,821</u>

10. Property, plant and equipment

	March 31, 2025	December 31, 2024	March 31, 2024
Land	\$ 13,469	\$ 13,469	\$ 13,469
Buildings	2,052	2,072	2,129
Office equipment	1,207	1,298	1,479
Machinery and equipment	259	266	-
Transport equipment	<u>460</u>	<u>485</u>	<u>561</u>
	<u>\$ 17,447</u>	<u>\$ 17,590</u>	<u>\$ 17,638</u>

Except for the recognition of depreciation expenses, the property, plant and equipment of the Company and its subsidiaries did not have significant addition, disposal and impairment for the three months ended March 31, 2025 and 2024.

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

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

Please refer to Note28 for details of inventories pledged as collateral.

## 11. Leasing arrangements

### (1) Right-of-use asset

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amount			
Building	<u>\$ 779</u>	<u>\$ 27</u>	<u>\$ 274</u>
	The three months ended March 31		
	2025	2024	
Depreciation expense			
Building	<u>\$ 97</u>	<u>\$ 82</u>	

Except for the aforementioned recognized depreciation, the Company did not have any significant additions, subleases or impairment of right-of-use assets for the three months ended March 31, 2025 and 2024.

### (2) Lease liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amount			
Current	<u>\$ 2,817</u>	<u>\$ 2,079</u>	<u>\$ 3,271</u>
Non-current	<u>\$106,213</u>	<u>\$107,713</u>	<u>\$160,254</u>

Discount rate (%) ranges for lease liabilities were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Building	1.579~2.146	1.579	1.579
Land	2.0292	2.0292	2.0292

As of March 31, 2025, December 31, 2024, and March 31, 2024, the lease liabilities related to superficieses were NT\$108,250 thousand, NT\$109,763 thousand, and NT\$163,241 thousand.

### (3) Material leasing activities and terms

The Company leases buildings for office use with maturity in January 2027. 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 superficieses.

(4) Other lease information

	The three months ended March 31	
	2025	2024
Expenses relating to short-term leases or low-value asset leases	<u>\$ 137</u>	<u>\$ 150</u>
Total cash outflow for leases	<u>(\$ 989)</u>	<u>(\$ 1,498)</u>

12. Investment property

The changes in investment properties for the three months ended March 31, 2025 and 2024 were as follows:

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2025 and March 31, 2025	<u>\$ 4,782</u>	<u>\$ 6,969</u>	<u>\$ 11,751</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2025	-	586	586
Depreciation	-	<u>29</u>	<u>29</u>
Balance at March 31, 2025	-	<u>615</u>	<u>615</u>
Net balance at December 31, 2024	<u>\$ 4,782</u>	<u>\$ 6,383</u>	<u>\$ 11,165</u>
Net balance at March 31, 2025	<u>\$ 4,782</u>	<u>\$ 6,354</u>	<u>\$ 11,136</u>

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2024 and March 31, 2024	<u>\$ 4,782</u>	<u>\$ 6,969</u>	<u>\$ 11,751</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2024	-	472	472
Depreciation	-	<u>29</u>	<u>29</u>
Balance at March 31, 2024	-	<u>501</u>	<u>501</u>
Net balance at March 31, 2024	<u>\$ 4,782</u>	<u>\$ 6,468</u>	<u>\$ 11,250</u>

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:

	March 31, 2025	December 31, 2024	March 31, 2024
Year 1	\$ 936	\$ 936	\$ 936
Year 2	546	780	936
Year 3	-	-	546
Year 4	-	-	-
Year 5	-	-	-
	<u>\$ 1,482</u>	<u>\$ 1,716</u>	<u>\$ 2,418</u>

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

The fair values of the investment properties as of March 31, 2025, December 31, and March 31, 2024 were NT\$55,123 thousand, 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 and its subsidiaries is its own equity. For information on investment property mortgage, please refer to Note 28.

