

YUNGSHIN CONSTRUCTION &
DEVELOPMENT CO., LTD.
and SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2025 AND 2024
and INDEPENDENT AUDITORS'
REVIEW REPORT

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

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Declaration Letter of Affiliates' Consolidated Financial Statements

The enterprises required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2025 are all the same as the enterprises required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 "Consolidated Financial Statements". All relevant information that should be disclosed in the consolidated financial statements of affiliates has been disclosed in the consolidated financial statements of the parent and subsidiary companies. Hence, YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD. and Subsidiaries do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

Chen Jing Ming

Chairman

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.

March 9, 2026

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have reviewed the accompanying consolidated balance sheets of YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD. and its subsidiaries (collectively, the "Company") as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

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

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2025 consolidated financial statements are stated as follows:

Evaluation of Inventories

Refer to Note 4, Note 5, and Note 8 of the consolidated financial statements for accounting policy on evaluation of inventories and details of inventories. Inventory is an important asset for the Company. As of December 31, 2025, the Company's inventory amounted to NT\$19,075,878 thousand, which accounted for 98% of the total assets.

Inventory includes land, building materials, designs, and the costs related to construction, which was valued at the lower of cost or net realizable value. The net realizable value is based on the recent actual transaction price of each construction project or the surrounding area where the construction project is located. Inventory valuation is listed as a key audit matter because the relevant evaluation process involves major estimates and judgments.

How our audit addressed the matter:

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

Other Matter

We have also audited the parent company only financial statements of YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD. as of and for the years ended December 31, 2025 and 2024 on which we have issued an unmodified opinion.

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

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 IFRS, IAS, IFRIC, and SIC as endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

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

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 9, 2026

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

ASSETS		December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
CURRENT ASSETS					
1100	Cash (Notes 6)	\$ 151,388	1	\$ 279,819	2
1170	Accounts receivable (Notes 7 & 19)	44,500	-	24,870	-
1200	Other receivables	154	-	168	-
1220	Current tax assets (Note 21)	22	-	-	-
1320	Inventories (Notes 4, 5, 8 & 27)	19,075,878	98	16,991,278	97
1478	Guarantee deposits paid, current portion	28,061	-	3,860	-
1479	Other current assets (Note 9)	104,006	-	60,085	-
1480	Current assets recognised as incremental costs to obtain contract with customers (Note 19)	5,957	-	-	-
11XX	Total current assets	<u>19,409,966</u>	<u>99</u>	<u>17,360,080</u>	<u>99</u>
NONCURRENT ASSETS					
1600	Property, plant and equipment (Notes 4, 10 & 27)	17,183	-	17,590	-
1755	Right-of-use assets (Note 4)	850	-	27	-
1760	Investment property (Notes 4, 11 & 27)	11,050	-	11,165	-
1920	Guarantee deposits paid, non-current	28,692	-	28,988	-
1975	Net defined benefit asset, non-current (Notes 4 & 16)	1,824	-	-	-
1980	Other non-current financial assets (Note 27)	41,060	1	41,060	1
1995	Other non-current assets	2,007	-	1,838	-
15XX	Total non-current assets	<u>102,666</u>	<u>1</u>	<u>100,668</u>	<u>1</u>
1XXX	Total Assets	<u>\$ 19,512,632</u>	<u>100</u>	<u>\$ 17,460,748</u>	<u>100</u>
LIABILITIES					
CURRENT LIABILITIES					
2100	Current borrowings (Notes 12 & 27)	\$ 3,280,000	17	\$ 2,505,000	14
2110	Short-term notes and bills payable (Notes 12 & 27)	1,268,611	7	199,920	1
2130	Current contract liabilities (Notes 4 & 19)	81,234	1	89,457	1
2150	Notes payable (Note 14)	-	-	6,059	-
2170	Accounts payable (Note 14)	480,359	2	540,914	3
2200	Other payables (Note 15)	102,340	1	91,865	1
2230	Current tax liabilities (Note 21)	69,221	-	531,813	3
2280	Current lease liabilities (Note 4)	2,752	-	2,079	-
2321	Long-term bonds payable, current portion (Note 13)	1,589,388	8	1,588,824	9
2322	Long-term borrowings, current portion (Notes 12 & 27)	2,949,570	15	1,933,000	11
2399	Other current liabilities	10,559	-	19,585	-
21XX	Total current liabilities	<u>9,834,034</u>	<u>51</u>	<u>7,508,516</u>	<u>43</u>
NON-CURRENT LIABILITIES					
2530	Bonds payable (Note 13)	2,097,655	11	599,252	3
2540	Long-term bank loans (Notes 12 & 27)	1,799,000	9	1,077,000	6
2580	Non-current lease liabilities (Note 4)	96,796	-	107,713	1
2640	Net defined benefit liability, non-current (Notes 4 & 16)	-	-	1,145	-
2645	Guarantee deposits received	256	-	256	-
25XX	Total non-current liabilities	<u>3,993,707</u>	<u>20</u>	<u>1,785,366</u>	<u>10</u>
2XXX	Total Liabilities	<u>13,827,741</u>	<u>71</u>	<u>9,293,882</u>	<u>53</u>
EQUITY (Note 18)					
3110	Ordinary share	2,174,281	11	2,174,281	13
3200	Capital surplus	216,152	1	231,750	1
Retained earnings					
3310	Legal reserve	2,623,704	14	2,275,136	13
3350	Unappropriated retained earnings	670,754	3	3,485,699	20
3300	Total retained earnings	<u>3,294,458</u>	<u>17</u>	<u>5,760,835</u>	<u>33</u>
3XXX	Total Equity	<u>5,684,891</u>	<u>29</u>	<u>8,166,866</u>	<u>47</u>
Total Liabilities and Equity		<u>\$ 19,512,632</u>	<u>100</u>	<u>\$ 17,460,748</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

