

YUNGSHIN CONSTRUCTION &
DEVELOPMENT CO., LTD.
and SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2025 AND 2024
and INDEPENDENT AUDITORS'
REVIEW REPORT

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 September 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, the consolidated statements of changes in equity and cash flows for the nine 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 September 30, 2025 and 2024, its consolidated financial performance for the three months ended September 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 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
October 27, 2025

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD. and SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

ASSETS		September 30, 2025		December 31, 2024		September 30, 2024	
		Amount	%	Amount	%	Amount	%
CURRENT ASSETS							
1100	Cash (Note 6)	\$ 143,052	1	\$ 279,819	2	\$ 300,916	2
1170	Accounts receivable (Note 7 & 19)	-	-	24,870	-	13,800	-
1200	Other receivables	366	-	168	-	680	-
1220	Current tax assets (Note 21)	22	-	-	-	-	-
1320	Inventories (Note 8 & 27)	19,234,014	98	16,991,278	97	16,547,529	97
1478	Guarantee deposits paid, current portion	29,233	-	3,860	-	3,860	-
1479	Other current assets (Note 9)	110,198	-	60,085	-	58,416	-
1480	Current assets recognised as incremental costs to obtain contract with customers (Note 19)	7,087	-	-	-	-	-
11XX	Total current assets	<u>19,523,972</u>	<u>99</u>	<u>17,360,080</u>	<u>99</u>	<u>16,925,201</u>	<u>99</u>
NONCURRENT ASSETS							
1600	Property, plant and equipment (Note 10 & 27)	17,331	-	17,590	-	17,734	-
1755	Right-of-use assets	566	-	27	-	110	-
1760	Investment property (Note 11 & 27)	11,079	-	11,165	-	11,193	-
1920	Guarantee deposits paid, non-current	28,538	-	28,988	-	28,988	-
1980	Other non-current financial assets (Note 27)	41,060	1	41,060	1	41,060	1
1995	Other non-current assets	2,069	-	1,838	-	2,038	-
15XX	Total non-current assets	<u>100,643</u>	<u>1</u>	<u>100,668</u>	<u>1</u>	<u>101,123</u>	<u>1</u>
1XXX	Total Assets	<u>\$ 19,624,615</u>	<u>100</u>	<u>\$ 17,460,748</u>	<u>100</u>	<u>\$ 17,026,324</u>	<u>100</u>
LIABILITIES & EQUITY							
CURRENT LIABILITIES							
2100	Current borrowings (Note 12)	\$ 3,230,000	16	\$ 2,505,000	14	\$ 2,455,000	14
2110	Short-term notes and bills payable (Note 12, 26, 27)	1,268,591	7	199,920	1	-	-
2130	Current contract liabilities (Note 19)	69,059	-	89,457	1	191,643	1
2150	Notes payable (Note 14)	97,085	1	6,059	-	337,982	2
2170	Accounts payable (Note 14)	773,795	4	540,914	3	564,628	3
2219	Other payables (Note 15)	77,465	-	91,865	1	100,600	1
2230	Current tax liabilities (Note 21)	27,042	-	531,813	3	453,751	3
2280	Current lease liabilities	2,534	-	2,079	-	2,311	-
2321	Long-term bonds payable, current portion (Note 13)	1,589,244	8	1,588,824	9	999,397	6
2322	Long-term borrowings, current portion (Note 12 & 27)	3,049,400	16	1,933,000	11	1,733,000	10
2399	Other current liabilities	14,419	-	19,585	-	45,770	-
21XX	Total current liabilities	<u>10,198,634</u>	<u>52</u>	<u>7,508,516</u>	<u>43</u>	<u>6,884,082</u>	<u>40</u>
NON-CURRENT LIABILITIES							
2530	Bonds payable (Note 13)	2,097,527	11	599,252	3	1,188,495	7
2540	Long-term bank loans (Note 12 & 27)	1,721,000	9	1,077,000	6	977,000	6
2580	Non-current lease liabilities	100,956	-	107,713	1	116,182	1
2640	Net defined benefit liability, non-current	1,206	-	1,145	-	1,812	-
2645	Guarantee deposits received	256	-	256	-	256	-
25XX	Total non-current liabilities	<u>3,920,945</u>	<u>20</u>	<u>1,785,366</u>	<u>10</u>	<u>2,283,745</u>	<u>14</u>
2XXX	Total Liabilities	<u>14,119,579</u>	<u>72</u>	<u>9,293,882</u>	<u>53</u>	<u>9,167,827</u>	<u>54</u>
EQUITY (Note 18)							
3110	Ordinary share	2,174,281	11	2,174,281	13	2,174,281	11
3200	Capital surplus	216,152	1	231,750	1	216,152	1
	Retained earnings						
3310	Legal reserve	2,623,704	13	2,275,136	13	2,623,704	13
3350	Unappropriated retained earnings	490,899	3	3,485,699	20	490,899	3
3300	Total retained earnings	<u>3,114,603</u>	<u>16</u>	<u>5,760,835</u>	<u>33</u>	<u>3,114,603</u>	<u>16</u>
3XXX	Total Equity	<u>5,505,036</u>	<u>28</u>	<u>8,166,866</u>	<u>47</u>	<u>5,505,036</u>	<u>28</u>
Total Liabilities and Equity		<u>\$ 19,624,615</u>	<u>100</u>	<u>\$ 17,460,748</u>	<u>100</u>	<u>\$ 19,624,615</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

