

Huaku Development Co., Ltd.  
PARENT COMPANY ONLY FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
For the years ended December 31, 2025 and 2024  
(Stock Code: 2548)

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Huaku Development Co., Ltd.

Parent Company Only Financial Statements and Independent Auditors' Report December

31, 2025 and 2024

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## Independent Auditors' Report

(2026) Cai-Shen-Bao-Zi No. 25004054

To Huaku Development Co., Ltd.,

### **Audit Opinions**

The auditors have audited the Parent Company Only Balance Sheet of Huaku Development Co., Ltd. as of December 31, 2025 and 2024, the Parent Company Only Statement of Comprehensive Income, Parent Company Only Statement of Changes in Equity, Parent Company Only Statement of Cash Flows, and Notes to the Parent Company Only Financial Statements (including Summary of Significant Accounting Policies) for the period from January 1 to December 31, 2025 and 2024.

In our opinion, the aforementioned Parent Company Only Financial Statements are prepared in all material respects in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and are sufficient to present fairly the financial position of Huaku Development Co., Ltd. as of December 31, 2025 and 2024, and its financial performance and cash flows for the periods from January 1 to December 31, 2025 and 2024.

### **Basis of Audit Opinions**

We have conducted the audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the TWSA. Our responsibilities under those standards are further described in the section of Responsibility of Certified Public Accountants for Auditing the Parent Company Only Financial Statements. We are independent from Huaku Development Co., Ltd. in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled other responsibilities in accordance with the requirements stated in The Norm. The accountant believes that sufficient and appropriate audit evidence has been obtained as a basis for expressing the audit opinion.

### **Key Audit Matters**

The key audit matters are those that we consider the most important according to our professional judgment when auditing the Parent Company Only Financial Statements of

Huaku Development Co., Ltd. for the fiscal year 2025. The said matters have been expressed when the financial statements were audited as a whole and when the audit opinions took form. Any personal opinion on any of the said matters is not expressed.

Key audit matters of the parent company only financial statements of Huaku Development Co., Ltd. for 2025 are as follows:

Occurrence of Real Estate Sales Revenue

Description of the Matter

Please refer to Note 4 (26) of the Notes to the Parent Company Only Financial Statements for the accounting policies of the construction industry on operating revenue and Note 6 (18) for descriptions of accounting items.

The sales revenue of the construction industry is recognized when the real estate completes the transfer of ownership and the actual delivery of the housing. The recognition of revenue is material to the overall financial statements for the year. Therefore, the accountant has identified the occurrence of real estate sales revenue as a key audit matter.

Corresponding Audit Procedures

The corresponding audit procedures we took for the specific aspects described in the aforementioned audit matters are as follows:

- Understand and review the procedures for the recognition of building and land sales revenue and ensure its consistent application across the comparative periods in the financial statements.
- For the real estate sales revenue recognized during the year, a sample selection is performed to verify the corresponding property ownership transfer and actual handover documentation to ensure the appropriateness of the recorded real estate sales revenue.

**Responsibility of the Management and the Governance Body for the Parent Company Only Financial Statements**

The responsibility of the management was to act in conformity with Regulations Governing the Preparation of Financial Reports by Securities Issuers to fairly present the Parent Company Only Financial Statements and also to maintain necessary internal control with regard to the compilation of the Parent Company Only Financial Statements,

so as to ensure such financial statements did not contain any material misstatement due to fraud or errors.

When the Parent Company Only Financial Statements were in the process of preparation, the responsibility of the management also included the assessment of the going concern capacity of Huaku Development Co., Ltd., disclosure of related matters, and the adoption of going concern basis of accounting, unless the management intended to liquidate or suspend the operation of Huaku Development Co., Ltd., or if there was no other option except for liquidation or suspension of the Company's operation.

The governing units of Huaku Development Co., Ltd. (including the Audit Committee) bear the responsibility to oversee the financial reporting process.

### **Responsibility of Certified Public Accountants for Auditing Parent Company Only Financial Statements**

Our objective when auditing the parent company only financial statements was to obtain reasonable assurance whether they contained any material misstatement due to fraud or errors and issue the auditors' report. Reasonable assurance refers to high level of assurance. However, auditing work carried out in accordance with the Statements of Auditing Standards does not necessarily guarantee the detection of material misstatement in the Parent Company Only Financial Statements. Misstatements may be caused by fraud or errors. If the individual amounts or sums that the material misstatement involved may be reasonably expected to affect the financial decision making of users of the parent company only financial statements, such misstatement will be considered material.

We conducted the auditing according to the Statements of Auditing Standards, and exercised our professional judgment and remained professionally skeptical. We have also executed the following tasks:

1. Identified and evaluated the risk of material misstatements due to fraud or errors in the consolidated financial statements; designed and carried out appropriate countermeasures for the evaluated risk, and obtained sufficient and appropriate evidence as the basis for the audit opinions. As fraud can involve conspiracy, forgery, intentional omissions, false statements or transgressions of internal control,

the risk of failing to detect material misstatements resulting from fraud is higher than the risk of failing to identify those coming from errors.

2. Achieved the necessary understanding of the internal control relevant to the audit in order to design the auditing procedures appropriate for the given context. Nevertheless, the purpose of this is not to express an opinion on the effectiveness of Huaku Development Co., Ltd.'s internal control.
3. Evaluated the appropriateness of the accounting policies adopted by the management and the reasonableness of its accounting estimates and relevant disclosures.
4. Formed a conclusion pertaining to the appropriateness of the accounting basis of going concern adopted by the management of Huaku Development Co., Ltd. and determined whether material uncertainty exists or not on events or conditions which may significantly impact the going concern of Huaku Development Co., Ltd. based on the audit evidence obtained. If we thought such material uncertainty existed for such events or conditions, we must point it out in the auditors' report to remind users of the Parent Company Only Financial Statements to look out for related disclosures in the Parent Company Only Financial Statements, or to revise our audit opinions when such disclosures were inappropriate. Our conclusion was established according to the audit evidence obtained by the date of the auditors' report. However, future events or conditions may cause Huaku Development Co., Ltd. to lose the ability to continue operations.
5. Evaluated the overall presentation, structure and contents of the Parent Company Only Financial Statements (including relevant Notes), and whether the Parent Company Only Financial Statements fairly present relevant transactions and events.
6. Obtained sufficient and appropriate audit evidence of the financial information of Huaku Development Co., Ltd.'s constituents so as to express opinions on the Parent Company Only Financial Statements. We were responsible for guiding, supervising

and executing the audit work for the Company and also establishing the auditor's opinion on the Parent Company Only Financial Statements.

We communicated with the governance units on the planned audit range and time, as well as material audit discoveries (including significant internal control defects found in the audit process).

We provided the governance units with a statement assuring the personnel of our accounting firm who are subject to independent regulations had acted according to the Norm of Professional Ethics for Certified Public Accountant of the Republic of China to remain neutral and also communicated with them about all relations and other matters (including related preventive measures) that could affect the independence of certified public accountants.

Based on the result of our discussion with the governance units, we decided on the matters to be regarded as key audit matters when auditing the 2025 parent company only financial statements of Huaku Development Co., Ltd. We have clearly described the said matters in the auditors' report, except certain matters whose public disclosure is prohibited by law, or certain matters we decided not to communicate under extremely rare circumstances because disclosure of such matters can be reasonably expected to lead to negative effects that would be greater than the public good they might bring.

PwC Taiwan

Wang, Fang-Yu

CPA

Lin Chia-Hung

Financial Supervisory Commission

Approval Document, Reference No.:

Jin-Guan-Zheng-Shen Zi No. 1030027246

Jin-Guan-Zheng-Shen Zi No. 1080323093

February 25, 2026

Huaku Development Co., Ltd.  
Parent Company Only Balance Sheet  
December 31, 2025 and 2024

Unit: NT\$ thousands

Assets	Notes	December 31, 2025		December 31, 2024		
		Amount	%	Amount	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6 (1)	\$ 7,602,434	14	\$ 3,361,727	6
1136	Current financial assets measured at amortized cost		—	—	2,000,000	4
1150	Notes receivable, net	6 (2)	120,421	—	109,193	—
1170	Accounts receivable, net	6 (2)(12), 7 and 8	179,381	—	111,253	—
1200	Other receivables	6 (12) and 8	173,225	—	12,467	—
130X	Inventories	6 (3)(4) and 8	39,315,811	73	43,528,506	77
1410	Prepayments		147,827	—	41,033	—
1478	Construction refundable deposits		703,670	1	339,870	1
1479	Other current assets—others	6 (5) and 8	2,734,673	5	3,309,338	6
11XX	<b>Total current assets</b>		<b>50,977,442</b>	<b>93</b>	<b>52,813,387</b>	<b>94</b>
<b>Non-current assets</b>						
	Investment accounted for using the equity method	6 (6)	839,131	2	842,642	1
1550						
1600	Property, plant, and equipment		327,710	1	276,761	1
1755	Right-of-use assets		12,282	—	37,334	—
1760	Investment properties, net	6 (7) and 8	235,416	1	239,517	1
1840	Deferred income tax assets	6 (25)	18,835	—	19,737	—
1920	Refundable deposits		135,867	—	68,047	—
1930	Long-term notes and accounts receivable	6 (2) (12) and 8	1,667,836	3	1,898,065	3
1990	Other non-current assets—others		4,375	—	6,699	—
15XX	<b>Total non-current assets</b>		<b>3,241,452</b>	<b>7</b>	<b>3,388,802</b>	<b>6</b>
1XXX	<b>Total assets</b>		<b>\$ 54,218,894</b>	<b>100</b>	<b>\$ 56,202,189</b>	<b>100</b>

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Huaku Development Co., Ltd.  
Parent Company Only Balance Sheet  
December 31, 2025 and 2024