YEARS ENDED DECEMBER 31, 2025 and 2024

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

Items	2025		2024	
	Amount	%	Amount	%
4000 Operating revenue (Notes 4 & 19)	\$ 2,533,755	100	\$10,035,475	100
5510 Operating costs (Notes 8 & 20)	1,418,945	56	5,213,801	52
5900 Gross profit (loss) from operations	1,114,810	44	4,821,674	48
Operating expenses (Note 20)				
6100 Selling expenses	52,126	2	258,560	3
6200 Administrative expenses	193,319	8	204,537	2
6000 Total operating expenses	245,445	10	463,097	5
6900 Net operating income (loss)	869,365	34	4,358,577	43
Non-operating income and expenses				
7100 Interest income	1,440	-	2,050	-
7190 Other income	246	-	121	-
7050 Finance costs (Note 20)	(38,092)	(1)	(3,028)	-
7000 Total non-operating income and expenses	(36,406)	(1)	(857)	-
7900 Profit (loss) from continuing operations before tax	832,959	33	4,357,720	43
7950 Total tax expense (Notes 4 & 21)	165,276	7	872,731	8
8200 Profit (loss)	667,683	26	3,484,989	35
8311 Gains (losses) on remeasurements of defined benefit plans	3,050	-	687	-
8500 Total comprehensive income	\$ 670,733	26	\$3,485,676	35

(Continued)

Items		2025		2024	
		Amount	%	Amount	%
Earnings per share (Note 22)					
9750	Basic	\$ 3.07		\$ 16.03	
9850	Diluted	\$ 3.07		\$ 16.03	

(Concluded)

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

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD. and SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

YEARS ENDED DECEMBER 31, 2025 and 2024

(Expressed in thousands of New Taiwan dollars)

		Ordinary share	Capital surplus	Legal reserve	Retained Earnings		Total equity
					Unappropriated retained earnings	Total retained earnings	
A1	Balance at January 1, 2024	<u>\$2,174,281</u>	<u>\$ 231,750</u>	<u>\$2,002,356</u>	<u>\$2,727,828</u>	<u>\$4,730,184</u>	<u>\$7,136,215</u>
	Appropriation of 2023 earnings (Note18)						
B1	Legal reserve	-	-	272,780	(272,780)	-	-
B5	Cash dividends	-	-	-	(2,455,025)	(2,455,025)	(2,455,025)
		-	-	<u>272,780</u>	<u>(2,727,805)</u>	<u>(2,455,025)</u>	<u>(2,455,025)</u>
D1	Net profit for the year ended December 31, 2024	-	-	-	3,484,989	3,484,989	3,484,989
D3	Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	<u>687</u>	<u>687</u>	<u>687</u>
D5	Total comprehensive income in 2024	-	-	-	<u>3,485,676</u>	<u>3,485,676</u>	<u>3,485,676</u>
Z1	Balance at December 31, 2024	<u>2,174,281</u>	<u>231,750</u>	<u>2,275,136</u>	<u>3,485,699</u>	<u>5,760,835</u>	<u>8,166,866</u>
	Appropriation of 2024 earnings (Note18)						
B1	Legal reserve	-	-	348,568	(348,568)	-	-
B5	Cash dividends	-	(15,598)	-	(3,137,110)	(3,137,110)	(3,152,708)
		-	<u>(15,598)</u>	<u>348,568</u>	<u>(3,485,678)</u>	<u>(3,137,110)</u>	<u>(3,152,708)</u>
D1	Net profit for the year ended December 31, 2025	-	-	-	667,683	667,683	667,683
D3	Other comprehensive income (loss) for the year ended December 31, 2025	-	-	-	<u>3,050</u>	<u>3,050</u>	<u>3,050</u>
D5	Total comprehensive income in 2025	-	-	-	<u>670,733</u>	<u>670,733</u>	<u>670,733</u>
Z1	Balance at December 31, 2025	<u>\$2,174,281</u>	<u>\$ 216,152</u>	<u>\$2,623,704</u>	<u>\$ 670,754</u>	<u>\$3,294,458</u>	<u>\$5,684,891</u>