### 13. Borrowings

#### (1) Current borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
Bank borrowings - Secured	\$ 20,000	\$ 55,000	\$ -
Bank borrowings - Unsecured	<u>2,450,000</u>	<u>2,450,000</u>	<u>550,000</u>
	<u>\$2,470,000</u>	<u>\$2,505,000</u>	<u>\$550,000</u>
Interest rate (%)	1.825~2.125	1.825~2.575	1.925~1.945

#### (2) Short-term notes and bills payable

##### March 31, 2025

Promissory Institution	Nominal Amount	Discount	Carrying Amount	Rate (%)
CP payable				
Yuantan Bank/CBF	<u>\$ 900,000</u>	<u>\$ 55</u>	<u>\$899,945</u>	1.748

December 31, 2024

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

(3) Long-term borrowings

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Secured borrowings</u>			
Bank borrowings -maturities before February 2030	\$ 3,384,000	\$ 3,010,000	\$ 3,330,000
Less: Current portion	<u>2,218,000</u>	<u>1,933,000</u>	<u>1,277,000</u>
	<u>\$ 1,166,000</u>	<u>\$ 1,077,000</u>	<u>\$ 2,053,000</u>
Interest rate (%)	2.575~3.025	2.675~2.825	2.43~2.825

14. Bonds payable

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
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	\$ 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	400,000
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	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	190,000

(Continued)

	March 31, 2025	December 31, 2024	March 31, 2024
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%	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ 400,000</u>
	2,190,000	2,190,000	2,190,000
Less: Discount	<u>1,744</u>	<u>1,924</u>	<u>2,471</u>
	2,188,256	2,188,076	2,187,529
Less: Current portion	<u>1,588,962</u>	<u>1,588,824</u>	<u>999,243</u>
	<u>\$ 599,294</u>	<u>\$ 599,252</u>	<u>\$ 1,188,286</u>

(Concluded)

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

#### 15. Notes payable & Accounts payable

	March 31, 2025	December 31, 2024	March 31, 2024
Notes payable—Operating	<u>\$ 1,888</u>	<u>\$ 6,059</u>	<u>\$ 836</u>
Accounts payable—Operating	<u>\$528,787</u>	<u>\$540,914</u>	<u>\$590,160</u>

The average payment period for building materials is 30 to 75 days. The Company and its subsidiaries have 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

	March 31, 2025	December 31, 2024	March 31, 2024
Advertising commission payable	\$ 39,970	\$ 36,663	\$ 66,409
Interest payable	29,017	20,523	28,651
Accrued profit sharing bonus to employees	4,731	4,362	4,745
Payroll expense	3,645	22,246	5,273
After-sales maintenance expense	2,221	2,927	2,877
Interior decoration expense	340	600	2,148
Others	<u>5,053</u>	<u>4,544</u>	<u>3,558</u>
	<u>\$ 84,977</u>	<u>\$ 91,865</u>	<u>\$113,661</u>

## 17. Pensions

For the three months ended March 31, 2025 and 2024, the pension expenses of defined contribution plans were NT\$36 thousand and NT\$34 thousand, respectively, under the annual pension cost discount rate as of December 31, 2024 and 2023.

## 18. Maturity analysis of assets and liabilities

The current/non-current classification of the Company's and its subsidiaries' 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
<u>March 31, 2025</u>			
<b>Assets</b>			
Accounts receivable	\$ 41,010	\$ -	\$ 41,010
Inventories	4,811,511	13,649,264	18,460,775
Incremental costs to obtain contract with customers	1,056	616	1,672
Guarantee deposits paid	13,390	-	13,390
	<u>\$ 4,866,967</u>	<u>\$ 13,649,880</u>	<u>\$ 18,516,847</u>
Percentage (%)	<u>26</u>	<u>74</u>	<u>100</u>
<b>Liabilities</b>			
Current borrowings	\$ 2,470,000	\$ -	\$ 2,470,000
Short-term notes and bills payable	899,945	-	899,945
Contract liabilities	56,146	-	56,146
Notes payable	1,888	-	1,888
Accounts payable	337,575	191,212	528,787
Other payable	62,564	22,413	84,977
Current lease liabilities (Superficies)	802	1,235	2,037
Long-term bonds payable, current portion	-	1,588,962	1,588,962
Long-term borrowings, current portion	650,000	1,568,000	2,218,000
	<u>\$ 4,478,920</u>	<u>\$ 3,371,822</u>	<u>\$ 7,850,742</u>
Percentage (%)	<u>57</u>	<u>43</u>	<u>100</u>
<u>December 31, 2024</u>			
<b>Assets</b>			
Accounts receivable	\$ 24,870	\$ -	\$ 24,870
Inventories	4,670,483	12,320,795	16,991,278
Guarantee deposits paid	3,860	-	3,860
	<u>\$ 4,669,213</u>	<u>\$ 12,320,795</u>	<u>\$ 17,020,008</u>
Percentage (%)	<u>28</u>	<u>72</u>	<u>100</u>

(Continued)