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

Items		THE THREE MONTHS ENDED SEPTEMBER 30				THE NINE MONTHS ENDED SEPTEMBER 30			
		2025		2024		2025		2024	
		A m o u n t	%	A m o u n t	%	A m o u n t	%	A m o u n t	%
4000	Operating revenue (Note19)	\$ 450,040	100	\$3,024,186	100	\$1,756,150	100	\$9,033,451	100
5500	Operating costs (Note8 & 20)	<u>254,505</u>	<u>57</u>	<u>1,566,498</u>	<u>52</u>	<u>963,655</u>	<u>55</u>	<u>4,693,630</u>	<u>52</u>
5900	Gross profit (loss) from operations	<u>195,535</u>	<u>43</u>	<u>1,457,688</u>	<u>48</u>	<u>792,495</u>	<u>45</u>	<u>4,339,821</u>	<u>48</u>
	Operating expenses (Note 20)								
6100	Selling expenses	10,033	2	76,072	3	39,233	2	229,390	3
6200	Administrative expenses	<u>38,872</u>	<u>9</u>	<u>40,559</u>	<u>1</u>	<u>125,768</u>	<u>7</u>	<u>138,446</u>	<u>1</u>
6000	Total operating expenses	<u>48,905</u>	<u>11</u>	<u>116,631</u>	<u>4</u>	<u>165,001</u>	<u>9</u>	<u>367,836</u>	<u>4</u>
6900	Net operating income (loss)	<u>146,630</u>	<u>32</u>	<u>1,341,057</u>	<u>44</u>	<u>627,494</u>	<u>36</u>	<u>3,971,985</u>	<u>44</u>
	Non-operating income and expenses								
7100	Interest income	459	-	598	-	1,151	-	1,532	-
7190	Other income	1	-	270	-	246	-	479	-
7050	Finance costs (Note 20)	(<u>10,960</u>)	(<u>2</u>)	(<u>710</u>)	-	(<u>15,421</u>)	(<u>1</u>)	(<u>2,451</u>)	-
7000	Total non-operating income and expenses	(<u>10,500</u>)	(<u>2</u>)	<u>158</u>	-	(<u>14,024</u>)	(<u>1</u>)	(<u>440</u>)	-
7900	Profit (loss) from continuing operations before tax	136,130	30	1,341,215	44	613,470	35	3,971,545	44
7950	Total tax expense (Note 4 & 21)	<u>27,482</u>	<u>6</u>	<u>268,189</u>	<u>9</u>	<u>122,592</u>	<u>7</u>	<u>794,238</u>	<u>9</u>
8200	Profit (loss)	<u>\$ 108,648</u>	<u>24</u>	<u>\$1,073,026</u>	<u>35</u>	<u>\$ 490,878</u>	<u>28</u>	<u>\$3,177,307</u>	<u>35</u>
8500	Total comprehensive income	<u>\$ 108,648</u>		<u>\$1,073,026</u>		<u>\$ 490,878</u>		<u>\$3,177,307</u>	
8600	Profit (loss), attributable to owners of parent	<u>\$ 108,648</u>		<u>\$1,073,026</u>		<u>\$ 490,878</u>		<u>\$3,177,307</u>	
8600	Comprehensive income, attributable to owners of parent	<u>\$ 108,648</u>		<u>\$1,073,026</u>		<u>\$ 490,878</u>		<u>\$3,177,307</u>	
	Earnings per share (Note 22)								
9750	Basic	<u>\$ 0.50</u>		<u>\$ 4.94</u>		<u>\$ 2.26</u>		<u>\$ 14.61</u>	
9850	Diluted	<u>\$ 0.50</u>		<u>\$ 4.93</u>		<u>\$ 2.26</u>		<u>\$ 14.61</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

(Expressed in thousands of New Taiwan dollars)