Unit: NT\$ thousands

Liability and equity	Notes	December 31, 2025		December 31, 2024		
		Amount	%	Amount	%	
<b>Current liabilities</b>						
2100	Short-term loans	6 (8)	\$ 10,729,667	20	\$ 16,778,327	30
2110	Short-term notes and bills payable	6 (9)	—	—	349,706	1
2130	Contract liabilities - current	6 (18)	6,809,663	13	6,011,865	10
2150	Notes payable		7,650	—	5,399	—
2170	Accounts payable		902,689	2	326,614	1
2180	Accounts payable - related parties	7	1,864,846	3	1,345,509	2
2200	Other payables		533,169	1	326,775	1
2230	Current income tax liabilities		741,909	1	345,883	1
2280	Lease liabilities - current		9,815	—	16,952	—
2320	Long-term liabilities due within one year or one operating cycle	6 (12)	1,376,305	3	1,318,265	2
2399	Other current liabilities - others	6 (10)	391,291	1	97,934	—
21XX	<b>Total current liabilities</b>		<u>23,367,004</u>	<u>44</u>	<u>26,923,229</u>	<u>48</u>
<b>Non-current liabilities</b>						
2500	Financial liabilities measured at fair value through profit or loss		29,800	—	60,600	—
2530	Bonds payable	6 (11)	5,515,674	10	5,386,521	10
2540	Long-term loans	6 (12)	2,807,036	5	2,898,065	5
2570	Deferred income tax liabilities	6 (25)	9,354	—	9,420	—
2580	Lease liabilities - non-current		4,986	—	24,050	—
2640	Net defined benefit liabilities - non- current	6 (13)	42,187	—	45,551	—
2645	Guarantee deposits received		27,581	—	11,181	—
25XX	<b>Total non-current liabilities</b>		<u>8,436,618</u>	<u>15</u>	<u>8,435,388</u>	<u>15</u>
2XXX	<b>Total liabilities</b>		<u>31,803,622</u>	<u>59</u>	<u>35,358,617</u>	<u>63</u>
<b>Equity</b>						
	Share capital	6 (14)				
3110	Share capital from common stock		3,197,187	6	3,044,940	6
	Additional paid-in capital	6 (11)(15)				
3200	Additional paid-in capital		820,040	1	818,985	1
	Retained earnings	6 (16)				
3310	Legal reserves		4,793,936	9	4,655,875	8
3350	Unappropriated retained earnings		13,569,216	25	12,288,638	22
	Other equity interest	6 (17)				
3400	Other equity interest		35,743	—	35,984	—
3500	Treasury stocks	6 (14)	(850)	—	(850)	—
3XXX	<b>Total equity</b>		<u>22,415,272</u>	<u>41</u>	<u>20,843,572</u>	<u>37</u>
	Material commitments and contingencies	9				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 54,218,894</u>	<u>100</u>	<u>\$ 56,202,189</u>	<u>100</u>

The Notes to the Parent Company Only Financial Statements are part of the Parent Company Only Financial Statements and should be read together.

Chairman: Chung, Long-Chang/Frank Chung

Manager: Jason Hung

Accounting Supervisor: Liu, Jo-Mei

Huaku Development Co., Ltd.  
Parent Company Only Statement of Comprehensive Income  
January 1 to December 31, 2025 and 2024

Unit: NT\$ thousands

(except for earnings per share in New Taiwan Dollars)

Item	Notes	2025		2024	
		Amount	%	Amount	%
4000	Operating revenue	\$ 18,237,137	100	\$ 7,208,801	100
5000	Operating costs	(13,305,902)	(73)	(4,678,135)	(65)
5950	Gross profit	4,931,235	27	2,530,666	35
	Operating expenses				
6100	Selling expenses	(416,636)	(2)	(202,158)	(3)
6200	Administrative expenses	(599,341)	(3)	(376,437)	(5)
6000	Total operational expenses	(1,015,977)	(5)	(578,595)	(8)
6900	Operating profit	3,915,258	22	1,952,071	27
	Non-operating income and expenses				
7100	Interest income	106,144	1	92,815	1
7010	Other income	105,411	1	14,820	—
7020	Other gains and losses	31,046	—	(48,205)	(1)
7050	Financial cost	(156,859)	(1)	(148,193)	(2)
7070	Shares of profit (loss) of subsidiaries, associates, and joint ventures accounted for using the equity method	61,889	—	(37,795)	(1)
7000	Total non-operating income and expenses	147,631	1	(126,558)	(3)
7900	<b>Pre-tax profit</b>	4,062,889	23	1,825,513	24
7950	Income tax expense	(821,229)	(5)	(433,242)	(6)
8200	<b>Net income</b>	\$ 3,241,660	18	\$ 1,392,271	18
	<b>Other comprehensive income (net)</b>				
	<b>Items not to be reclassified to profit or loss</b>				
8311	Remeasurements from defined benefit plans	\$ 3,391	—	\$ (11,810)	—
8330	Shares of profit (loss) of subsidiaries, associates, and joint ventures accounted for using the equity method—items not to be reclassified to profit or loss	1,231	—	(2,206)	—
8349	Income tax related to items not reclassified	(678)	—	2,362	—
8310	<b>Total amount of items not to be reclassified to profit or loss</b>	3,944	—	(11,654)	—
	<b>Items that may be reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	(301)	—	30,055	—
8399	Income tax associated with items that may be reclassified	60	—	(6,011)	—
8360	Total amount of items that may be reclassified to profit of loss	(241)	—	24,044	—
8300	<b>Other comprehensive income (net)</b>	\$ 3,703	—	\$ 12,390	—
8500	<b>Total comprehensive income</b>	\$ 3,245,363	18	\$ 1,404,661	18
	Basic earnings per share				
9750	Total basic earnings per share	\$	10.15	\$	4.36
	Diluted earnings per share				
9850	Total diluted earnings per share	\$	8.79	\$	4.35

The Notes to the Parent Company Only Financial Statements are part of the Parent Company Only Financial Statements and should be read together.

Chairman: Chung, Long-Chang/Frank Chung

Manager: Jason Hung

Accounting Supervisor: Liu, Jo-Mei

Huaku Development Co., Ltd.  
Parent Company Only Statement of Changes in Equity  
January 1 to December 31, 2025 and 2024

Unit: NT\$ thousands

Notes	Additional paid-in capital					Retained earnings		Exchange differences on translation of foreign financial statements	Treasury stocks	Total equity	
	Share capital from common stock	Premium of convertible corporate bonds	Stock warrants	Treasury stock transactions	Others	Legal reserves	Unappropriated retained earnings				
<b>2024</b>											
		\$ 2,768,127	\$ 46,100	\$ —	\$ 32,559	\$ 2,068	\$ 4,297,756	\$ 13,619,049	\$ 11,940	\$ (850)	\$ 20,776,749
		—	—	—	—	—	—	1,392,271	—	—	1,392,271
6 (17)	Other comprehensive income	—	—	—	—	—	—	(11,654)	24,044	—	12,390
	Total comprehensive income	—	—	—	—	—	—	1,380,617	24,044	—	1,404,661
6 (16)	Appropriation and distribution of retained earnings										
	Legal reserves	—	—	—	—	—	358,119	(358,119)	—	—	—
	Cash dividends	—	—	—	—	—	—	(2,076,096)	—	—	(2,076,096)
	Stock dividends	276,813	—	—	—	—	—	(276,813)	—	—	—
	Cash dividends received by subsidiaries from the Company	—	—	—	1,308	—	—	—	—	—	1,308
6 (11)	Recognition of equity components arising from the issuance of convertible bonds—stock warrants	—	—	737,089	—	—	—	—	—	—	737,089
	Adjustments for changes in capital surplus of investee companies in proportion to the Company's shareholding in the investee companies	—	—	—	—	(139)	—	—	—	—	(139)
	Balance as of December 31	\$ 3,044,940	\$ 46,100	\$ 737,089	\$ 33,867	\$ 1,929	\$ 4,655,875	\$ 12,288,638	\$ 35,984	\$ (850)	\$ 20,843,572
<b>2025</b>											
	Balance as of January 1	\$ 3,044,940	\$ 46,100	\$ 737,089	\$ 33,867	\$ 1,929	\$ 4,655,875	\$ 12,288,638	\$ 35,984	\$ (850)	\$ 20,843,572
	Net income	—	—	—	—	—	—	3,241,660	—	—	3,241,660
6 (17)	Other comprehensive income	—	—	—	—	—	—	3,944	(241)	—	3,703
	Total comprehensive income	—	—	—	—	—	—	3,245,604	(241)	—	3,245,363
6 (16)	Appropriation and distribution of retained earnings										
	Legal reserves	—	—	—	—	—	138,061	(138,061)	—	—	—
	Cash dividends	—	—	—	—	—	—	(1,674,718)	—	—	(1,674,718)
	Stock dividends	152,247	—	—	—	—	—	(152,247)	—	—	—
	Cash dividends received by subsidiaries from the Company	—	—	—	1,055	—	—	—	—	—	1,055
	Balance as of December 31	\$ 3,197,187	\$ 46,100	\$ 737,089	\$ 34,922	\$ 1,929	\$ 4,793,936	\$ 13,569,216	\$ 35,743	\$ (850)	\$ 22,415,272

The Notes to the Parent Company Only Financial Statements are part of the Parent Company Only Financial Statements and should be read together.