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

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD. and SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2025 and 2024

(Expressed in thousands of New Taiwan dollars)

Items	2025	2024
Cash flows from (used in) operating activities		
A10000 Profit (loss) before tax	\$ 832,959	\$4,357,720
A20010 Adjustments to reconcile profit (loss)		
A20100 Depreciation expense	1,143	1,004
A20200 Amortization expense	770	672
A20900 Interest expense	38,092	3,028
A21200 Interest income	(1,440)	(2,050)
A30000 Changes in operating assets and liabilities		
A31150 Accounts receivable	(19,630)	(70)
A31180 Other receivable	15	(7)
A31200 Inventories	(848,464)	(768,831)
A31240 Other current assets	(43,914)	107,946
A31270 Assets recognised as incremental costs to obtain contract with customers	(5,957)	-
A32125 Contract liabilities	(8,223)	(334,772)
A32130 Notes payable	(6,059)	6,059
A32150 Accounts payable	(60,555)	(85,000)
A32180 Other payable	(69,487)	(93,839)
A32230 Other current liabilities	(9,414)	12,326
A32240 Net defined benefit liability	81	79
A33000 Cash inflow (outflow) generated from operations	(200,083)	3,204,265
A33100 Interest received	1,450	2,165
A33300 Interest paid	(163,783)	(115,338)
A33500 Income taxes refund (paid)	(627,868)	(842,272)
AAAA Net cash flows from (used in) operating activities	(990,284)	2,248,820
Cash flows from (used in) investing activities		
B02200 Acquisition of subsidiaries	(815,547)	-
B02700 Acquisition of property, plant and equipment	(175)	(555)
B03700 Increase in refundable deposits	(23,905)	-
B03800 Decrease in refundable deposits	-	3,728
B06700 Increase in other non-current assets	(939)	(128)
BBBB Net cash flows from (used in) investing activities	(840,566)	3,045
Cash flows from (used in) financing activities		
C00100 Increase in short-term loans	4,310,000	3,325,000
C00200 Decrease in short-term loans	(3,530,000)	(2,190,000)

(Continued)

Items		2025	2024
C00500	Increase in short-term notes and bills payable	\$15,312,824	\$ 4,049,826
C00600	Decrease in short-term notes and bills payable	(14,244,133)	(3,849,906)
C01200	Proceeds from issuing bonds	1,498,087	-
C01600	Proceeds from long-term debt	2,149,000	357,000
C01700	Repayments of long-term debt	(639,430)	(1,611,000)
C03000	Increase in guarantee deposits received	-	100
C04020	Payments of lease liabilities	(1,221)	(1,274)
C04500	Cash dividends paid	(3,152,708)	(2,455,025)
CCCC	Net cash flows from (used in) financing activities	<u>1,702,419</u>	<u>(2,375,279)</u>
EEEE	Net increase (decrease) in cash and cash equivalents	(128,431)	(123,414)
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>\$ 151,388</u>	<u>\$ 279,819</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

YEARS ENDED DECEMBER 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 “YCDC”) was incorporated in 1987. YCDC is primarily engaged in selling and leasing commercial buildings and public housing constructed by commissioned construction contractors.

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

The consolidated financial statements are presented in the YCDC’s functional currency, the New Taiwan dollar.

2. The Authorization of the Consolidated Financial Statements

The accompanying consolidated financial statements were authorized for issuance by the Board of Directors on March 9, 2026.

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” (including revisions in 2020 and 2021)	January 1, 2023

As of the date the consolidated financial statements were authorized for issue, the Company continues to evaluate the impact on its financial position and financial performance from the initial adoption of other standards or interpretations, and there will be no material impact.

- (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
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including revisions in 2025)	January 1, 2027
IAS 21 "The Effects of Changes in Foreign Exchange Rates"	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.

In addition, the accompanying IAS 7 "Statement of Cash Flows" was revised as follows:

- The Company shall use operating profit or loss as the starting point for adjustments when preparing cash flows from operating activities using the indirect method.
- Cash inflows from interest or dividends shall be classified as investing activities, while cash outflows for interest or dividends shall be classified as financing activities. If the Company is assessed as having a principal operating activity, the cash flow status of dividends or interest reported in the income statement shall be considered when determining the classification of dividends or interest in the statement of cash flows. However, each of the above cash flows may be classified in only a single activity in the statement of cash flows.

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 consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRSs endorsed and issued into effect by the FSC.

(2) Basis of preparation

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

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

- A. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
 - B. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
 - C. Level 3 inputs are unobservable inputs for an asset or liability.
- (3) Classification of current and noncurrent assets and liabilities

Current assets include:

- A. Assets held primarily for the purpose of trading;
- B. Assets expected to be realized within 12 months after the reporting period; and
- C. Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

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

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

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

(4) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of YCDC and entities controlled by YCDC (its subsidiaries). Income and expenses of subsidiaries acquired or disposed of are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. All intra-group transactions, balances, income, and expenses are eliminated in full on consolidation.