				Retained Earnings			
				Unappropriated retained earnings	Total retained earnings	Total equity	
		Ordinary share	Capital surplus	Legal reserve			
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 18)						
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 nine months ended September 30, 2025	-	-	-	490,878	490,878	490,878
Z1	Balance at September 30, 2025	\$2,174,281	\$ 216,152	\$2,623,704	\$ 490,899	\$3,114,603	\$5,505,036
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 18)						
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 nine months ended September 30, 2024	-	-	-	3,177,307	3,177,307	3,177,307
Z1	Balance at September 30, 2024	\$2,174,281	\$ 231,750	\$2,275,136	\$3,177,330	\$5,452,466	\$7,858,497

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

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD. and SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of New Taiwan dollars)

		THE NINE MONTHS ENDED SEPTEMBER 30	
		2025	2024
	Cash flows from (used in) operating activities		
A10000	Profit (loss) before tax	\$ 613,470	\$3,971,545
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	830	749
A20200	Amortization expense	617	439
A20900	Interest expense	15,421	2,451
A21200	Interest income	(1,151)	(1,532)
A30000	Changes in operating assets and liabilities		
A31150	Accounts receivable	24,870	11,000
A31180	Other receivable	(54)	(65)
A31200	Inventories	(1,058,217)	(358,396)
A31240	Other current assets	(50,105)	109,615
A31270	Decrease (increase) in assets recognised as incremental costs to obtain contract with customers	(7,087)	-
A32125	Contract liabilities	(20,398)	(232,586)
A32130	Notes payable	(2,611)	337,982
A32150	Accounts payable	232,881	(61,286)
A32180	Other payable	(52,313)	(67,048)
A32230	Other current liabilities	(5,554)	38,511
A32240	Net defined benefit liability	<u>61</u>	<u>59</u>
A33000	Cash inflow (outflow) generated from operations	(309,340)	3,751,438
A33100	Interest received	1,018	1,193
A33300	Interest paid	(127,782)	(91,277)
A33500	Income taxes refund (paid)	(<u>533,726</u>)	(<u>841,841</u>)
AAAA	Net cash flows from (used in) operating activities	(<u>969,830</u>)	<u>2,819,513</u>
	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)	(555)
B03700	Increase in refundable deposits	(24,923)	3,728
B06700	Increase in other non-current assets	(<u>848</u>)	(<u>95</u>)
BBBB	Net cash flows from (used in) investing activities	(<u>841,493</u>)	<u>3,078</u>
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	3,980,000	3,125,000

(Continued)

		THE NINE MONTHS ENDED SEPTEMBER 30	
		2025	2024
C00200	Decrease in short-term loans	(\$3,250,000)	(\$2,040,000)
C00500	Increase in short-term notes and bills payable	11,504,213	2,949,906
C00600	Decrease in short-term notes and bills payable	(10,435,542)	(2,949,906)
C01200	Proceeds from issuing bonds	1,498,088	-
C01600	Proceeds from long-term debt	1,871,000	57,000
C01700	Repayments of long-term debt	(339,600)	(1,611,000)
C03000	Increase in guarantee deposits received	-	100
C04020	Payments of lease liabilities	(895)	(983)
C04500	Cash dividends paid	(<u>3,152,708</u>)	(<u>2,455,025</u>)
CCCC	Net cash flows from (used in) financing activities	<u>1,674,556</u>	(<u>2,924,908</u>)
EEEE	Net increase (decrease) in cash and cash equivalents	(136,767)	(102,317)
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>\$ 143,052</u>	<u>\$ 300,916</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 NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

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

1. History and Organization

YUNGSHIN Construction & Development Co., Ltd. (the “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 October 27, 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 accounting policies of YCDC and its subsidiaries (collectively as the “Company”).

- (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”	January 1, 2026
Amendments to IFRS 7 and IFRS 9 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
IFRS Accounting Standards 「Annual Improvements—Volume 11」	January 1, 2026
IFRS 17 “Insurance Contracts”	January 1, 2023

As of the date the financial statements were authorized for issue, the Company 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.

- (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>
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 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note2)
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.

Note 2: According to the FSC September 25, 2025 announcement, an entity shall apply IFRS 18 for annual reporting periods beginning on or after January 1, 2028. It is permitted to apply IFRS 18 for an earlier period starting after the FSC's endorsement.