Chairman: Chung, Long-Chang/Frank Chung

Manager: Jason Hung

Accounting Supervisor: Liu, Jo-Mei

Huaku Development Co., Ltd.  
Parent Company Only Statement of Cash Flows  
January 1 to December 31, 2025 and 2024

Unit: NT\$ thousands

	Notes	2025	2024
<b>Cash flow from operating activities</b>			
Current net profit before tax		\$ 4,062,889	\$ 1,825,513
Adjusted items			
Income and expense items			
Shares of profit (loss) of subsidiaries and associates accounted for using the equity method		(61,889)	37,795
Amortization	6 (19)	2,697	2,109
Depreciation expenses	6 (19)	63,857	22,622
Interest expense	6 (24)	156,859	148,193
Interest income	6 (21)	(106,144)	(92,815)
Losses on financial liabilities measured at fair value through profit or loss	6 (23)	(30,800)	20,200
Loss on disposal of investments	6 (23)	—	27,736
Gains from lease modifications	6 (23)	(216)	—
Changes in assets and liabilities relating to operating activities			
Net change in assets relating to operating activities			
Notes and accounts receivable, net		(82,059)	(53,953)
Other receivables		(160,758)	(1,499)
Inventories		4,676,583	(6,979,299)
Prepayments		(106,794)	(17,317)
Restricted deposits		652,101	(962,064)
Other current assets - other		(80,132)	(396,592)
Long-term installment accounts receivable		232,929	260,319
Net change in liabilities relating to operating activities			
Notes payable		2,251	(8,556)
Accounts payable		576,074	(256,633)
Accounts payable - related parties		519,337	179,160
Other payables		206,394	(156,218)
Advance receipts		3,887	15,097
Accrued pension liabilities		27	516
Other current liabilities - others		289,471	(52,468)
Contract liabilities		797,798	2,286,785
Cash inflow generated from operations		11,614,362	(4,151,369)
Cash dividends received		83,385	39,946
Interest received	6 (21)	106,144	92,815
Interest paid		(491,301)	(425,857)
Income tax paid		(424,984)	(391,308)
Net cash (outflow) inflow from operating activities		10,887,606	(4,835,773)
<b>Cash flow from investment activities</b>			
Acquisition of financial assets measured at amortized cost		2,000,000	(2,000,000)
Distribution of employee compensation to subsidiaries		(16,000)	(4,500)
Acquisition cost of investments accounted for using the equity method		—	(350,000)
Proceeds from the disposal of investments		—	17,888
Proceeds from acquisition of property, plant, and equipment		(96,413)	(85,951)
Increase in construction performance deposits		(363,800)	(13,590)
Increase in refundable deposits		(67,820)	104,870
Decrease in other non-current assets		2,326	(1,183)
Cash (outflow) inflow from investment activities, net		1,458,293	(2,332,466)
<b>Cash flow from financing activities</b>			
Borrowing of short-term loans	6 (27)	7,485,548	18,685,857
Short-term loans repaid	6 (27)	(13,534,208)	(14,020,000)
Increase in short-term bills payable	6 (27)	1,750,000	1,250,000
Decrease in short-term bills payable	6 (27)	(2,100,000)	(900,000)
Issuance of corporate bonds		—	6,131,722
Long-term loans borrowed	6 (27)	1,687,360	1,538,402
Long-term loans repaid	6 (27)	(1,720,349)	(1,453,608)
Increase in guarantee deposits received	6 (27)	25,000	16,315
Decrease in guarantee deposits received	6 (27)	(8,600)	(32,760)
Redemption of lease principal	6 (27)	(15,225)	(7,265)
Cash dividends paid	6 (16)(27)	(1,674,718)	(2,076,096)
Cash inflow (outflow) from financing activities, net		(8,105,192)	9,132,567
Increase in cash and cash equivalents for the period		4,240,707	1,964,328
Cash and cash equivalents at the beginning of the period		3,361,727	1,397,399
Cash and cash equivalents at the end of the period		\$ 7,602,434	\$ 3,361,727

The Notes to the Parent Company Only Financial Statements are part of the Parent Company Only Financial Statements and should be read together.

Chairman: Chung, Long-Chang/Frank Chung

Manager: Jason Hung

Accounting Supervisor: Liu, Jo-Mei

Huaku Development Co., Ltd.  
Notes for Parent Company Only Financial Statements  
For the years ended December 31, 2025 and 2024

Unit: NT\$ thousands  
(Unless specified otherwise)

**I. Company History**

Huaku Development Co., Ltd. (“the Company”) was established in April 1989. It is engaged mainly in the contract construction, leasing, and sales of public housings, commercial buildings, and general-purpose plants and warehouses. The common shares of the Company have been listed on the Taiwan Stock Exchange since August 26, 2002.

**II. Approval Date and Procedure of Financial Statements**

The Parent Company Only Financial Statements were approved and issued on February 25, 2026 by the Board of Directors.

**III. Application of New and Amended Standards and Interpretations**

(I) Effects of the adoption of new and amended International Financial Reporting Standards (IFRSs) endorsed by the Financial Supervisory Commission ("FSC"):

1. The following table summarizes the new, revised, and amended standards and interpretations of IFRSs endorsed and issued into effect by the FSC that are applicable in 2025:

<u>New/amended/revised standards and interpretations</u>	<u>Effective date by International</u>
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

2. The Company assessed the effects of adopting the aforementioned standards and interpretations, and has found no significant effects on the Company's financial position and financial performance.

(II) Effect of the new issuance of or amendments to IFRSs as endorsed by the FSC but not yet adopted

1. The following table summarizes the new, revised, and amended standards and interpretations of IFRSs endorsed by the FSC that are applicable in 2026:

<u>New/amended/revised standards and interpretations</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 9 and IFRS 7: "Amendments to the Classification and Measurement of Financial Instruments."	January 1, 2026
Amendments to IFRS 9 and IFRS 7: "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendment to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 — Comparative Information"—	January 1, 2023
Annual Improvements to International Financial	January 1, 2026

2. The Company assessed the effects of adopting the aforementioned standards and interpretations, and has found no significant effects on the Company's financial position and financial performance.

(III) Effects of IFRSs issued by IASB but not yet endorsed by the FSC on the accounting standards

The following table summarizes the new, revised, and amended standards and interpretations of IFRSs that have been issued by IASB but not yet endorsed by the FSC:

<u>New/amended/revised standards and interpretations</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by International Accounting Standards Board
IFRS 18 "Presentation and Disclosure in Financial Statements"	To be determined
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027 (Note)
Amendments to International Accounting Standard 21	January 1, 2027

Note: In the press release issued by the Financial Supervisory Commission (FSC) on September 25, 2025, it was announced that publicly offering companies will be required to apply International Financial Reporting Standard 18 (hereinafter referred to as IFRS 18) starting from fiscal year 2028. In addition, if an entity has the need to early adopt IFRS 18, it may choose to do so once the FSC has endorsed IFRS 18.

Apart from the described below, the Company has assessed the above criteria and interpretations and concluded that they do not have a significant impact on the financial condition and performance of the Group:

1. Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

This amendment resolves the inconsistency between IFRS 10 and IAS 28. For transactions in which an investor sells (contributes) assets to its associate or joint venture, the recognition of the full or partial gain or loss depends on the nature of the assets sold (contributed):

- (1) When the assets sold (contributed) constitute a "business," the full gain or loss is recognized.
- (2) When the assets sold (contributed) do not constitute a "business," only the portion of the gain or loss attributable to the interests of unrelated investors in the associate or joint venture may be recognized.

2. IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 "Presentation and Disclosure in Financial Statements" replaces IAS 1 and updates the structure of the comprehensive income statement, introduces new disclosures for management performance measures, as well as strengthens the principles of aggregation and disaggregation applied to the primary financial statements and notes.

3. IFRS 19 "Subsidiaries without Public Accountability: Disclosures"

This Standard permits eligible subsidiaries to apply the IFRS Accounting Standard with reduced disclosure requirements.

#### **IV. Significant Accounting Policies and Summary Statements**

The principal accounting policies applied in the preparation of the parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(I) Statement of Compliance

The Parent Company Only Financial Statements have been prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(II) Preparation Basis

1. Except for the following significant items, these parent company only financial statements have been prepared under the historical cost convention:
  - (1) Financial assets and liabilities measured at fair value through profit or loss.
  - (2) Defined benefit liability is derived from retirement plan assets less the present value of net defined benefit obligation.
2. Critical accounting estimates are required in preparing a set of financial statements in compliance with the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations, and SIC Interpretations (collectively referred to as "IFRSs") endorsed by the FSC. When the Company adopts the accounting policies, the management is required to exercise judgments on highly judgmental or complex items or significant assumptions and estimates with regards to this parent company only financial report. Please refer to Note 5 for details.

(III) Foreign Currency Translation

All items on the Parent Company Only Financial Statements are measured at the currency of the principal economic environment in which the entity operates (i.e., functional currency). The Parent Company Only Financial Statements are presented in NTD, which is the Company's functional presentation currency.

1. Foreign currency transaction and balance
  - (1) Foreign currency transaction is translated to the functional currency by using the spot exchange rate on the trade date or measurement date. Any translation differences occurred is to be recognized in the current profit or loss.
  - (2) Balances of monetary assets and liabilities denominated in foreign currencies are adjusted at the spot exchange rates prevailing at the balance sheet date. Exchange gains or losses arising from such adjustments are recognized in profit or loss.
  - (3) For non-monetary assets and liabilities denominated in foreign currency, if they are measured at FVTPL, they are adjusted using the spot exchange rate prevailing at the balance sheet date and any resulting differences arising therefrom are recognized in the current profit or loss; if they are measured at

FVOCI, they are adjusted using the spot exchange rate prevailing at the balance sheet date and any resulting differences arising therefrom are recognized in other comprehensive income; if they are not measured at fair value, they are measured at the historical exchange rates on initial transaction dates.

- (4) All other foreign exchange gains and losses are presented in the statement of comprehensive income within "other gains and losses".

## 2. Translation from foreign operations

- (1) The operating results and financial position of the Company, subsidiaries, and associates that have a functional currency different from the presentation currency are translated into the presentation currency by applying the following approaches:

- A. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the end of the financial reporting period;
- B. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- C. All resulting exchange differences are recognized in other comprehensive income.

- (2) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. However, when the Company still retains partial interests in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest of these foreign operations.

## (IV) Classification of Current and Non-current Assets and Liabilities

The Company engages in the contract construction of buildings or plants sales business. The operating cycle is usually longer than one year. The classification criteria for current or non-current of assets and liabilities is based on the operating cycle. The classification criteria for current or non-current of other items are as follows:

1. Assets that meet one of the following criteria are classified as current assets:
  - (1) Assets that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
  - (2) Liabilities held primarily for trading purposes;

- (3) Expected to be realized within twelve months after the reporting period.
- (4) Cash and cash equivalents, excluding those that are restricted, or to be exchanged or used to settle liabilities at least twelve months after the reporting period.

The Company classifies all assets not meeting the aforesaid criteria as non-current assets.