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

Name of Investor	Name of Investee	Main Businesses	Percentage of Ownership		Note
			December 31, 2025	December 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 million in acquiring 100% ownership of ZHONGDA in January 2025.

- (5) The transaction of acquiring ownership of a subsidiary was not accounted for as a business

When acquiring ownership of a subsidiary that is not accounted for as a business, the Company shall identify and recognize the individual acquired identifiable assets (including intangible assets) and the assumed liabilities, allocating the transaction price to each identifiable asset and liability. The total transaction price is allocated into individual item prices based on the relative fair value of the acquisition date. The difference between the original measurement amount and the individual transaction price is then accounted for in accordance with the relevant provisions of the applicable standards.

- (6) Accounting treatment of operation

Accounting treatment of operating income from construction projects as below:

- A. Operating revenue recognized and payments received in advance

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

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

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

- B. Inventories、Construction in progress and Operating costs

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

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

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

C. Borrowing costs

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

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

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

(7) Assets related to contract costs

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

(8) Property, plant and equipment

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

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

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

(9) Investment property

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

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

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

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

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

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

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

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

(11) Financial instruments

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

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

directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss (FVTPL) are recognized immediately in profit or loss.

A. Financial assets

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

(A) Measurement categories

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

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

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

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

(B) Impairment of financial assets

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

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

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

result from default events on a financial instrument that are possible within 12 months after the reporting date.

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

- a. Internal or external information show that the debtor is unlikely to pay its creditors.
- b. When a financial asset is overdue for at least 7 days unless the Company has reasonable and corroborative information to support a more lagged default criterion.

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

(C) Derecognition of financial assets

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

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

B. Financial liabilities

(A) Subsequent measurement

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

(B) Derecognition of financial liabilities

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

C. Equity instruments

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

(12) Leases

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

A. The Company as lessor

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

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

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

B. The Company as lessee

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

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

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

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

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

(13) Employee benefits

A. Short-term employee benefits

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

B. Post-employment benefits

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

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

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

(14) Taxation

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

A. Current tax

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

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

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

B. Deferred tax

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

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

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

C. Current and deferred tax

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

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

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

Key sources of estimation uncertainty - inventory valuation

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

6. Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand	\$ 104	\$ 69
Demand deposits	151,270	279,736
Checking deposits	<u>14</u>	<u>14</u>
	<u>\$151,388</u>	<u>\$279,819</u>

7. Accounts receivable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts receivable		
Measured at amortized cost	<u>\$ 44,500</u>	<u>\$ 24,870</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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Buildings and land held for sale	\$ 9,231,330	\$ 4,644,345
Land held for construction site		
TDR or fragmental lands	81,018	86,754
Construction in progress	9,661,293	11,994,569
Prepayment for land purchases	-	152,744
Right-of-use asset	<u>102,237</u>	<u>112,866</u>
	<u>\$ 19,075,878</u>	<u>\$ 16,991,278</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 were recognized NT\$1,418,945 thousand and NT\$5,213,801 thousand in 2025 and 2024.

The company obtained bank financing and issued corporate bonds to build housing projects. Please refer to Note 20(1) for information of capitalization of borrowing costs.

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

9. Other current assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Offset against business tax payable	\$ 87,861	\$ 48,287
Others	<u>16,145</u>	<u>11,798</u>
	<u>\$ 104,006</u>	<u>\$ 60,085</u>

10. Property, plant and equipment

2025

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Office equipment</u>	<u>Transport equipment</u>	<u>Leasehold improvements</u>	<u>Total</u>
<u>Cost</u>							
Balance at January 1, 2025	\$ 13,469	\$ 4,723	\$ 285	\$ 3,200	\$ 602	\$ 1,696	\$ 23,975
Additions	<u>-</u>	<u>-</u>	<u>-</u>	<u>175</u>	<u>-</u>	<u>-</u>	<u>175</u>
Balance at December 31, 2025	<u>\$ 13,469</u>	<u>\$ 4,723</u>	<u>\$ 285</u>	<u>\$ 3,375</u>	<u>\$ 602</u>	<u>\$ 1,696</u>	<u>\$ 24,150</u>
<u>Accumulated depreciation</u>							
Balance at January 1, 2025	\$ -	\$ 2,651	\$ 19	\$ 1,902	\$ 117	\$ 1,696	\$ 6,385
Depreciation expense	<u>-</u>	<u>77</u>	<u>26</u>	<u>379</u>	<u>100</u>	<u>-</u>	<u>582</u>
Balance at December 31, 2025	<u>\$ -</u>	<u>\$ 2,728</u>	<u>\$ 45</u>	<u>\$ 2,281</u>	<u>\$ 217</u>	<u>\$ 1,696</u>	<u>\$ 6,967</u>
Net balance at December 31, 2025	<u>\$ 13,469</u>	<u>\$ 1,995</u>	<u>\$ 240</u>	<u>\$ 1,904</u>	<u>\$ 385</u>	<u>\$ -</u>	<u>\$ 17,183</u>