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 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. 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 YCDC and the entities controlled by the YCDC (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.
			September 30, 2025	December 31, 2024	September 30, 2024	
YCDC	Zhongda Development Enterprise Co., Ltd. (the "ZHONGDA")	Residential housing selling and leasing	100	-	-	Note 1

Note 1: The YCDC 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

	September 30, 2025	December 31, 2024	September 30, 2024
Cash on hand	\$ 104	\$ 69	\$ 49
Demand deposits	142,934	279,736	300,853
Checking deposits	14	14	14
	<u>\$143,052</u>	<u>\$279,819</u>	<u>\$300,916</u>

7. Accounts receivable

	September 30, 2025	December 31, 2024	September 30, 2024
Accounts receivable			
Measured at amortized cost	<u>\$ -</u>	<u>\$ 24,870</u>	<u>\$ 13,800</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

	September 30, 2025	December 31, 2024	September 30, 2024
Buildings and land held for sale	\$ 9,686,166	\$ 4,644,345	\$ 5,165,620
Land held for construction site			
TDR or fragmental lands	80,794	86,754	71,276
Construction in progress	9,360,638	11,994,569	10,935,127
Prepayment for land purchases	-	152,744	254,000
Right-of-use asset	<u>106,416</u>	<u>112,866</u>	<u>121,506</u>
	<u>\$19,234,014</u>	<u>\$16,991,278</u>	<u>\$16,547,529</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 superficieses from 2017 to 2020, with a contract term maturing between September 2087 and February 2091. The duration of superficieses is 70 years. The superficieses could be used for building houses based on the lease contract. The leasehold right of superficieses 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 September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024 were recognized NT\$254,505 thousand, NT1,566,498 thousand, NT\$963,655 thousand, and NT\$4,693,630 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 27 for details of inventories pledged as collateral.

9. Other current assets

	September 30, 2025	December 31, 2024	September 30, 2024
Offset against business tax payable	\$ 92,129	\$ 48,287	\$ 45,418
Others	<u>18,069</u>	<u>11,798</u>	<u>12,998</u>
	<u>\$110,198</u>	<u>\$ 60,085</u>	<u>\$ 58,416</u>

10. Property, plant and equipment

	September 30, 2025	December 31, 2024	September 30, 2024
Land	\$ 13,469	\$ 13,469	\$ 13,469
Buildings	2,014	2,072	2,091
Office equipment	1,192	1,298	1,392
Machinery and equipment	246	266	272
Transport equipment	<u>410</u>	<u>485</u>	<u>510</u>
	<u>\$17,331</u>	<u>\$17,590</u>	<u>\$17,734</u>

Except for the recognition of depreciation expenses, the property, plant and equipment of the Company did not have significant addition, disposal and impairment for the nine months ended September 30, 2025 and 2024.

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

Buildings	60 Years
Office equipment	5~9 Years
Machinery and Equipment	10 Years
Transport equipment	5 Years

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

11. Investment property

The changes in investment properties for the nine months ended September 30, 2025 and 2024 were as follows:

	Land	Buildings	Total
Cost			
Balance at January 1, 2025 and September 30, 2025	<u>\$ 4,782</u>	<u>\$ 6,969</u>	<u>\$11,751</u>

(Continued)

	Land	Buildings	Total
<u>Accumulated depreciation</u>			
Balance at January 1, 2025	-	586	586
Depreciation	-	86	86
Balance at September 30, 2025	-	672	672
Net balance at December 31, 2024	<u>\$ 4,782</u>	<u>\$ 6,383</u>	<u>\$ 11,165</u>
Net balance at September 30, 2025	<u>\$ 4,782</u>	<u>\$ 6,297</u>	<u>\$ 11,079</u>
			(Concluded)

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2024 and September 30, 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	-	86	86
Balance at September 30, 2024	-	558	558
Net balance at September 30, 2024	<u>\$ 4,782</u>	<u>\$ 6,411</u>	<u>\$ 11,193</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:

	September 30, 2025	December 31, 2024	September 30, 2024
Year 1	\$ 936	\$ 936	\$ 936
Year 2	78	780	936
Year 3	-	-	78
Year 4	-	-	-
Year 5	-	-	-
	<u>\$ 1,014</u>	<u>\$ 1,716</u>	<u>\$ 1,950</u>

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

The fair values of the investment properties as of September 30, 2025, December 31, and September 30, 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 is its own equity. For information on investment property mortgage, please refer to Note 27.

12. Borrowings

(1) Current borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
Bank borrowings - Secured	\$ 20,000	\$ 55,000	\$ 5,000
Bank borrowings - Unsecured	<u>3,210,000</u>	<u>2,450,000</u>	<u>2,450,000</u>
	<u>\$3,230,000</u>	<u>\$2,505,000</u>	<u>\$2,455,000</u>
Interest rate (%)	1.85~2.35	1.825~2.575	1.825~2.575

(2) Short-term notes and bills payable

September 30, 2025

<u>Promissory Institution</u>	<u>Nominal Amount</u>	<u>Discount</u>	<u>Carrying Amount</u>	<u>Rate (%)</u>
CP payable				
Yuanta Bank/CBF	<u>\$1,270,000</u>	<u>\$ 1,409</u>	<u>\$1,268,591</u>	1.55~1.57