2. Liabilities that meet one of the following criteria are classified as current liabilities:
  - (1) Liabilities that are expected to be settled within the normal operating cycle;
  - (2) Liabilities held primarily for trading purposes;
  - (3) Expected to be settled within twelve months after the reporting period.
  - (4) Does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

The Company classifies all liabilities not meeting the aforesaid criteria as non-current liabilities.

(V) Cash Equivalents

Cash equivalents refer to investments that are short-term, highly liquid, subject to a low risk of changes in value, and readily convertible to a known amount of cash. Time deposits satisfying the aforementioned definition and for which the objective of holding is to meet the short-term operating cash commitment are classified as the cash equivalent.

(VI) Financial assets measured at amortized cost

1. Refers to those that simultaneously meet the following conditions:
  - (1) The financial asset is held within a business model whose objective is to collect contractual cash flows.
  - (2) The contractual terms of the financial asset give rise to cash flows on specified dates that are solely payments of principal and interest on the outstanding principal amount.
2. The Company holds time deposits that do not qualify as cash equivalents. Due to the short holding period and the insignificant impact of discounting, these deposits are measured at the investment amount.

(VII) Accounts Receivables and Notes Receivables

1. Refers to accounts and notes receivable for which the right to receive the amount of consideration is unconditional, as stipulated in the contract, upon the transfer of goods or services.
2. At initial recognition, the Company measures the financial assets at fair value. Interest income is subsequently recognized on an amortized basis over the period of liquidity using the effective interest method. A gain or loss is recognized in profit or loss.

(VIII) Impairment of Financial Assets

On each balance sheet date, the Company evaluates all financial assets measured at amortized cost and financial assets including significant financial components of receivables or loan commitments and financial guarantee contracts. After considering all relevant and supportable information (including forward-looking information), for financial assets where credit risk has not significantly increased since initial recognition, the company measures the allowance for expected credit losses at an amount equal to 12-month expected credit losses; For financial assets where credit risk has significantly increased since initial recognition, the company measures the allowance for expected credit losses at an amount equal to lifetime expected credit losses; For accounts receivable or contract assets not including significant financial components, the allowance for expected credit losses is measured at an amount equal to lifetime expected credit losses.

(IX) Derecognition of Financial Assets

The Company derecognizes an asset when its contractual rights to receive cash flows from the financial asset expire.

(X) Lease Transactions for the Lessors—Operating Leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.

(XI) Inventories

1. Inventories including buildings and land held for construction, construction in progress, and buildings and land held for sale are initially recorded at cost. The construction profit or loss is recognized with the completed contract method. The buildings and land held for construction is transferred to the premise under construction when it is actively developed, and the related interest is capitalized during the period from the active development or construction to the completion of the work.

2. For the specific land rights acquired by the Company and its use right to construct residential buildings on that land, the land use rights acquired are recognized as inventory costs because the land is held under lease for the purpose of the project's development business and complies with the definition of paragraphs 6 and 8 of IAS 2.
3. At the end of the period, inventories are evaluated at the lower of cost or net realizable value, and the individual item approach is used in the comparison of cost and net realizable value. The calculation of net realizable value is based on the estimated selling price in the normal course of business, net of estimated costs of completion and estimated selling expenses.

(XII) Investment Accounted for Using the Equity Method

Subsidiary

1. Subsidiaries refer to all entities controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
2. Unrealized gains or losses arising from the transactions between the Company and its subsidiaries have already been eliminated. Accounting policies of subsidiaries have been adjusted to conform to the policies adopted by the Company.
3. The Company's share of its subsidiaries' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its equity in the subsidiary, the Company shall continue to recognize losses in proportion to its shareholding percentage in such a subsidiary.

Associates

1. Associates are all entities over which the Company has significant influence but no control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20% or more of the voting power of the investee. The Company's investments in associates are accounted for using the equity method and are initially recognized at cost upon acquisition.
2. The Company's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. If the Company's share of losses in an associate equals or exceeds its interest in the

associate (including any other unsecured receivables), the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

3. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognizes the change in ownership interests in the associate in "capital surplus" in proportion to its ownership.
4. Unrealized gains or losses on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealized gains or losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted to conform to the policies adopted by the Company.
5. When the Company disposes its investment in an associate and loses significant influence over the said associate, the accounting treatment for amounts previously recognized in other comprehensive income in relation to the associate is the same as the one required if the relevant assets or liabilities were directly disposed of. That is, if gain/loss previously recognized in other comprehensive income will be reclassified to profit or loss upon disposal of relevant assets or liabilities, such gain/loss will be reclassified from equity to profit or loss when the Company loses significant influence over the associate. If it still retains significant influence over this associate, then the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
6. According to "Regulations Governing the Preparation of Financial Statements by Securities Issuers," the current period's profit or loss and other comprehensive income of the parent company only financial reports should be the same as the proportion of the current period's profit or loss and other comprehensive income attributable to the owners of the parent company in the financial statements prepared on a consolidated basis, and the owners' equity of the parent company only financial reports should be the same as that attributable to the owners of the parent company in the financial statements prepared on a consolidated basis.

#### Joint Ventures

The Company uses the equity method to recognize its equity in joint ventures. If there is evidence indicating that the net realizable value of the asset has decreased or that an impairment loss has occurred on the asset, the full loss is recognized immediately. If the

Company's share of losses in a joint venture equals or exceeds its interest in the losses (including any other unsecured receivables), the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

(XIII) Joint Operations

For interests in joint operations, the Company recognizes its direct rights to the assets, liabilities, revenues, and expenses of the joint operation (and its share thereof) and includes them in the relevant items of the financial statements.

(XIV) Property, Plant, and Equipment

1. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
3. Property, plant and equipment are subsequently measured using the cost model and depreciated on a straight-line basis over their estimated useful lives, except for land, which is not depreciated. If the property, plant, and equipment comprise any significant components, they are depreciated individually.
4. The Company reviews each asset's residual values, useful lives and depreciation methods at the end of each financial year. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" from the date of the change. Except that the useful life of the real estate property is 30 years, the useful life of all other assets is 3 to 5 years.

(XV) Lease Transactions for the Lessees - Right-of-Use Assets / Lease Liabilities

1. Lease assets are recognized as right-of-use assets and lease liabilities on the date when they are available for use by the Company. When the lease contract is a short-term lease or lease of a low-value asset, the lease payments are recognized as an expense on a straight-line basis over the lease term.

2. The lease liabilities are recognized as the present value of the lease payments that have not been paid at the lease commencement date discounted at the Company's incremental borrowing rate of interest. The lease payments include:

- (1) Fixed payments, less any lease incentives receivable;
- (2) Variable lease payments that depend on an index or a rate;

The lease liability is measured at amortized cost using the effective interest method subsequently, and the interest expense is appropriated during the lease period. When the non-contractual modification causes a change in the lease period or lease payment, the subsequent lease liability will be reassessed, and re-measurements will be used to adjust the right-of-use assets.

3. The right-of-use asset is recognized at cost at the lease commencement date. The cost comprises:

- (1) Initial measurement of the lease liability;
- (2) Lease payments made at or before the commencement of the lease;
- (3) Any initial direct costs incurred by the lessee; and
- (4) The estimated cost of dismantling, removing the subject asset and restoring the subject asset to its location, or restoring the subject asset to the condition required by the terms and conditions of the lease.

The subsequent measurement adopts the cost model, and depreciation expenses are recognized at the earlier of the expiration date of the right-of-use asset or the lease period. When the lease liability is reassessed, the right-of-use asset will adjust any remeasurement of the lease liability.

(XVI) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Investment property is depreciated on a straight-line basis over its economic useful life; the useful life is 66 years.

(XVII) Impairment of Non-financial Assets

The Company estimates at each balance sheet date the recoverable amounts of those assets for which there is an indication that they are impaired. An impairment loss is recognized when the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior periods no longer exist or diminish, the impairment loss is reversed. The increased

carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(XVIII) Accounts Payables and Notes Payables

1. Accounts payables and notes payables refer to the debts incurred by purchase of materials, goods, or services on credit, and the notes payables incurred by both operating and non-operating activities.
2. Short-term accounts/notes payable without interest payment, given insignificant effects of discounting, are measured at the original invoice amount.

(XIX) Financial liabilities measured at fair value through profit or loss

1. Initially recognized as a financial liability designated at fair value through profit or loss. The Company designates a financial liability as measured at fair value through profit or loss upon initial recognition when it meets one of the following conditions:
  - (1) It is a hybrid (composite) contract; or
  - (2) It can eliminate or significantly reduce measurement or recognition inconsistencies; or
  - (3) It is a tool that is managed and its performance evaluated on a fair value basis in accordance with written risk management policies.
2. Financial assets at FVTPL are initially recognized by the Company at fair value with related transaction costs recognized in profit or loss, and subsequently measured at fair value with related gains or losses recognized in profit or loss.

(XX) Convertible Bonds Payable

The convertible bonds payable issued by the Company contain embedded features, including a conversion option (which allows the bondholder to convert the bonds into a fixed number of the Company's common shares at a fixed amount), a put option, and a call option. At the time of initial issuance, the issue price is allocated between financial liabilities and equity based on the terms of the issuance, as follows:

1. Embedded put and call options: Upon initial recognition, the economic characteristics and risks of the embedded derivative and the host contract are assessed based on the terms of the agreement to determine whether separation is required for accounting purposes. When the characteristics and risks are closely related, the entire hybrid instrument is treated according to the appropriate guidelines based on its nature. When the characteristics and risks are not closely related, the derivative is separated from the host contract and accounted for as a

derivative, while the host contract is treated according to the appropriate guidelines based on its nature.