	Within 1 Year	Beyond 1 Year	T o t a l
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	<u>650,000</u>	<u>1,283,000</u>	<u>1,933,000</u>
	<u>\$ 3,880,949</u>	<u>\$ 3,076,141</u>	<u>\$ 6,957,090</u>
Percentage (%)	<u>56</u>	<u>44</u>	<u>100</u>

### March 31, 2024

Assets			
Accounts receivable	\$ 75,315	\$ -	\$ 75,315
Inventories	5,359,237	10,477,887	15,837,124
Guarantee deposits paid	<u>7,491</u>	<u>-</u>	<u>7,491</u>
	<u>\$ 5,442,043</u>	<u>\$ 10,477,887</u>	<u>\$ 15,919,930</u>
Percentage (%)	<u>34</u>	<u>66</u>	<u>100</u>

Liabilities			
Current borrowings	\$ 550,000	\$ -	\$ 550,000
Contract liabilities	364,881	-	364,881
Notes payable	836	-	836
Accounts payable	412,889	177,271	590,160
Current lease liabilities (Superficies)	1,177	1,810	2,987
Long-term bonds payable, current portion	-	999,243	999,243
Long-term borrowings, current portion	<u>927,000</u>	<u>350,000</u>	<u>1,277,000</u>
	<u>\$ 2,256,783</u>	<u>\$ 1,528,324</u>	<u>\$ 3,785,107</u>
Percentage (%)	<u>60</u>	<u>40</u>	<u>100</u>

(Concluded)

## 19. Equity

### (1) Ordinary share

	March 31, 2025	December 31, 2024	March 31, 2024
Authorized Shares (1,000 shares)	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
Share capital- Authorized	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>

(Continued)

	March 31, 2025	December 31, 2024	March 31, 2024
Shares Outstanding ( 1,000 shares )	<u>217,428</u>	<u>217,428</u>	<u>217,428</u>
Share capital- Outstanding	<u>\$ 2,174,281</u>	<u>\$ 2,174,281</u>	<u>\$ 2,174,281</u>

(Concluded)

(2) Capital surplus

Items	March 31, 2025	December 31, 2024	March 31, 2024
Share premium	\$ 176,458	\$ 192,056	\$ 192,056
Treasury stock	<u>39,694</u>	<u>39,694</u>	<u>39,694</u>
	<u>\$ 216,152</u>	<u>\$ 231,750</u>	<u>\$ 231,750</u>

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 2024 and 2023 were as follows:

	<u>Appropriation of Earnings</u>		<u>Dividends Per Share (\$)</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Legal reserve	\$ 348,568	\$ 272,780		
Cash dividends	3,137,110	2,455,025	\$14.42826	\$11.2912

The Company's board of directors has adopted the cash distribution of NT\$15,598 thousand from capital surplus as of 0.07174 per share in February 2025.

The aforementioned appropriations of earnings were proposed by the Company's board of directors in February 2025 and 2024. The above 2023 appropriations of earnings and cash dividends had been resolved by the shareholders in their meeting in June 2024. The above 2024 appropriations of earnings and cash dividends will be resolved by the shareholders in their meeting to be held in June 2025.

## 20. Operating revenue

	The three months ended March 31			
	2025	2024		
Revenue from contracts with customers				
Sales revenue	\$ 909,335	\$3,075,364		
Others	375	289		
	<u>\$ 909,710</u>	<u>\$3,075,653</u>		
(1) Contract balances				
	March 31, 2025	December 31, 2024	March 31, 2024	January 1, 2024
Accounts receivable	<u>\$ 41,010</u>	<u>\$ 24,870</u>	<u>\$ 75,315</u>	<u>\$ 24,800</u>
Current contract liabilities				
Building and land for sale	\$ 56,146	\$ 89,457	\$364,881	\$424,229

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 for the three months ended March 31, 2025, and 2024.

Revenue recognized in the current reporting period for the three months ended March 31, 2025, and 2024 from the contract liabilities at the beginning of the period were NT\$89,457 thousand and NT\$424,229 thousand.

(2) Assets related to obtain contract

	March 31, 2025
Incremental costs to obtain contract with customers	<u>\$ 1,672</u>

(3) Classification of revenue from contracts with customers

The Company's and its subsidiaries' major components of operating revenue were income from building and land for sale for the three months ended March 31, 2025, and 2024.