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

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Secured borrowings</u>			
Bank borrowings -maturities before February 2030	\$ 4,770,400	\$ 3,010,000	\$ 2,710,000
Less: Current portion	<u>3,049,400</u>	<u>1,933,000</u>	<u>1,733,000</u>
	<u>\$ 1,721,000</u>	<u>\$ 1,077,000</u>	<u>\$ 977,000</u>
Interest rate (%)	2.675~3.25	2.675~2.825	2.675~2.825

13. Bonds payable

	September 30, 2025	December 31, 2024	September 30, 2024
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
Issued in 07/2025; A maturity of 5 years with issuer call option; Annually compound and pay 1 time at fixed interest rate 3.2%	1,500,000	-	-
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
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	\$ 400,000
	3,690,000	2,190,000	2,190,000
Less: Discount	3,229	1,924	2,108
	3,686,771	2,188,076	2,187,892
Less: Current portion	1,589,244	1,588,824	999,397
	<u>\$ 2,097,527</u>	<u>\$ 599,252</u>	<u>\$ 1,188,495</u>

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

14. Notes payable & Accounts payable

	September 30, 2025	December 31, 2024	September 30, 2024
Notes payable—Operating	\$ 3,448	\$ 6,059	\$ -
Notes payable—Not arising from operations	<u>93,637</u>	<u>-</u>	<u>377,982</u>
	<u>\$ 97,085</u>	<u>\$ 6,059</u>	<u>\$ 377,982</u>
Accounts payable—Operating	<u>\$773,795</u>	<u>\$540,914</u>	<u>\$564,628</u>

The average payment period for building materials is 30 to 75 days. The Company 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.

15. Other payables

	September 30, 2025	December 31, 2024	September 30, 2024
Advertising commission payable	\$ 32,931	\$ 36,663	\$ 59,553
Interest payable	23,839	20,523	11,092
Payroll expense	11,128	22,246	16,685
After-sales maintenance expense	3,684	2,927	2,832
Accrued profit sharing bonus to employees	3,153	4,362	3,976
Interior decoration expense	-	600	2,324
Others	<u>2,730</u>	<u>4,544</u>	<u>4,138</u>
	<u>\$ 77,465</u>	<u>\$ 91,865</u>	<u>\$100,600</u>

16. Pensions

For the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, the pension expenses of defined contribution plans were NT\$36 thousand, NT\$34 thousand, NT\$107 thousand, and NT\$103 thousand, respectively, under the annual pension cost discount rate as of December 31, 2024 and 2023.

17. 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
September 30, 2025			
Assets			
Inventories	\$ 6,846,515	\$ 12,387,499	\$ 19,234,014
Incremental costs to obtain contract with customers	4,520	2,567	7,087
Guarantee deposits paid	<u>29,233</u>	<u>-</u>	<u>29,233</u>
	<u>\$ 6,880,268</u>	<u>\$ 12,390,066</u>	<u>\$ 19,270,334</u>
Percentage (%)	<u>36</u>	<u>64</u>	<u>100</u>
Liabilities			
Current borrowings	\$ 3,230,000	\$ -	\$ 3,230,000
Short-term notes and bills payable	1,268,591	-	1,268,591
Contract liabilities	69,059	-	69,059
Notes payable	97,085	-	97,085
Accounts payable	455,319	318,476	773,795
Other payable	57,869	19,596	77,465
Current lease liabilities (Superficies)	774	1,190	1,964
Long-term bonds payable, current portion	999,707	589,537	1,589,244
Long-term borrowings, current portion	<u>750,000</u>	<u>2,299,400</u>	<u>3,049,400</u>
	<u>\$ 6,928,404</u>	<u>\$ 3,228,199</u>	<u>\$ 10,156,603</u>
Percentage (%)	<u>68</u>	<u>32</u>	<u>100</u>
December 31, 2024			
Assets			
Accounts receivable	\$ 24,870	\$ -	\$ 24,870
Inventories	4,670,483	12,320,795	16,991,278
Guarantee deposits paid	<u>3,860</u>	<u>-</u>	<u>3,860</u>
	<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>
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>

(Continued)

September 30, 2024	Within 1 Year	Beyond 1 Year	Total
Assets			
Accounts receivable	\$ 13,800	\$ -	\$ 13,800
Inventories	5,422,536	11,124,993	16,547,529
Guarantee deposits paid	<u>3,860</u>	<u>-</u>	<u>3,860</u>
	<u>\$ 5,440,196</u>	<u>\$ 11,124,993</u>	<u>\$ 16,565,189</u>
Percentage (%)	<u>33</u>	<u>67</u>	<u>100</u>
Liabilities			
Current borrowings	\$ 2,455,000	\$ -	\$ 2,455,000
Contract liabilities	191,643	-	191,643
Notes payable	337,982	-	337,982
Accounts payable	398,313	166,315	564,628
Current lease liabilities (Superficies)	866	1,331	2,197
Long-term bonds payable, current portion	-	999,397	999,397
Long-term borrowings, current portion	<u>650,000</u>	<u>1,083,000</u>	<u>1,733,000</u>
	<u>\$ 4,033,804</u>	<u>\$ 2,250,043</u>	<u>\$ 6,283,847</u>
Percentage (%)	<u>64</u>	<u>36</u>	<u>100</u>