2024

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

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

Buildings	60 Years
Machinery and Equipment	10 Years
Office equipment	5~9 Years
Transport equipment	5 Years
Leasehold improvements	3 Years

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

11. Investment property

2025

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>Cost</u>			
Balance at January 1, 2025 and December 31, 2025	<u>\$ 4,782</u>	<u>\$ 6,969</u>	<u>\$ 11,751</u>

(Continued)

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2025	-	586	586
Depreciation	<u>-</u>	<u>115</u>	<u>115</u>
Balance at December 31, 2025	<u>-</u>	<u>701</u>	<u>701</u>
Net balance at December 31, 2025	<u>\$ 4,782</u>	<u>\$ 6,268</u>	<u>\$ 11,050</u>

(Concluded)

2024

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>Cost</u>			
Balance at January 1, 2024 and December 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>-</u>	<u>114</u>	<u>114</u>
Balance at December 31, 2024	<u>-</u>	<u>586</u>	<u>586</u>
Net balance at December 31, 2024	<u>\$ 4,782</u>	<u>\$ 6,383</u>	<u>\$ 11,165</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:

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

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

The fair values of the investment properties as of December 31, 2025 and 2024 were NT\$39,200 thousand and NT\$55,123 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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Secured borrowings</u>		
Bank borrowings	\$ 70,000	\$ 55,000
<u>Unsecured borrowings</u>		
Unsecured business loans	<u>3,210,000</u>	<u>2,450,000</u>
	<u>\$ 3,280,000</u>	<u>\$ 2,505,000</u>
Interest rate (%)	1.85~2.35	1.825~2.575

(2) Short-term notes and bills payable

Unmatured short-term notes and bills payable as below :

December 31, 2025

<u>Promissory Institution</u>	<u>Nominal Amount</u>	<u>Discount</u>	<u>Carrying Amount</u>	<u>Rate (%)</u>
CP payable				
Yuanta Bank/CBF	\$1,000,000	\$ 887	\$ 999,113	1.57
DBS Taiwan/CBF	<u>270,000</u>	<u>502</u>	<u>269,498</u>	1.55
	<u>\$1,270,000</u>	<u>\$ 1,389</u>	<u>\$1,286,611</u>	

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	\$ 200,000	\$ 80	\$ 199,920	1.67

(3) Long-term borrowings

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Secured borrowings</u>		
Bank borrowings -maturities before February 2030	\$4,748,570	\$3,010,000

(Continued)

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Secured borrowings</u>		
Less: Current portion	<u>2,949,570</u>	<u>1,933,000</u>
	<u>\$1,799,000</u>	<u>\$1,077,000</u>
Interest rate (%)	2.675~3.25	2.675~2.825
		(Concluded)

13. Bonds payable

	<u>December 31, 2025</u>	<u>December 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
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
Issued in 09/2021; Principal repaid in a lump sum at maturity (5-year); Annually compound and pay 1 time at fixed interest rate 0.55%	600,000	600,000
Issued in 06/2022; Principal repaid in a lump sum at maturity (5-year); Annually compound and pay 1 time at fixed interest rate 1.85%	190,000	190,000
Issued in 06/2022; Principal repaid in a lump sum at maturity (5-year); Annually compound and pay 1 time at fixed interest rate 1.8%	<u>400,000</u>	<u>400,000</u>
	3,690,000	2,190,000
Less: Discount	<u>2,957</u>	<u>1,924</u>
	3,687,043	2,188,076
Less: Current portion	<u>1,589,388</u>	<u>1,588,824</u>
	<u>\$ 2,097,655</u>	<u>\$ 599,252</u>

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

14. Notes payable & Accounts payable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Notes payable—Operating	<u>\$ -</u>	<u>\$ 6,059</u>
Accounts payable—Operating	<u>\$480,359</u>	<u>\$540,914</u>

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

15. Other payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Interest payable	\$ 45,163	\$ 20,523
Advertising commission payable	37,622	36,663
Payroll expense	11,161	22,246
After-sales maintenance expense	4,067	2,927
Accrued profit sharing bonus to employees	834	4,362
Others	<u>3,493</u>	<u>5,144</u>
	<u>\$102,340</u>	<u>\$ 91,865</u>

16. Pensions

(1) Defined contribution plan

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

(2) Defined benefit plan

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

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligation	\$ 41,872	\$ 41,343
Fair value of plan assets	(43,696)	(40,198)
Net defined benefit assets	<u>(\$ 1,824)</u>	<u>\$ 1,145</u>