2. The host contract of the corporate bonds: Upon initial recognition, it is measured at fair value, and the difference between the redemption value and the fair value is recognized as a bond premium or discount. Subsequently, the effective interest method is applied, and the amortization of the premium or discount is recognized in profit or loss over the life of the bond, as an adjustment to "finance costs."
3. The embedded conversion option (meeting the definition of equity): Upon initial recognition, the residual value after deducting the "corporate bonds payable" from the issuance amount is recorded as "capital reserve – warrants." Subsequently, no remeasurement is performed.
4. Any direct transaction costs incurred in the issuance are allocated to the components of liabilities and equity based on their respective proportions of the original carrying amount of each component.
5. When the holder exercises the conversion option, the liability component ("corporate bonds payable") is treated according to its subsequent measurement method. The carrying amount of the liability component, along with the carrying amount of "capital reserve – warrants," is used as the issuance cost for converting to common shares.

(XXI) Derecognition of Financial Liabilities

The Company derecognizes a financial liability when the obligation under the contract is performed, canceled, or expires.

(XXII) Provisions

Provisions are prepared for warranty. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

(XXIII) Employee Benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid and should be recognized as expenses in the period when the employees render service.

## 2. Pensions

### (1) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in future payments.

### (2) Defined benefit plans

A. The net obligation under a defined benefit plan is defined as the present value of pension benefits that employees will receive on retirement for their services with the Company in the current period or prior periods. The amount recognized is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is computed by independent actuaries every year using the projected unit credit method. The discount rate employed is the market yields on government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the defined benefit plan.

B. The re-measured amount of defined benefit plans is recognized in other comprehensive income as it arises and presented in retained earnings.

C. Expenses associated with past service costs are recognized immediately in profit or loss.

## 3. Compensation to employees and remuneration to directors and supervisors

Compensation to employees and remuneration to directors and supervisors are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligations and those amounts can be reliably estimated. Any difference between the actual distributed amount and the estimated amount as per the resolution is accounted for as changes in estimates. If employee compensation is distributed by shares, the Company will calculate the number of shares based on the closing price on the day before the resolution in the Board meeting.

## (XXIV) Income Tax

1. Income tax expense comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

2. The income tax expenses are calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. For the income tax levied on the unappropriated retained earnings in accordance with the Income Tax Act, it will be recognized as income tax for unappropriated retained earnings based on the actual distribution of surplus after the surplus distribution proposal is adopted at the shareholders' meeting in the year following the year of which the said surplus is generated.
3. Deferred income tax adopts the balance sheet approach. It is recognized as the temporary difference between the tax bases of assets and non-consolidated liabilities and their carrying amounts in the balance sheet at the reporting date. The deferred income tax is not recognized if it arises from initial recognition of an asset or liability in a transaction (other than a business combination) that, at the time of the transaction, affects neither the accounting profit nor taxable income (loss) nor gives rise to an equivalent taxable and deductible temporary difference. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
4. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.
5. Current income tax assets and liabilities are offset when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

(XXV) Distribution of Dividends

Dividends to be distributed to shareholders of the Company are recognized when they are resolved by the Board of Directors' Meeting; Distribution in cash dividends is recognized

as a liability, whilst distribution in stock dividends is recognized as stock dividends to be distributed, which is transferred to common share on the date when new shares are issued.

(XXVI) Revenue Recognition

Real estate sales

1. The main business of the Company is to commission construction contractors to build real estate and engage in leasing and sales of property, and revenue is recognized when control of the real estate is transferred to customers. For the contracted sales of residential contracts, subject to the terms of the contract, the real estate has no other use for the Company, but until the legal ownership or use rights of the real estate is transferred to the customer, the Company has an enforceable right to the contractual amount and therefore revenue is recognized when the legal ownership or use rights are transferred to the customer.
2. Part of the Company's sales contracts includes variable consideration of price concessions. The Company takes the expected value or the most probable amount as an appropriate estimate of the variable consideration.
3. The Company's sales contract of pre-sale houses contains provisions for advance payment from customers, and the time between advance receipt and commodity ownership transfer is longer than one year. According to IFRS 15, if the Company judges that there are significant financing components in an individual pre-sale home contract, it shall adjust the amount of the commitment consideration and recognize the interest expense. In addition, IFRS 15 states that an entity should consider the significance of the financing component only at the contract level and not the materiality of financial components at the portfolio level.

V. **Primary Sources of Uncertainties in Significant Accounting Judgments, Estimates, and Assumptions**

When preparing the Parent Company Only Financial Statements, management of the Company had determined its accounting policies based on its judgments and made accounting estimates and assumptions based on a rational expectation of future events depending on the circumstances at the balance sheet date. If there is any difference between any significant accounting estimates and assumption made and actual results, the historical experience and other factors will be taken into account in order to continue assessment and adjustment. There are no critical judgments and significant accounting estimates and assumptions used in the Company's accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## VI. Descriptions of Material Accounting Items

### (I) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand and revolving fund	\$ 60	\$ 30
Checking deposits and demand deposits	4,102,374	1,661,697
Cash equivalents		
- Time deposits	3,500,000	1,700,000
	<u>\$ 7,602,434</u>	<u>\$ 3,361,727</u>

1. The Company deals with financial institutions having high credit quality. The Company also deals with various financial institutions in order that credit risks can be diversified. Therefore, the expected risk of default is pretty low.
2. The Company's restricted use of the pre-sale projects trust fund have been listed under "Other current assets - other." Please refer to Notes 6 (5) and 8 for details.

### (II) Notes and accounts receivable

	December 31, 2025	Amount of receivables guaranteed	Guaranteed loan amount
Notes receivable			
Within 1 year	\$ 120,421	\$ —	\$ —
Accounts receivable			
Within 1 year	179,381	107,742	107,742
Over 1 year (Note)	1,667,836	1,667,836	1,667,836
	<u>\$ 1,967,638</u>	<u>\$ 1,775,578</u>	<u>\$ 1,775,578</u>
	December 31, 2024	Amount of receivables guaranteed	Guaranteed loan amount
Notes receivable			
Within 1 year	\$ 109,193	\$ —	\$ —
Accounts receivable			
Within 1 year	111,253	109,717	109,717
Over 1 year (Note)	1,898,065	1,898,065	1,898,065
	<u>\$ 2,118,511</u>	<u>\$ 2,007,782</u>	<u>\$ 2,007,782</u>

Note: The Company's long-term installment accounts receivables over one year are listed under the item "Long-term notes and accounts receivable".

1. The Company signed a credit agreement with Mega International Commercial Bank secured with the installment accounts receivables arising from the partial sale of

"Huaku New World" in installments as collateral. Please refer to Note 6 (12) and 8 for details. The Company's information on secured loans with accounts receivable as collateral is as above.

2. The balances of receivables (including notes receivable) contracted by the Company and customers on December 31, 2025, December 31, 2024 and January 1, 2024 were \$1,846,657, \$1,980,571, and \$2,191,697, respectively.
3. Interest income recognized by the Company in profit or loss in 2025 and 2024 was \$53,696 and \$59,140, respectively.
4. The notes and accounts receivable above are non-overdue and non-impaired notes and accounts.
5. Without considering the collateral or other credit enhancements held, the most representative of the Company's receivable notes and counts maximum credit risk exposure amount as of December 31, 2025 and 2024 is the carrying amount of each period of notes and accounts receivable and long-term installment accounts receivable.
6. For credit risk of accounts receivables and notes receivables, please refer to Note 12 (2).

(III) Inventories

	December 31, 2025	December 31, 2024
<u>Buildings and land held for sale</u>		
Casa Blanca	\$ 4,340,890	\$ —
Huaku National Landmark	638,201	638,201
Central Landmark	420,901	420,901
	<u>5,399,992</u>	<u>1,059,102</u>
<u>Construction in progress</u>		
Huaku Vision Park (formerly the Jang Dah Beitou Project)	5,043,084	—
UPPER MANSION	4,789,010	4,196,122
FORTUNE ONE	4,698,063	3,673,707
Huaku Mansion de Lotus (formerly Wenlin North Road Project III)	2,236,304	—
Sky tower	2,128,705	1,714,556
Mout River	1,870,433	1,518,883
Huaku Four Seasons (formerly Taichung Chongde 10th Road Project)	1,781,220	—
FLOURISH MANSION	1,621,052	1,392,641
Ultimate Luxury	1,544,936	1,130,897
THE WEAVEN	1,159,149	993,020
Huaku Yu Cheng	34,650	—
ASIA ONE	—	6,356,505
Casa Blanca	—	3,450,546
Huaku Deyue	—	2,192,024
DA'AN TOWER	—	1,723,265
	<u>26,906,606</u>	<u>28,342,166</u>

	December 31, 2025	December 31, 2024
<u>Land held for construction</u>		
Guangpu Hsinchu Project, Second Phase	\$ 2,126,269	\$ 2,098,282
Taichung Jingmao Fifth Road Project	1,672,152	1,672,184
Taichung Fengle Road Project II	1,509,680	—
Zhengda Xindian Project	702,825	693,283
Fuxing S. Road Urban Renewal Project	241,061	241,061
Dunnan Project	198,834	198,834
Huaku Vision Park (formerly the Jang Dah Beitou Project)	—	4,080,738
Huaku Mansion de Lotus (formerly Wenlin North Road Project III)	—	1,863,571
Huaku Four Seasons (formerly Taichung Chongde 10th Road Project)	—	1,353,223
Others	463,965	483,782
	<u>6,914,786</u>	<u>12,684,958</u>
<u>Advances for land and others</u>		
Taichung Fengle Road Project II	—	1,426,248
Floor area and road land	111,136	32,741
	111,136	1,458,989
Less: Allowance for price decline loss	(16,709)	(16,709)
	94,427	1,442,280
	<u>\$ 39,315,811</u>	<u>\$ 43,528,506</u>

#### 1. Huaku New World

- (1) In 2013, the Company signed the "Financial Personnel Training Institute and Its Surrounding State-Owned Land Cooperative Development Contract" with the National Property Administration, MOF, obtaining the land rights and paid royalties of \$1.388 billion, and the lease period was 70 years. Revenue for this project was recognized when the land and property usage rights were transferred to customers between the years 2017 and 2021.
  - (2) Some units following the Company's policy of leasing are transferred to the "Investment Property" item along with the land use rights after completion of registration.
  - (3) For a detailed explanation of the real estate provided as collateral in this project, please refer to Note 6 (12).
2. The inventory costs recognized as expenses by the Company in 2025 and 2024 were \$13,345,010 and \$4,748,487, respectively, which includes \$0 and \$3,402, respectively, of cost of goods sold recognized from cost adjustments to net realizable value.
  3. The amount of interest capitalized in the Company's inventories for 2025 and 2024 is \$463,889 and \$309,658, respectively, and the interest rates on capitalized interest ranged from 1.39%-2.31% and 1.1%-2.65%, respectively.