(Concluded)

18. Equity

(1) Ordinary share

	September 30, 2025	December 31, 2024	September 30, 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>
	June 30, 2025	December 31, 2024	June 30, 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>

(2) Capital surplus

Items	September 30, 2025	December 31, 2024	September 30, 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. Stock dividend distribution shall up to a certain percentage of the YCDC's paid-in capital.

(3) Retained earnings and dividend policy

According to YCDC's 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 YCDC, 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 YCDC has no deficit and the legal reserve has exceeded 25% of the YCDC'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 YCDC'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 YCDC's board of directors in February 2025 and 2024. The above 2024 and 2023 appropriations of earnings and cash dividends had been resolved by the shareholders in their meeting in June 2025 and 2024.

19. Operating revenue

	<u>The three months ended September 30</u>		<u>The nine months ended September 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Revenue from contracts with customers				
Sales revenue	\$ 449,665	\$ 3,023,810	\$ 1,755,025	\$ 9,032,496
Others	<u>375</u>	<u>376</u>	<u>1,125</u>	<u>955</u>
	<u>\$ 450,040</u>	<u>\$ 3,024,186</u>	<u>\$ 1,756,150</u>	<u>\$ 9,033,451</u>

(1) Contract balances

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>	<u>January 1, 2024</u>
Accounts receivable	<u>\$ -</u>	<u>\$ 24,870</u>	<u>\$ 13,800</u>	<u>\$ 24,800</u>
Current contract liabilities				
Building and land for sale	<u>\$ 69,059</u>	<u>\$ 89,457</u>	<u>\$191,643</u>	<u>\$424,229</u>

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 nine months ended September 30, 2025, and 2024.

Revenue recognized in the current reporting period for the nine months ended September 30, 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

	<u>September 30, 2025</u>
Incremental costs to obtain contract with customers	<u>\$ 7,087</u>

(3) Classification of revenue from contracts with customers

The Company's major components of operating revenue were income from building and land for sale for the nine months ended September 30, 2025, and 2024.

20. Profit (loss) from continuing operations before tax

(1) Finance costs

	The three months ended September 30		The nine months ended September 30	
	2025	2024	2025	2024
Interest on bank loans	\$ 45,582	\$ 26,612	\$113,629	\$ 77,215
Interest on commercial paper	6,724	1,753	15,968	2,437
Amortization of discount on bonds payable	17,287	8,565	34,622	25,898
Interest on lease liabilities	533	711	1,631	2,454
Other Interest expenses	<u>1</u>	<u>1</u>	<u>3</u>	<u>3</u>
Interest expenses on financial liability at fair value not through profit or loss	70,127	37,642	165,853	108,007
Less: Amounts included in the cost of qualifying assets	<u>59,167</u>	<u>36,932</u>	<u>150,432</u>	<u>105,556</u>
	<u>\$ 10,960</u>	<u>\$ 710</u>	<u>\$ 15,421</u>	<u>\$ 2,451</u>

Information about capitalized interest was as follows :

	The three months ended September 30		The nine months ended September 30	
	2025	2024	2025	2024
Capitalized interest amount	\$ 59,167	\$ 36,932	\$150,432	\$105,556
Capitalization rate (%)	2.17~2.43	1.84~2.24	2.1~2.43	1.84~2.24

(2) Depreciation and amortization

	The three months ended September 30		The nine months ended September 30	
	2025	2024	2025	2024
Property, plant and equipment	\$ 147	\$ 150	\$ 434	\$ 417
Right-of-use assets	106	82	310	246
Investment property	29	29	86	86
Other non-current assets	<u>297</u>	<u>118</u>	<u>617</u>	<u>439</u>
	<u>\$ 579</u>	<u>\$ 379</u>	<u>\$ 1,447</u>	<u>\$ 1,188</u>

(Continued)

	The three months ended September 30		The nine months ended September 30	
	2025	2024	2025	2024
Depreciation analysis by function				
Operating expenses	<u>\$282</u>	<u>\$261</u>	<u>\$830</u>	<u>\$749</u>
Amortization analysis by function				
Operating expenses	<u>\$297</u>	<u>\$118</u>	<u>\$617</u>	<u>\$439</u>

(Concluded)