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

	<u>Present Value of the Defined Benefit Obligation</u>	<u>Fair Value of the Plan Assets</u>	<u>Net Defined Benefit Liabilities</u>
Balance at January 1, 2024	\$ 38,706	(\$36,953)	\$ 1,753
Service cost			
Current service cost	119	-	119
Interest expense (income)	<u>426</u>	(407)	<u>19</u>
Recognized in profit or loss	<u>545</u>	(407)	<u>138</u>
Remeasurements			
Return on plan assets (excluding amounts included in net interest)	-	(2,779)	(2,779)
Actuarial gain – Changes in financial assumptions	507	-	507
Actuarial loss – Experience adjustments	<u>\$ 1,585</u>	\$ -	<u>\$ 1,585</u>
Recognized in other comprehensive income	<u>2,092</u>	(2,779)	(687)
Contributions from the employer	<u>-</u>	(59)	(59)
Benefits paid	<u>-</u>	<u>-</u>	<u>-</u>
Balance at December 31, 2023	<u>41,343</u>	(40,198)	<u>1,145</u>
Service cost			
Current service cost	125	-	125
Interest expense (income)	<u>620</u>	(603)	<u>17</u>
Recognized in profit or loss	<u>745</u>	(603)	<u>142</u>
Remeasurements			
Return on plan assets (excluding amounts included in net interest)	-	(2,834)	(2,834)
Actuarial gain – Changes in financial assumptions	259	-	259
Actuarial loss – Experience adjustments	(475)	<u>-</u>	(475)
Recognized in other comprehensive income	(216)	(2,834)	(3,050)

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Contributions from the employer	_____ -	(_____ 61)	(_____ 61)
Benefits paid	(_____ -)	_____ -	_____ -
Balance at December 31, 2024	<u>\$41,872</u>	<u>(\$43,696)</u>	<u>(\$ 1,824)</u>

(Concluded)

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

	2025	2024
Operating expenses	<u>\$142</u>	<u>\$138</u>

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

A. Investment risk

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

B. Interest rate risk

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

C. Salary risk

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

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

	December 31, 2025	December 31, 2024
Discount rate (%)	1.3	1.5
Expected rate of salary increase (%)	3.0	3.0
Employee turnover (%)	0~25	0~25

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate		
0.1% increase	(<u>\$ 130</u>)	(<u>\$ 156</u>)
0.1% decrease	<u>\$ 131</u>	<u>\$ 157</u>
Expected rate of salary increase		
0.1% increase	<u>\$ 88</u>	<u>\$ 114</u>
0.1% decrease	(<u>\$ 87</u>)	(<u>\$ 113</u>)

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Expected contributions to the plans for the next year	<u>\$ 61</u>	<u>\$ 60</u>
Average duration of the defined benefit obligation	3.1 years	3.8 years

17. Maturity analysis of assets and liabilities

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

<u>December 31, 2025</u>	<u>Within 1 Year</u>	<u>Beyond 1 Year</u>	<u>Total</u>
Assets			
Accounts receivable	\$ 44,500	\$ -	\$ 44,500
Inventories	6,456,280	12,619,598	19,075,878
Incremental costs to obtain contract with customers	4,330	1,627	5,957
Guarantee deposits paid	<u>28,061</u>	<u>-</u>	<u>28,061</u>
	<u>\$ 6,533,171</u>	<u>\$ 12,621,225</u>	<u>\$ 19,154,396</u>
Percentage (%)	<u>34</u>	<u>66</u>	<u>100</u>

(Continued)

	<u>Within 1 Year</u>	<u>Beyond 1 Year</u>	<u>Total</u>
Liabilities			
Current borrowings	\$ 3,280,000	\$ -	\$ 3,280,000
Short-term notes and bills payable	1,268,611	-	1,268,611
Contract liabilities	81,234	-	81,234
Accounts payable	237,217	243,142	480,359
Other payable	74,320	28,020	102,340
Current lease liabilities (Superficies)	747	1,150	1,897
Long-term bonds payable, current portion	999,787	589,601	1,589,388
Long-term borrowings, current portion	<u>925,420</u>	<u>2,024,150</u>	<u>2,949,570</u>
	<u>\$ 6,867,336</u>	<u>\$ 2,886,063</u>	<u>\$ 9,753,399</u>
Percentage (%)	<u>70</u>	<u>30</u>	<u>100</u>

(Concluded)

<u>December 31, 2024</u>	<u>Within 1 Year</u>	<u>Beyond 1 Year</u>	<u>Total</u>
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>\$ 4,699,213</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>

(Concluded)

18. Equity

(1) Ordinary share

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

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

(2) Capital surplus

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

The appropriations of earnings for 2025 were proposed by the Company's board of directors in March 9, 2026 as follows:

	<u>Appropriation of Earnings</u>		<u>Dividends Per Share (\$)</u>
	<u>\$</u>		
Legal reserve	\$ 67,073		
Cash dividends	603,661		\$2.77637

19. Operating revenue

	<u>2025</u>	<u>2024</u>
Revenue from contracts with customers		
Sales revenue	\$2,532,254	\$10,034,145
Others	<u>1,501</u>	<u>1,330</u>
	<u>\$2,533,755</u>	<u>\$10,035,475</u>

(1) Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Accounts receivable	<u>\$ 44,500</u>	<u>\$ 24,870</u>	<u>\$ 24,800</u>
Current contract liabilities			
Building and land for sale	<u>\$ 81,234</u>	<u>\$ 89,457</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 in 2025 and 2024.