4. The Company's development projects "Huaku National Landmark" and "Central Lamdmark" have entered into an agreement with the New Taipei City Government Economic Development Department, stipulating that ownership transfer procedures for certain floors of the project will be carried out after five years from the issuance of the occupancy permit.
5. Please refer to Note 8 for details of the pledge of inventories by the Company.

(IV) Joint operations

1. The Company engages in joint operations for some of its development projects. For interests in joint operations, the Company recognizes its direct interests (and corresponding share) in the assets, liabilities, revenues, and expenses of the joint operation, which are included in the applicable items of the individual financial statements.
2. The information regarding the joint operation development projects held by the Company is as follows:

Project Name	Proportion of Shareholding	Landowner or Co-developer	Location
Ultimate Luxury	50%	PUJEN Land Development	Da'an District, Taipei City

3. The summarized information regarding the Company's share in the joint operation development projects is as follows:

	December 31, 2025	December 31, 2024
<u>Balance sheet</u>		
Current assets		
Accounts receivable	\$ 402	\$ 712
Inventories	1,544,936	1,130,897
Other current assets	219,911	159,449
	1,765,249	1,291,058
Non-current assets		
Total assets	\$ 1,766,338	\$ 1,292,147

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	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current liabilities		
Accounts payables and notes payables	41,593	26,105
Contract liabilities	633,819	167,154
Other current liabilities	27,445	12,969
Total liabilities	<u>\$ 702,857</u>	<u>\$ 206,228</u>

	<u>2025</u>	<u>2024</u>
<u>Consolidated statement of comprehensive income</u>		
Revenue	<u>\$ 8,787</u>	<u>\$ 1,702</u>
Cost	<u>\$ —</u>	<u>\$ —</u>
Expenses	<u>\$ 13,062</u>	<u>\$ 16,200</u>

(V) Other current assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Restricted bank deposits	<u>\$ 2,022,294</u>	<u>\$ 2,674,396</u>
Incremental costs for	636,950	525,701
Other current assets	75,429	109,241
	<u>\$ 2,734,673</u>	<u>\$ 3,309,338</u>

The restricted bank deposits are the Company's pre-sale project trust loans; please refer to Notes 8 and 9 for details.

(VI) Investment accounted for using the equity method

	<u>December 31, 2025</u>	<u>Shareholding percentage</u>	<u>December 31, 2024</u>	<u>Shareholding percentage</u>
Subsidiaries:				
Pin Shing Construction Co., Ltd.	\$ 771,643	100	\$ 771,037	100
Chengdu Wanda Real Estate Co., Ltd.	29,251	80	34,843	80
Associates:				
Taiwan Digit Automated Control Co., Ltd.	33,084	40	31,611	40

	<u>December 31, 2025</u>	<u>Shareholding percentage</u>	<u>December 31, 2024</u>	<u>Shareholding percentage</u>
Joint ventures:				
Huapu Construction Co., Ltd.	5,153	50	5,151	50
	<u>\$ 839,131</u>		<u>\$ 842,642</u>	

- For information about the subsidiaries of the Company, please refer to Note 4 (3) of the Company's 2025 Notes for Consolidated Financial Statements.
- For the carrying amounts of the Company's non-significant associates and joint ventures for the years ended December 31, 2025 and 2024, please refer to the table above. The operating results are as follows:

	<u>2025</u>	<u>2024</u>
Current net profit from units of continuing operations	\$ 7,088	\$ 6,005
Other comprehensive income	—	—
Total comprehensive income	<u>\$ 7,088</u>	<u>\$ 6,005</u>

- The unrealized gross profit from upstream transactions of the Company for the years ended December 31, 2025 and 2024 was \$193,461 and \$154,930, respectively, which was eliminated as a deduction of "investments accounted for using the equity method."
- The investees that the Company holds more than 50% of the voting shares or with de facto control have been included as entities in the Company's consolidated financial statements.

(VII) Investment property

	<u>2025</u>	<u>2024</u>
<u>House and land use rights</u>		
January 1	\$ 239,516	\$ 243,617
Depreciation expenses	(4,100)	(4,100)
December 31	<u>\$ 235,416</u>	<u>\$ 239,517</u>

- Investment properties are for the use of lessees. The lease term of the leased real estate lasts until 2032. The rental income and direct operating expenses of the investment properties are as follows:

	2025	2024
Rental revenue from investment property	\$ 10,756	\$ 10,316
Direct operating expenses incurred by investment property generating rental revenue in the current period	\$ 6,369	\$ 6,446

- The fair values of the investment properties held by the Company were \$597,377 and \$597,050 as of December 31, 2025 and 2024, respectively. These values were determined based on the evaluation results of independent appraisal experts and are classified as Level 2 fair values.
- The maturity analysis of the lease payments of leasing by the Company under operating leases is listed as follows:

	December 31, 2025	December 31, 2024
Within 1 year	\$ 10,924	\$ 10,728
2 to 5 years	23,376	31,301
Over 5 years	1,627	4,627
	\$ 35,927	\$ 46,656

- The information regarding the investment properties pledged as collateral by the Company is provided in the notes to the financial statements, specifically Note 8.

(VIII) Short-term loans

Nature of borrowings	December 31, 2025	Interest rate range	Collateral
<u>Bank loans</u>			
Secured bank loans	\$ 10,729,667	1.98%~2.95%	Inventories - buildings and land
Credit loans	—	—	None
	\$ 10,729,667		
Nature of borrowings	December 31, 2024	Interest rate range	Collateral
<u>Bank loans</u>			
Secured bank loans	\$ 15,402,327	1.96%~2.85%	Inventories - buildings and land
Credit loans	1,376,000	1.87%~2.19%	None
	\$ 16,778,327		

(IX) Short-term bills payable (December 31, 2025: None)

Nature of borrowings	December 31, 2024
Short-term notes and bills payable	\$ 350,000
Less: Discount on short-term notes and bills payable	(294)
Net	\$ 349,706
Interest rate range	2.22%~2.36%

(X) Other current liabilities - others

	December 31, 2025	December 31, 2024
Warranty provisions	\$ 56,720	\$ 55,943
Payment collection	277,451	8,461
Others	57,120	33,530
	\$ 391,291	\$ 97,934

(XI) Bonds payable

Nature of borrowings	December 31, 2025	December 31, 2024
Bonds payable	\$ 6,000,000	\$ 6,000,000
Less: Discount on bonds payable	(484,326)	(613,479)
Net	\$ 5,515,674	\$ 5,386,521

1. Domestic third unsecured convertible bonds

(1) The terms of the Company's issuance of the third domestic unsecured convertible bonds on October 2, 2024 are as follows:

- A. The total issuance amount is NT\$4 billion, issued at 101% of the face value, with a coupon rate of 0%. The term of the issuance is 5 years, and the circulation period is from October 2, 2024 to October 2, 2029.
- B. From the day following the expiration of three months after the issuance of this convertible corporate bond (January 3, 2025), until the maturity date (October 2, 2029), the bondholders may request to convert their bonds into common stock of the Company at any time, except during periods when transfer is required to be suspended in accordance with regulations or laws. The rights and obligations of the common stock after conversion shall be the same as those of the common stock already issued.

- C. The conversion price of these convertible bonds is determined based on the reference date of September 24, 2024. The base price is selected as the simple arithmetic average of the closing prices of the Company's common shares on the trading days immediately preceding the reference date (not including the reference date) for one, three, or five business days, whichever is chosen. The conversion price is then calculated by multiplying the base price by a conversion premium rate of 103.24%. This will be the conversion price for the convertible bonds. If the reference date is preceded by a stock split or dividend distribution, the closing price used to calculate the conversion price shall be adjusted to reflect the ex-rights or ex-dividend price. If, after the conversion price has been determined and before the actual issuance date, there is a stock split or dividend distribution, the conversion price will be adjusted in accordance with the adjustment formula specified in the conversion terms. In accordance with the aforementioned method, the conversion price of the convertible bonds at the time of issuance is NT\$138 per share. During the current period, the conversion price was adjusted in accordance with the pricing mechanism specified in the conversion terms due to the Company's anti-dilution provisions. As of December 31, 2025, the conversion price was NT\$125 per share.
- D. The convertible bonds may be redeemed early at the discretion of the Company starting from the day following the third month of issuance (January 3, 2025), and continuing until the fortieth day prior to the maturity date (August 23, 2029). If, during this period, the closing price of the Company's common stock exceeds the conversion price by 30% or more for 30 consecutive trading days, or if the outstanding balance of the convertible bonds is less than 10% of the original total issuance amount, the Company has the right to exercise its early redemption option and redeem all outstanding convertible bonds at face value in cash.
- E. The Company shall set the third anniversary of the issuance date of the convertible bonds (October 2, 2027) as the redemption reference date for the convertible bondholders to sell back the convertible bonds. Convertible bondholders have the right to exercise the put option, requesting the Company to redeem the convertible bonds held by them in cash at face value.
- (2) Upon the issuance of the convertible bonds, the Company, in accordance with IAS No. 32 "Financial Instruments: Presentation," separated the equity

component of the conversion option from the liability components. The equity component was recorded under "Additional Paid-in Capital – Warrants" amounting to \$442,035.