(3) Employee benefits expense

	The three months ended September 30		The nine months ended September 30	
	2025	2024	2025	2024
Short-term employee benefits				
Salaries	\$ 15,101	\$ 18,744	\$ 44,109	\$ 53,659
Labor and health insurance	1,120	1,600	3,358	3,691
Others	<u>1,156</u>	<u>5,028</u>	<u>4,156</u>	<u>15,387</u>
	<u>17,377</u>	<u>25,372</u>	<u>51,623</u>	<u>72,737</u>
Post-employment benefits				
Defined contribution plans	627	618	1,867	1,810
Retirement benefit plans	<u>36</u>	<u>34</u>	<u>107</u>	<u>103</u>
	<u>663</u>	<u>652</u>	<u>1,974</u>	<u>1,913</u>
	<u>\$ 18,040</u>	<u>\$ 26,024</u>	<u>\$ 53,597</u>	<u>\$ 74,650</u>
Analysis by function				
Operating expenses	<u>\$ 18,040</u>	<u>\$ 26,024</u>	<u>\$ 53,597</u>	<u>\$ 74,650</u>

(4) Compensation of employees and remuneration of directors

According to YCDC's Article of "Articles of Association", the YCDC accrues compensation of employees at rates of no less than 0.03% 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. According to the August 2024 amendment of the Securities and Exchange Act, the 2025 shareholders' meeting of the Company resolved the amendment of "Articles of Association". 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 nine months ended September 30, 2025 and 2024, which were estimated below:

	The three months ended September 30		The nine months ended September 30	
	2025	2024	2025	2024
Compensation of employees	<u>\$136</u>	<u>\$1,343</u>	<u>\$614</u>	<u>\$3,976</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 YCDC's board of directors is available on the Market Observation Post System website of the TWSE.

21. Income tax

(1) Income tax recognized in profit or loss

	The three months ended September 30		The nine months ended September 30	
	2025	2024	2025	2024
Current tax				
In respect of the current year	\$ 27,074	\$267,268	\$120,711	\$791,733
Land value increment tax	<u>408</u>	<u>921</u>	<u>1,881</u>	<u>2,505</u>
	<u>\$ 27,482</u>	<u>\$268,189</u>	<u>\$122,592</u>	<u>\$794,238</u>

(2) Tax liabilities and tax assets

	September 30, 2025	December 31, 2024	September 30, 2024
Current tax assets			
Income tax returns	<u>\$ 22</u>	<u>\$ -</u>	<u>\$ -</u>
Current tax liabilities			
Income tax payable	<u>\$ 27,042</u>	<u>\$531,813</u>	<u>\$453,751</u>

(3) Income tax assessments

The Company's income tax returns through 2023 have been assessed by the tax authorities.

22. 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 September 30		The nine months ended September 30	
	2025	2024	2025	2024
Profit (loss), attributable to owners of parent	<u>\$108,648</u>	<u>\$1,073,026</u>	<u>\$490,878</u>	<u>\$3,177,307</u>

Number of ordinary shares

(in thousands of shares)

	The three months ended September 30		The nine months ended September 30	
	2025	2024	2025	2024
Earnings used in the computation of basic earnings per share	217,428	217,428	217,428	217,428
Dilutive factors				
Compensation of employees	<u>7</u>	<u>18</u>	<u>13</u>	<u>25</u>
Earnings used in the computation of diluted earnings per share	<u>217,435</u>	<u>217,446</u>	<u>217,441</u>	<u>217,453</u>

The YCDC may settle the compensation of employees in cash or shares; therefore, the YCDC 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.

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

The YCDC 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>

24. Capital management

The Company manages their 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 Company' capital management policy has not changed in the past two years.

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

	September 30, 2025	December 31, 2024	September 30, 2024
Financial assets			
At amortized cost (Note 1)	\$ 242,249	\$ 378,765	\$ 389,304
Financial Liabilities			
At amortized cost (Note 2)	13,904,363	8,542,090	8,356,358

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 (including current portion), 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's financial assets and financial liabilities with exposure to interest rates at the balance sheet date were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Fair value interest rate risk			
Financial liabilities	\$ 3,790,261	\$ 2,297,868	\$ 2,306,385
Cash flow interest rate risk			
Financial assets	183,994	320,796	341,913
Financial liabilities	8,000,400	5,515,000	5,165,000

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 nine months ended September 30, 2025 and 2024 would have increased/decreased by NT\$60,003 thousand and NT\$38,738 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 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'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.