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

(2) Current assets recognised as incremental costs to obtain contract with customers (December 31, 2025)

	<u>December 31, 2025</u>
Incremental costs to obtain contract with customers	<u>\$ 5,957</u>

(3) Disaggregation of revenue

Major components of operating revenue were incomes from building and land for sale.

20. Profit (loss) from continuing operations before tax

The following items were included in profit before income tax :

(1) Finance costs

	<u>2025</u>	<u>2024</u>
Interest on bank loans	\$163,285	\$109,694
CP	23,255	3,099
Amortization of discount on bonds payable	55,620	34,709
Interest on lease liabilities	2,155	3,032
Other	<u>4</u>	<u>4</u>
Interest expenses on financial liability at fair value not through profit or loss	244,319	150,538
Less: Amounts included in the cost of qualifying assets	<u>206,227</u>	<u>147,510</u>
	<u>\$ 38,092</u>	<u>\$ 3,028</u>

Information about capitalized interest was as follows :

	<u>2025</u>	<u>2024</u>
Capitalized interest amount	\$206,227	\$147,510
Capitalization rate (%)	2.1~2.94	1.84~2.24
 (2) Depreciation and amortization		
	<u>2025</u>	<u>2024</u>
Property, plant and equipment	\$582	\$561
Right-of-use assets	446	329
Investment property	115	114
Other non-current assets	<u>770</u>	<u>672</u>
	<u>1,913</u>	<u>1,676</u>
 Depreciation analysis by function		
Operating expenses	<u>\$1,143</u>	<u>\$1,004</u>
 Amortization analysis by function		
Operating expenses	<u>\$770</u>	<u>\$672</u>
 (3) Employee benefits expense		
	<u>2025</u>	<u>2024</u>
Short-term employee benefits		
Salaries	\$ 55,482	\$ 70,733
Labor and health insurance	4,645	5,200
Others	<u>6,312</u>	<u>17,406</u>
	<u>66,439</u>	<u>93,339</u>
 Post-employment benefits		
Defined contribution plans	2,498	2,438
Retirement benefit plans (Note 17)	<u>142</u>	<u>138</u>
	<u>2,640</u>	<u>2,576</u>
	<u>\$ 69,079</u>	<u>\$ 95,915</u>
 Analysis by function		
Operating expenses	<u>\$ 69,079</u>	<u>\$ 95,915</u>
 (4) Compensation of employees and remuneration of directors		

According to the Company's Articles, approved by the shareholders' meeting in 2025. The Company accrues compensation for employees at rates of no less than 0.03% and no more than 1%, and remuneration for directors at rates of no higher than 3%, respectively,

of net profit before income tax, compensation of employees, and remuneration of directors. The Company accrues compensation for employees at rates of no less than 0.1% and no more than 1% before the Company's Articles were revised in 2025. The compensation of employees and remuneration of directors for the years ended December 31, 2025 and 2024, which were approved by the Company's board of directors in March 2026 and February 2025. In addition, no director's remuneration is expected to be paid and has not been estimated.

	<u>2025</u>	<u>2024</u>
Compensation of employees	<u>\$834</u>	<u>\$4,362</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 estimate.

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

21. Income tax

(1) Income tax recognized in profit or loss

	<u>2025</u>	<u>2024</u>
Current tax		
In respect of the current year	\$162,927	\$869,939
Land value increment tax	<u>2,349</u>	<u>2,792</u>
	<u>\$165,276</u>	<u>\$872,731</u>

Reconciliation between income tax expense and accounting profit :

	<u>2025</u>	<u>2024</u>
Profit before income tax	<u>\$ 832,959</u>	<u>\$4,357,720</u>
Income tax expense calculated at the statutory rate	\$ 166,591	\$ 871,544
Income tax on unappropriated earnings	(2,373)	(2,837)
Land value increment tax	2,349	2,792
Unrecognized temporary differences	<u>(1,291)</u>	<u>1,232</u>
	<u>\$ 165,276</u>	<u>\$ 872,731</u>

(2) Tax liabilities and tax assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current tax assets		
Income tax refund receivable	<u>\$ 22</u>	<u>\$ -</u>
Current tax liabilities		
Income tax payable	<u>\$ 69,221</u>	<u>\$ 531,813</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:

	<u>2025</u>	<u>2024</u>
Net profit for the year	<u>\$ 667,683</u>	<u>\$ 3,484,989</u>

Number of ordinary shares

(in thousands of shares)

	<u>2025</u>	<u>2024</u>
Earnings used in the computation of basic earnings per share	217,428	217,428
Dilutive factors		
Compensation of employees	<u>17</u>	<u>35</u>
Earnings used in the computation of diluted earnings per share	<u>217,445</u>	<u>217,463</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.