2. Domestic fourth unsecured convertible bonds

(1) The terms of the Company's issuance of the fourth domestic unsecured convertible bonds on October 18, 2024 are as follows:

- A. The total issuance amount is NT\$2 billion. The convertible bonds were publicly offered through a competitive auction method, with the actual issuance price set at 104.83% of the face value. The actual issuance amount was NT\$2,096,689,000, with a coupon rate of 0%. The term of the issuance is 5 years, and the circulation period is from October 18, 2024 to October 18, 2029.
- B. From the day following the expiration of three months after the issuance of this convertible corporate bond (January 19, 2025), until the maturity date (October 2, 2029), the bondholders may request to convert their bonds into common stock of the Company at any time, except during periods when transfer is required to be suspended in accordance with regulations or laws. The rights and obligations of the common stock after conversion shall be the same as those of the common stock already issued.
- C. The conversion price of these convertible bonds is determined based on the reference date of September 24, 2024. The base price is selected as the simple arithmetic average of the closing prices of the Company's common shares on the trading days immediately preceding the reference date (not including the reference date) for one, three, or five business days, whichever is chosen. The conversion price is then calculated by multiplying the base price by a conversion premium rate of 102%. This will be the conversion price for the convertible bonds. If the reference date is preceded by a stock split or dividend distribution, the closing price used to calculate the conversion price shall be adjusted to reflect the ex-rights or ex-dividend price. If, after the conversion price has been determined and before the actual issuance date, there is a stock split or dividend distribution, the conversion price will be adjusted in accordance with the adjustment formula specified in the conversion terms. In accordance with the aforementioned method, the conversion price of the convertible bonds at the time of issuance is NT\$136.3 per share. During the current period, the conversion price was adjusted in accordance with the pricing

mechanism specified in the conversion terms due to the Company's anti-dilution provisions. As of December 31, 2025, the conversion price was NT\$123.5 per share.

D. The convertible bonds may be redeemed early at the discretion of the Company starting from the day following the third month of issuance (January 19, 2025), and continuing until the fortieth day prior to the maturity date (August 23, 2029). If, during this period, the closing price of the Company's common stock exceeds the conversion price by 30% or more for 30 consecutive trading days, or if the outstanding balance of the convertible bonds is less than 10% of the original total issuance amount, the Company has the right to exercise its early redemption option and redeem all outstanding convertible bonds at face value in cash.

E. The Company shall set the third anniversary of the issuance date of the convertible bonds (October 18, 2027) as the redemption reference date for the convertible bondholders to sell back the convertible bonds. Convertible bondholders have the right to exercise the put option, requesting the Company to redeem the convertible bonds held by them in cash at face value.

(2) Upon the issuance of the convertible bonds, the Company, in accordance with IAS No. 32 "Financial Instruments: Presentation," separated the equity component of the conversion option from the liability components. The equity component was recorded under "Additional Paid-in Capital – Warrants" amounting to \$295,054.

(XII) Long-term loans

Nature of borrowings	Loan period and repayment method	Interest rate range	Collateral	December 31, 2025
<u>Long-term bank loans</u>				
Credit loans	From July 2024 to July 2026; the interest is paid on a monthly basis	1.97%~2.10%	None	\$ 400,000
"	From July 2024 to July 2026; the interest is paid on a monthly basis	"	"	325,000
"	From August 2025 to August 2027, and the interest is paid on a monthly basis	"	"	1,000,000
"	From August 2025 to August 2027, and the interest is paid on a monthly basis	"	"	674,000
Loans secured by accounts receivable	From June 2017 to September 2039; the loan and the accrued interest is repaid on a monthly basis	2.82%	Read Note for details	1,784,341
				4,183,341
Less: Long-term loans due within one year or one operating cycle				(1,376,305)
				\$ 2,807,036

Nature of borrowings	Loan period and repayment method	Interest rate range	Collateral	December 31, 2024
<u>Long-term bank loans</u>				
Credit loans	From June 2023 to June 2025; the interest is paid on a monthly basis	1.93%~2.10%	None	\$ 699,400
"	From July 2024 to July 2026; the interest is paid on a monthly basis	"	"	1,000,000
"	From July 2024 to July 2026; the interest is paid on a monthly basis	"	"	500,000
Loans secured by accounts receivable	From June 2017 to September 2039; the loan and the accrued interest is repaid on a monthly basis	2.69%~2.82%	Read Note for details	2,016,930
				<u>4,216,330</u>
Less: Long-term loans due within one year or one operating cycle				<u>(1,318,265)</u>
				<u>\$ 2,898,065</u>

The Company's unused borrowing facilities as of December 31, 2025 and 2024 were \$5,997,520 and \$6,825,570, respectively.

#### Accounts receivable/Loans secured by other receivables

The Company signed the secured loans agreement use account receivable as collateral with the Mega International Commercial Bank. The Company utilized the installment accounts receivable from the Company's sale of Huaku New World project, the rights of the building site, and the construction and its subsidiaries as collateral to obtain the original loan amount of NT\$6 billion, which was adjusted to NT\$4 billion on May 9, 2022, and further adjusted to NT\$3.5 billion on July 11, 2024. The loan term is 20 years. Please refer to Note 6 (2) for details. The main terms of the agreement are as follows:

1. The loan period of each accounts receivable shall not exceed 20 years from the date when the funds are used, , but in no case extending beyond September 20, 2039.
2. The used amount mentioned above shall be circulated from the date of first use to the date of expiration of five years, and the unspent balance of loans shall be automatically canceled at that time.
3. During the duration of the secured loans use account receivable as collateral, the Company shall maintain all the following financial ratios on the basis of the annual consolidated financial statements audition certified by the accountant, which shall be checked once a year:
  - (1) Current ratio: Not less than 100%.
  - (2) Debt ratio (total liabilities/tangible net worth): Not greater than 230%.

(XIII) Pensions

1. In compliance with the requirements set forth in the Labor Standards Act, the Company has stipulated a defined benefit pension plan, which is applicable to the years of service rendered by regular employees prior to, and after (if employees elect to continue to apply the Labor Standards Act), the implementation of the Labor Pension Act on July 1, 2005. Pension payments for employees qualified for the aforementioned retirement criteria are calculated in accordance with the years of service rendered and the average salaries or wages of the last six months prior to retirement. Two bases are given for each full year of service over the first 15 years, and one base is given for an additional year of service thereafter, provided that the total bases do not exceed 45. The Company contributes on a monthly basis 2% of the total salary (wages) as the pension fund, which is deposited in a designated account with the Bank of Taiwan under the name of the Supervisory Committee of Workers' Retirement Fund. Prior to the end of each fiscal year, the Company assesses the balance of the aforementioned designated account for the labor pension fund. If the balance is determined insufficient to pay off the pension amount computed by the aforementioned approach for employees qualified for retirement within next year, the Company will make a lump sum contribution to make up the shortfall before the end of March of the following year.

(1) Amounts recognized on the balance sheets are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of the defined benefit obligation	\$ (86,842)	\$ (85,894)
Fair value of plan assets	<u>44,596</u>	<u>40,343</u>
Net defined benefit liabilities	<u>\$ (42,246)</u>	<u>\$ (45,551)</u>

(2) Changes in net defined benefit liabilities are as follows:

	2025		
	Present value of the defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
January 1	\$ (85,894)	\$ 40,343	\$ (45,551)
Current service cost	(191)	—	(191)
Interest (expense) revenue	(1,301)	595	(706)
	<u>(87,386)</u>	<u>40,938</u>	<u>(46,448)</u>
Remeasurement:			
Return on plan assets (excluding amounts included in interest revenue or expenses)	—	2,847	2,847
Effect of changes in financial assumptions	(974)	—	(974)
Experience adjustment	1,518	—	1,518
	<u>544</u>	<u>2,847</u>	<u>3,391</u>
Provision of pension funds	—	811	811
Payment of pension	—	—	—
December 31	<u>\$ (86,842)</u>	<u>\$ 44,596</u>	<u>\$ (42,246)</u>

	2024		
	Present value of the defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
January 1	\$ (69,597)	\$ 36,371	\$ (33,226)
Current service cost	(133)	—	(133)
Interest (expense) revenue	(783)	401	(382)
	<u>(70,513)</u>	<u>36,772</u>	<u>(33,741)</u>
Remeasurement:			
Return on plan assets (excluding amounts included in interest revenue or expenses)	—	3,571	3,571
Effect of changes in financial assumptions	1,754	—	1,754
Experience adjustment	(17,135)	—	(17,135)
	<u>(15,381)</u>	<u>3,571</u>	<u>(11,810)</u>
Provision of pension funds	—	—	—
Payment of pension	—	—	—
December 31	<u>\$ (85,894)</u>	<u>\$ 40,343</u>	<u>\$ (45,551)</u>

(3) The fund asset of the Company's defined benefit pension plan ("the Fund") is entrusted to the Bank of Taiwan, which manages, or entrusts others to manage,

the Fund in accordance with entrusted items enumerated in Article 6 of the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund (i.e., deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, and investment in domestic or foreign real estate and its securitization products) to the extent of limitations on investment percentage and amount as stipulated in the Fund's annual utilization plan. The status of utilization of the Fund is subject to supervision by the Labor Pension Fund Supervisory Committee. With regard to utilization of the Fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. In case any deficiency in the earnings arises, Treasury Funds can be used to cover the deficits after the approval of the competent authority. Since the Company has no right to participate in the operation and management of the Fund, it is not able to disclose the classification of the fair value of plan assets as required in IAS 19.142. For the composition of the fair value of the Fund in total as of December 31, 2025, and 2024, please refer to the annual labor pension fund utilization reports issued by the government.

(4) Actuarial assumptions on pensions are summarized as follows:

	2025	2024
Discount rate	1.30%	1.55%
Future salary increases	2.00%	2.00%

The assumptions for the future mortality rate are based on the published statistics and experience of each country.

Effects of changes in the principal actuarial assumptions on present value analysis of defined benefit obligation are as follows:

	Discount rate		Future salary increases	
	Increase of 0.25%	Decrease of 0.25%	Increase of 0.25%	Decrease of 0.25%
December 31, 2025				
Effect on present value of defined benefit obligation	\$ (975)	\$ 994	\$ 998	\$ (984)

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	Discount rate		Future salary increases	
December 31, 2024				
Effect on present value of defined benefit obligation	\$ (1,067)	\$ 1,090	\$ 1,092	\$ (1,075)

The sensitivity analysis above is based on the effects of changes in a single assumption with no change in other assumptions. In practice, many changes in assumptions may be linked together. The method of sensitivity analysis and the method of calculation of the net pension liability in the balance sheet are the same.