21. Profit (loss) from continuing operations before tax

(1) Finance costs

	The three months ended March 31	
	2025	2024
Interest on bank loans	\$ 33,353	\$ 29,293
Interest on commercial paper	3,926	-
Amortization of discount on bonds payable	8,619	8,633
Interest on lease liabilities	555	935
Other Interest expenses	<u>1</u>	<u>1</u>
Interest expenses on financial liability at fair value not through profit or loss	46,454	38,862
Less: Amounts included in the cost of qualifying assets	<u>44,226</u>	<u>37,926</u>
	<u>\$ 2,228</u>	<u>\$ 936</u>

Information about capitalized interest was as follows :

	The three months ended March 31	
	2025	2024
Capitalized interest amount	<u>\$ 44,226</u>	<u>\$ 37,926</u>
Capitalization rate ( % )	2.1~2.13	2.18



(2) Depreciation and amortization

	The three months ended March 31	
	2025	2024
Property, plant and equipment	\$143	\$133
Right-of-use assets	97	82
Investment property	29	29
Other non-current assets	<u>188</u>	<u>160</u>
	<u>\$457</u>	<u>\$404</u>
Depreciation analysis by function		
Operating expenses	<u>\$269</u>	<u>\$244</u>
Amortization analysis by function		
Operating expenses	<u>\$188</u>	<u>\$160</u>

(3) Employee benefits expense

	The three months ended March 31	
	2025	2024
Short-term employee benefits		
Salaries	\$14,339	\$17,852
Labor and health insurance	1,543	1,043
Others	<u>1,900</u>	<u>5,136</u>
	<u>17,782</u>	<u>24,031</u>
Post-employment benefits		
Defined contribution plans	623	595
Retirement benefit plans	<u>36</u>	<u>34</u>
	<u>659</u>	<u>629</u>
	<u>\$18,441</u>	<u>\$24,660</u>
Analysis by function		
Operating expenses	<u>\$18,441</u>	<u>\$24,660</u>

(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 Company's board of directors proposed revising the "Articles of Association" according to the August 2024 amendment of the Securities and Exchange Act, which will be resolved by the shareholders' meeting held in the coming June 2025. The amendment supposes that the Company makes a profit in a fiscal year, it shall allocate no less than 0.03% and no more than 1% of

the profit as salary adjustments or compensation distributions for non-executive employees. In addition, no director's remuneration is expected to be paid and has not been estimated. The compensation of employees for the three months ended March 31, 2025 and 2024, which were estimated below:

	The three months ended March 31	
	2025	2024
Compensation of employees	<u>\$369</u>	<u>\$1,334</u>

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 estimation in the next year.

The compensation amounts paid in cash of the year 2024 and 2023 were resolved by the board of directors in February 2025 and 2024, respectively, were stated below:

	2024	2023
Compensation of employees	<u>\$4,362</u>	<u>\$3,411</u>

There is no difference between the actual amounts of compensation of employees paid and the amounts recognized in the financial statements for the years ended December 31, 2024 and 2023.

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

	The three months ended March 31	
	2025	2024
Current tax		
In respect of the current year	\$ 71,378	\$ 265,861
Land value increment tax	<u>1,039</u>	<u>538</u>
	<u>\$ 72,417</u>	<u>\$ 266,399</u>

### (2) Tax liabilities and tax assets

	March 31, 2025	December 31, 2024	March 31, 2024
Current tax assets			
Income tax returns	<u>\$ 22</u>	<u>\$ -</u>	<u>\$ -</u>
Current tax liabilities			
Income tax payable	<u>\$603,191</u>	<u>\$531,813</u>	<u>\$767,215</u>

(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:

Net profit for the period

	The three months ended March 31	
	2025	2024
Profit (loss), attributable to owners of parent	<u>\$294,467</u>	<u>\$1,066,033</u>

Number of ordinary shares

(in thousands of shares)

	The three months ended March 31	
	2025	2024
Earnings used in the computation of basic earnings per share	217,428	217,428
Dilutive factors		
Compensation of employees	<u>20</u>	<u>32</u>
Earnings used in the computation of diluted earnings per share	<u>217,448</u>	<u>217,460</u>

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. The transaction of acquiring ZHONGDA's ownership was not accounted for as a business.

The Company incurred NT\$816 million in acquiring 100% ownership of ZHONGDA on January 7, 2025. The transaction was subject to acquiring land to build residential properties for sale, which is located at lot 32-1 and 32-2 Lantian West Sec., Nanzi District, Kaohsiung. The above ownership acquiring transaction was accounted for as a set of assets instead of a business under the IFRS 3 "Business Combinations".