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

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

25. Financial instruments

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

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

(2) Categories of financial instruments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
At amortized cost (Note 1)	\$ 293,855	\$ 378,765
<u>Financial Liabilities</u>		
At amortized cost (Note 2)	13,567,179	8,542,090

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:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Fair value interest rate risk		
Financial liabilities	\$3,786,591	\$2,297,868
Cash flow interest rate risk		
Financial assets	192,330	320,796
Financial liabilities	8,028,570	5,515,000

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

If the borrowing interest rate of New Taiwan dollars had increased/decreased by 1% or with all other variables held constant, financial liabilities for the years ended December 31, 2025 and 2024 would have increased/decreased by NT\$80,286 thousand and NT\$55,150 thousand, respectively. The main factor is changes in floating borrowing interest rates to which cash flows with exposure.

B. Credit risk

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

C. Liquidity risk

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

(A) Liquidity risk tables

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

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

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

December 31, 2025	<u>Less Than 1 Year</u>	<u>Over 1 Years</u>	<u>Total</u>
Non-derivative financial liabilities			
Non-interest-bearing liabilities	\$ 311,537	\$ 271,418	\$ 582,955
Lease liabilities	3,543	174,534	178,077
Floating interest rate liabilities	4,365,924	3,960,639	8,326,563
Fixed interest rate liabilities	<u>2,352,225</u>	<u>2,928,415</u>	<u>5,280,640</u>
	<u>\$ 7,033,229</u>	<u>\$ 7,335,006</u>	<u>\$ 14,368,235</u>

The contractual maturity analysis of Lease liabilities :

	<u>Less Than 1 Year</u>	<u>1~5 Year</u>	<u>5~10 Years</u>	<u>10~15 Years</u>	<u>15~20 Years</u>	<u>Over 20 Years</u>
Lease liabilities	\$ 3,543	\$ 11,038	\$ 13,714	\$ 13,714	\$ 13,714	\$ 122,354

December 31, 2024	<u>Less Than 1 Year</u>	<u>Over 1 Years</u>	<u>Total</u>
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 :

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

(B) Line of Credit

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Unsecured bank loan		
Drawdowns	\$ 3,210,000	\$ 2,450,000
Remaining	<u>-</u>	<u>60,000</u>
	<u>\$ 3,210,000</u>	<u>\$ 2,510,000</u>
Secured bank loan		
Drawdowns	\$ 6,088,570	\$ 3,265,000
Remaining	<u>6,085,930</u>	<u>5,867,000</u>
	<u>\$ 12,174,500</u>	<u>\$ 9,132,000</u>

26. Related Party Transactions

(1) Related party category

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

(2) Guarantee

Part of the Company's short-term bills was guaranteed through personal joint guarantee by the chairman of the Company. The drawdown amounts were NT\$1,000,000 thousand and NT\$200,000 thousand for the years ended December 31, 2025 and 2024.

(3) Remuneration of key management personnel :

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 15,721	\$ 16,831
Post-employment benefits	<u>664</u>	<u>578</u>
	<u>\$ 16,385</u>	<u>\$ 17,409</u>

27. Pledged Assets

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
(1) Pledged time deposit certificate (posted in other financial assets)	\$ <u>41,060</u>	\$ <u>41,060</u>
(2) Inventories		
Construction in progress	8,659,417	10,525,742
Buildings and land held for sale	<u>4,580,529</u>	<u>-</u>
	<u>13,239,946</u>	<u>10,525,742</u>
(3) Property, plant and equipment		
Land	13,469	13,469
Building	<u>1,994</u>	<u>2,072</u>
	<u>15,463</u>	<u>15,541</u>
(4) Investment property		
Land	4,782	4,782
Building	<u>6,268</u>	<u>6,383</u>
	<u>11,050</u>	<u>11,165</u>
	<u>\$13,307,519</u>	<u>\$10,593,508</u>

28. Significant Contingent Liabilities and Unrecognized Contract Commitments

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

The total amount of the contracts signed by the Company for construction projects that has not yet been concluded was NT\$3,741,000 thousand, of which the unrecorded amount was NT\$3,221,470 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 for others : 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.
- G. Other matters : Significant inter-company transactions : None.

(2) Information on Investees : Please refer to Table 2.

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

32. Operating Segment Information

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

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD. and SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED

FOR THE YEAR ENDED DECEMBER 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	\$ 1,705,467	\$ 1,220,000	\$ 1,220,000	\$ -	\$ 1,220,000	21.46	\$ 1,705,467	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 YEAR ENDED DECEMBER 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 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	\$ 815,795	(\$ 205)	(\$ 205)	

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