	Less Than 1 Year	Over 1 Years	Total
September 30, 2025			
Non-derivative financial liabilities			
Non-interest-bearing liabilities	\$ 610,272	\$ 338,329	\$ 948,601
Lease liabilities	3,289	182,462	185,751
Floating interest rate liabilities	4,152,951	4,157,256	8,310,207
Fixed interest rate liabilities	<u>1,097,715</u>	<u>3,928,415</u>	<u>5,026,130</u>
	<u>\$ 5,864,227</u>	<u>\$ 8,606,462</u>	<u>\$ 14,470,689</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>\$ 3,289</u>	<u>\$ 11,565</u>	<u>\$ 14,275</u>	<u>\$ 14,275</u>	<u>\$ 14,275</u>	<u>\$ 128,072</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
September 30, 2024			
Non-derivative financial liabilities			
Non-interest-bearing liabilities	\$ 809,583	\$ 193,883	\$ 1,003,466
Lease liabilities	3,374	211,436	214,810
Floating interest rate liabilities	3,212,541	2,189,036	5,401,577
Fixed interest rate liabilities	<u>37,525</u>	<u>2,270,640</u>	<u>2,308,165</u>
	<u>\$ 4,063,023</u>	<u>\$ 4,864,995</u>	<u>\$ 8,928,018</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>\$ 3,374</u>	<u>\$ 13,039</u>	<u>\$ 16,299</u>	<u>\$ 16,299</u>	<u>\$ 16,299</u>	<u>\$ 149,500</u>

(B) Line of Credit

	September 30, 2025	December 31, 2024	September 30, 2024
Unsecured bank loan			
Drawdowns	\$ 3,210,000	\$ 2,450,000	\$ 2,450,000
Remaining	<u>-</u>	<u>60,000</u>	<u>60,000</u>
	<u>\$ 3,210,000</u>	<u>\$ 2,510,000</u>	<u>\$ 2,510,000</u>
	September 30, 2025	December 31, 2024	September 30, 2024
Secured bank loan			
Drawdowns	\$ 5,836,400	\$ 3,265,000	\$ 2,715,000
Remaining	<u>5,339,500</u>	<u>5,867,000</u>	<u>5,651,000</u>
	<u>\$11,175,900</u>	<u>\$ 9,132,000</u>	<u>\$ 8,366,000</u>

26. 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 YCDC's short-term bills were guaranteed through collateral provided by the chairman of the Company. As of September 30, 2025, December 31, 2024 and September 30, 2024, the drawdown amounts were NT\$1,000,000 thousand, NT\$200,000 thousand, and NT\$0.

(3) Remuneration of key management personnel:

	The three months ended September 30		The nine months ended September 30	
	2025	2024	2025	2024
Short-term employee benefits	\$ 5,015	\$ 4,397	\$12,568	\$12,574
Post-employment benefits	<u>202</u>	<u>145</u>	<u>496</u>	<u>432</u>
	<u>\$ 5,217</u>	<u>\$ 4,542</u>	<u>\$13,064</u>	<u>\$13,006</u>

27. Pledged Assets

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

	September 30, 2025	December 31, 2024	September 30, 2024
(1) Pledged time deposit certificate (posted in other financial assets)	\$ 41,060	\$ 41,060	\$ 41,060
(2) Inventories			
Buildings and land held for sale	4,833,616	-	-
Construction in progress	7,686,492	10,525,742	8,765,797
	<u>12,520,108</u>	<u>10,525,742</u>	<u>8,765,797</u>
(3) Property, plant and equipment			
Land	13,469	13,469	13,469
Building	2,014	2,072	2,091
	<u>15,483</u>	<u>15,541</u>	<u>15,560</u>
(4) Investment property			
Land	4,782	4,782	4,782
Building	6,297	6,383	6,411
	<u>11,079</u>	<u>11,165</u>	<u>11,193</u>
	<u>\$12,587,730</u>	<u>\$10,593,508</u>	<u>\$ 8,833,610</u>

28. Significant Contingent Liabilities and Unrecognized Contract Commitments

As of September 30, 2025, the significant contingent liabilities and unrecognized contract commitments of the Company were as below :

The total amount of the contracts signed by the YCDC for construction projects that has not yet been concluded was NT\$3,741,000 thousand, of which the unrecorded amount was NT\$3,313,080 thousand.

29. Significant Assets and Liabilities Denominated in Foreign Currencies

The Company has no significant foreign currency assets and liabilities.

30. 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 : None.
- G. Information on investees : Please refer to Table 2.

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

31. 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 NINE MONTHS ENDED SEPTEMBER 30, 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	\$ 1,618,916	\$ 1,220,000	\$ 1,220,000	\$ -	\$ 1,220,000	22.16	\$ 1,651,510	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 NINE MONTHS ENDED SEPTEMBER 30, 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 June 30, 2025			Net Income (Loss) of the Investee (Note)	Investment Income (Note)	Remarks
				June 30, 2025	December 31, 2024	Shares	Percentage of Ownership	Carrying Amount			
YCDC	ZHONGDA	Taiwan	Residential housing selling and leasing	\$ 816,000	\$ -	5,000,000	100	\$ 810,143	(\$ 5,857)	(\$ 5,857)	

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