The acquired assets and the assumed liabilities of the acquiree, and related cash flows on the acquisition date, were stated below:

(1) The acquired assets and the assumed liabilities of the acquiree

Current assets	
Cash	\$ 453
Inventories	1,040,538
Other current assets	30
Non-current assets	
Other non-current financial assets	10
Current liabilities	
Other payables	( 643)
Other current liabilities	( 388)
Non-current liabilities	
Long-term bank loans	( 224,000)
	<u>\$ 816,000</u>

(2) The cash outflows of the ownership acquisition

Consideration paid of the transaction during the period	\$816,000
Less: Cash (acquired assets)	( 453)
	<u>\$815,547</u>

25. Capital management

The Company and its subsidiaries manage their capital to ensure that they 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 Company and its subsidiaries' capital management policy has not changed in the past two years.

The capital structure of the Company and its subsidiaries consist of net equity that is not subject to any externally imposed capital requirements.

26. 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

	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets			
At amortized cost (Note 1)	\$ 229,927	\$ 378,765	\$ 295,075
Financial Liabilities			
At amortized cost (Note 2)	9,558,109	8,542,090	6,772,382

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:

	March 31, 2025	December 31, 2024	March 31, 2024
Fair value interest rate risk			
Financial liabilities	\$ 2,297,286	\$ 2,297,868	\$ 2,351,054
Cash flow interest rate risk			
Financial assets	144,430	320,796	182,077
Financial liabilities	5,854,000	5,515,000	3,880,000

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 three months ended March 31, 2025 and 2024 would have increased/decreased by NT\$14,635 thousand and NT\$9,700 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 and its subsidiaries 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 and its subsidiaries 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 and its subsidiaries monitor rolling forecasts of the Company's liquidity requirements to ensure they have 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 and its subsidiaries' remaining contractual maturities for their 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 and its subsidiaries' 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.

	Less Than 1 Year	Over 1 Years	Total
March 31, 2025			
Non-derivative financial liabilities			
Non-interest-bearing liabilities	\$ 3,554,735	\$ 213,881	\$ 3,768,616
Lease liabilities	3,426	192,927	196,353
Floating interest rate liabilities	3,214,796	2,867,765	6,082,561
Fixed interest rate liabilities	934,225	2,270,640	3,204,865
	<u>\$ 7,707,182</u>	<u>\$ 5,545,213</u>	<u>\$ 13,252,395</u>

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	<u>\$ 3,426</u>	<u>\$ 12,328</u>	<u>\$ 14,958</u>	<u>\$ 14,958</u>	<u>\$ 14,958</u>	<u>\$ 135,725</u>

	Less Than 1 Year	Over 1 Years	Total
December 31, 2024			
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	<u>237,525</u>	<u>2,270,640</u>	<u>2,508,165</u>
	<u>\$ 3,931,672</u>	<u>\$ 5,155,990</u>	<u>\$ 9,087,662</u>

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	<u>\$ 3,056</u>	<u>\$ 12,111</u>	<u>\$ 15,138</u>	<u>\$ 15,138</u>	<u>\$ 15,138</u>	<u>\$ 138,143</u>

	Less Than 1 Year	Over 1 Years	Total
March 31, 2024			
Non-derivative financial liabilities			
Non-interest-bearing liabilities	\$ 2,916,123	\$ 243,755	\$ 3,159,878
Lease liabilities	4,764	292,811	297,575
Floating interest rate liabilities	1,559,588	2,567,314	4,126,902
Fixed interest rate liabilities	<u>34,225</u>	<u>2,304,865</u>	<u>2,339,090</u>
	<u>\$ 4,514,700</u>	<u>\$ 5,408,745</u>	<u>\$ 9,923,445</u>

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	<u>\$ 4,764</u>	<u>\$ 17,913</u>	<u>\$ 22,391</u>	<u>\$ 22,391</u>	<u>\$ 22,391</u>	<u>\$ 207,725</u>

(B) Line of Credit

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured bank loan			
Drawdowns	\$ 2,450,000	\$ 2,450,000	\$ 550,000
Remaining	<u>60,000</u>	<u>60,000</u>	<u>710,000</u>
	<u>\$ 2,510,000</u>	<u>\$ 2,510,000</u>	<u>\$ 1,260,000</u>

(Continued)

	March 31, 2025	December 31, 2024	March 31, 2024
Secured bank loan			
Drawdowns	\$ 4,304,000	\$ 3,265,000	\$ 3,330,000
Remaining	<u>5,642,000</u>	<u>5,867,000</u>	<u>4,193,400</u>
	<u>\$ 9,946,000</u>	<u>\$ 9,132,000</u>	<u>\$ 7,523,400</u>

(Concluded)

## 27. Related Party Transactions

### (1) Related party category

Related party	Category
Yongshuo Investment Co., Ltd.	Substantive related party
Jung-Ming Chen	Chairman of the Company

### (2) Guarantee

The Company's short-term bills were guaranteed through collateral provided by the chairman of the Company. As of March 31, 2025 and 2024, the drawdown amounts were NT\$900,000 thousand and NT\$1,000,000 thousand.

### (3) Remuneration of key management personnel:

	The three months ended March 31	
	2025	2024
Short-term employee benefits	\$ 3,777	\$ 4,292
Post-employment benefits	<u>147</u>	<u>143</u>
	<u>\$ 3,924</u>	<u>\$ 4,435</u>

## 28. Pledged Assets

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

	March 31, 2025	December 31, 2024	March 31, 2024
(1) Pledged time deposit certificate ( posted in other financial assets )	<u>\$ 41,060</u>	<u>\$ 41,060</u>	<u>\$ 41,060</u>
(2) Inventories			
Construction in progress	<u>11,098,064</u>	<u>10,525,742</u>	<u>8,334,506</u>

(Continued)



	March 31, 2025	December 31, 2024	March 31, 2024
(3) Property, plant and equipment			
Land	\$ 13,469	\$ 13,469	\$ 13,469
Building	<u>2,052</u>	<u>2,072</u>	<u>2,129</u>
	<u>15,521</u>	<u>15,541</u>	<u>15,598</u>
(4) Investment property			
Land	4,782	4,782	4,782
Building	<u>6,354</u>	<u>6,363</u>	<u>6,468</u>
	<u>11,136</u>	<u>11,165</u>	<u>11,250</u>
	<u>\$11,165,781</u>	<u>\$10,593,508</u>	<u>\$ 8,402,414</u>

(Concluded)

## 29. Significant Contingent Liabilities and Unrecognized Contract Commitments

As of March 31, 2025, the significant contingent liabilities and unrecognized contract commitments of the Company and its subsidiaries were as below :

The total amount of the contracts signed by the Company for construction projects that has not yet been concluded was NT\$3,203,500 thousand, of which the unrecorded amount was NT\$1,868,560 thousand.

## 30. Significant Assets and Liabilities Denominated in Foreign Currencies

The Company and its subsidiaries have 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 provided : Please refer to Table 1.
- C. Holding of marketable securities : None.
- D. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital : None.
- E. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital : None.
- F. Other matters : Significant inter-company transactions : N/A
- G. Information on investees : Please refer to Table 2.

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

### 32. Operating Segment Information

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

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD. and SUBSIDIARIES

**ENDORSEMENTS/GUARANTEES PROVIDED**

FOR THE THREE MONTHS ENDED MARCH 31, 2025

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

**TABLE 1**

No	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Each Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
1	ZHONGDA	YCDC	Parent	\$ 2,450,060	\$ 1,220,000	\$ 1,220,000	\$ 0	\$ 1,220,000	22.98	\$ 4,083,433	N	Y	N	

1. The ceilings on the amounts of ZHONGDA as a whole permitted to make endorsements/guarantees shall not be more than 50% of the net worth as stated in its latest financial statement.
2. The ceilings on the amounts of ZHONGDA permitted to make in endorsements/guarantees for any single entity shall not be more than 30% of the net worth as stated in its latest financial statement.
3. The endorsements/guarantees caused by jointly constructed with others, when the endorsee/guarantee is the parent company with 100% ownership, such endorsements/guarantees may be made free of the restriction of the preceding two paragraphs. However, the ceilings on the amounts of ZHONGDA permitted to make endorsements/guarantees of such situation shall not be more than 5000% of the net worth as stated in its latest financial statement or 30% of the net worth as stated in its parent company's latest financial statement.

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD. and SUBSIDIARIES  
**INFORMATION ON INVESTEEES**

FOR THE THREE MONTHS ENDED MARCH 31, 2025

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

**TABLE 2**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2025			Net Income (Loss) of the Investee (Note)	Investment Income (Note)	Remarks
				March 31, 2025	December 31, 2024	Shares	Percentage of Ownership	Carrying Amount			
YCDC	ZHONGDA	Taiwan	Residential housing selling and leasing	\$ 816,000	\$ -	5,000,000	100	\$ 814,273	(\$ 1,727)	(\$ 1,727)	

Note: The income amount has been written off by preparing the consolidated financial statements.