The method and assumptions used for the preparation of the sensitivity analysis for the current period are the same as those used in the previous period.

- (5) The Company expects to make a contribution of \$709 to the pension plans for the year ended December 31, 2026.
- (6) As of December 31, 2025, the pension plan's weighted average duration is 4 years. The maturity analysis of the pension payments is as follows:

Within 1 year	\$	3,984
1-2 years		15,441
2-5 years		45,609
Over 5 years		27,154
	\$	92,188

2. Starting from July 1, 2005, the Company has set up a defined contribution plan for all employees with ROC citizenship in accordance with the Labor Pension Act. For the employees of the Company who choose to apply the labor pension system as defined in the Labor Pension Act, the Company has made monthly contributions equal to 6% of each employee's monthly salary to employees' pension accounts. The benefits accrued are paid monthly or in a lump sum upon termination of employment. For the years ended December 31, 2025 and 2024, the Company's pension costs recognized under the above defined contribution plan were \$4,366 and \$3,891, respectively.

(XIV) Share capital

1. The Company resolved at the shareholders' meetings held on May 28, 2025 and May 29, 2024 to increase capital by transferring undistributed earnings of \$152,247 and

\$276,813, respectively. The base dates for the capital increases were August 2, 2025 and June 29, 2024, respectively, and the amendments to registration have been completed with the Ministry of Economic Affairs.

2. As of December 31, 2025, the Company's authorized capital was \$5,000,000, and the paid-in capital was \$3,197, 187 with a par value of NT\$10 per share. Share payments for the Company's issued stocks have been collected in full.

The adjustment of the number of outstanding shares of the Company at the beginning and end of the period is as follows:

	<u>2025</u>	<u>2024</u>
January 1	304,493,998	276,812,726
Capital increase through retained earnings	<u>15,224,699</u>	<u>27,681,272</u>
December 31	<u><u>319,718,697</u></u>	<u><u>304,493,998</u></u>

3. Treasury stock

- (1) The Company has no treasury stock transactions in 2025 and 2024.

- (2) As of December 31, 2025 and 2024, the Company's subsidiary Pinhsing Construction Co., Ltd., held the Company's shares for the purpose of making a profit from the investment, and the details are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Number of shares (thousand shares)	201	192
Carrying amounts	<u><u>\$ 850</u></u>	<u><u>\$ 850</u></u>

(XV) Additional paid-in capital

According to the Company Act, additional paid-in capital including the income derived from issuing shares at a premium and from endowments, in addition to being used to covering deficit, where there is no accumulated deficit in a company, shall be distributed by issuing new shares to shareholders in proportion to the number of shares being held or by cash. In addition, according to relevant provisions of the Securities Exchange Act, when allocating capital from the aforementioned additional paid-in capital, the combined capitalized amount each year shall not exceed 10 percent of the paid-in capital. A company shall not use the additional paid-in capital to make good its capital loss, unless the surplus reserve is insufficient to make good such loss.

(XVI) Retained earnings

1. According to the Company's Articles of Incorporation, after offsetting any loss of prior years and paying all taxes and dues, 10% of the annual net income shall be set aside as legal reserves, but there is no requirement when legal reserves reach the paid-in capital. The remaining balance, together with the accumulated undistributed profits from the previous year, constitutes the accumulated distributable earnings. The aforementioned distributable earnings shall be distributed as a dividend by the Board of Directors and then submitted to the shareholders' meeting for report.
2. Legal reserves may only be used for offsetting deficits and issuing new shares or distributing cash in proportion to shareholders' original holdings. However, when new shares are issued or cash is distributed, the amount shall be limited to 25% of the reserves in excess of the paid-in capital.
3. The Company may allocate earnings only after providing special reserve for debt balance in other equity on the date of balance sheet, and the reversal of debit balance in other equity, if any, may be stated into allocable earnings.
4. The distribution of earnings proposals for 2024 and 2023 had been resolved in the Board of Directors meeting held on May 28, 2025 and the annual shareholders' meeting held on May 29, 2024, respectively. The distribution of earnings is as follows:

	2024		2023	
	Amount	Dividends per share (NT\$)	Amount	Dividends per share (NT\$)
Legal reserves	\$ 138,061		\$ 358,119	
Cash dividends	1,674,718	\$ 5.5	2,076,096	\$ 7.5
Stock dividends	152,247	0.5	276,813	1

5. The distribution of earnings proposals for the fiscal year 2025 has not been submitted to the shareholders' meeting as of the date of the audit report. For information on the Board of Directors' proposals and the resolutions of the shareholders' meeting regarding distribution of earnings, please consult the MOPS.

(XVII) Other equity items

	2025	2024
January 1	\$ 35,984	\$ 11,940
Currency translation differences:		
— The Company	(301)	30,055
— Tax amount of the Company	60	(6,011)
December 31	\$ 35,743	\$ 35,984

(XVIII) Operating revenue

	2025	2024
Revenue from contract with customers	\$ 18,196,808	\$ 7,178,797
Rental income	40,329	30,004
	<u>\$ 18,237,137</u>	<u>\$ 7,208,801</u>

1. Segments of revenue from contracts with customers

The Company generates its revenue from services provided at a specific moment in time. This revenue can be further classified into the following categories:

	Sales of construction	
	Taiwan	
	2025	2024
Timing of revenue recognition		
— Revenue recognized at a specific timing	\$ 18,196,808	\$ 7,178,797

2. The aggregate amount of the transaction price and the estimated recognized revenue year of the sales contract signed by the Company as of December 31, 2025, and December 31, 2024, of which the performance obligations have not been satisfied, are as follows:

	Estimated recognized revenue year	Amount of contracts signed
December 31, 2025	2026~2029	\$ 43,717,680
December 31, 2024	2025~2029	\$ 35,068,120

3. Contract liabilities

(1) The contract liabilities related to contract revenues recognized by the Company are listed as follows:

	December 31, 2025	December 31, 2024	January 1, 2024
Contract liabilities - current:			
- Advance land receipts	\$ 4,712,012	\$ 4,096,463	\$ 2,637,770
- Advance building receipts	2,097,651	1,915,402	1,087,310
	<u>\$ 6,809,663</u>	<u>\$ 6,011,865</u>	<u>\$ 3,725,080</u>

The Company's sales contract of pre-sale houses contains provisions for advance payment from customers, and the time between advance receipt and commodity ownership transfer is longer than one year. According to IFRS 15, contract liabilities related to sales of pre-sale homes were recognized as current liabilities.

- (2) Revenue recognized for the period from the contractual liabilities at the beginning of the period

	<u>2025</u>	<u>2024</u>
Balance of initial contract liability recognized as revenue in the current period		
— Construction pre-sale contract	\$ 2,337,510	\$ 904,115

(XIX) Additional information regarding the nature of expense

	<u>2025</u>	<u>2024</u>
Construction costs	\$ 13,301,802	\$ 4,674,035
Employee benefit expenses	378,278	236,752
Depreciation and amortization	66,554	24,731
Advertising expenses	416,636	202,962
Taxation	55,206	54,921
Rental expenses	179	541
Other costs and expenses	103,224	62,788
Operating cost and operating expenses	\$ 14,321,879	\$ 5,256,730

(XX) Employee benefit expenses

	<u>2025</u>	<u>2024</u>
Wages and salaries expenses	\$ 283,663	\$ 179,665
Director Compensation	59,760	29,184
Labor and health insurance expenses	13,539	13,069
Pension expenses	5,263	4,406
Other personnel cost	16,053	10,428
	\$ 378,278	\$ 236,752

1. As stated in the Articles of Incorporation, if there is any remaining profits after deducing the accumulated deficits from the profits of the year, the Company shall

allocate 3%-5% of the remaining profits as compensation to employees, and no greater than 2% of the remaining profits as remuneration to directors and supervisors.

2. For the years ended December 31, 2025 and 2024, the Company's estimated amount of compensation to employees was \$127,370 and \$57,230, respectively, and the estimated amount of remuneration to directors was \$55,200 and \$24,800, respectively, the aforesaid amount is recorded in the payroll expense account.
3. Based on the profitability of the year ended in 2025, it was estimated to allocate 3% and 1.3%, respectively, and the estimates were consistent with the amounts resolved by the Board of Directors. The aforementioned employee compensation would be paid in cash.
4. The employee bonus and directors' remuneration for the year ended December 31, 2024, as resolved by the Board of Directors, are consistent with the amounts recognized in the financial statements for the year ended December 31, 2024.

Information regarding employees' compensation and directors' remuneration approved by the Board of Directors of the Company can be found at the Market Observation Post System (MOPS) website.

(XXI) Interest income

	2025	2024
Interests on bank deposits	\$ 40,413	\$ 17,517
Interest income from financial assets at amortized cost	64,096	64,340
Other interest income	1,635	10,958
	<u>\$ 106,144</u>	<u>\$ 92,815</u>

(XXII) Other income

	2025	2024
Contract default income from the buyers	\$ 19,943	\$ 3,272
Advertising service income	78,716	6,679
Other income	6,752	4,869
	<u>\$ 105,411</u>	<u>\$ 14,820</u>

(XXIII) Other gains and losses

	2025	2024
Foreign exchange gains	\$ 30	\$ 54
Losses on financial liabilities measured at fair value through profit or loss	30,800	(20,200)
Gains from lease modifications	216	—
Loss on disposal of investments	—	(27,736)
Miscellaneous items	—	(323)
	<u>\$ 31,046</u>	<u>\$ (48,205)</u>

(XXIV) Financial cost

	2025	2024
Interest expense		
— Bank loans	\$ 434,492	\$ 363,640
— Installment accounts receivable	53,726	59,156
— Amortization of convertible bonds discount	129,153	32,288
— Lease liabilities	509	303
Financial expenses	2,868	2,464
	<u>620,748</u>	<u>457,851</u>
Less: Amount capitalized of qualified assets	<u>(463,889)</u>	<u>(309,658)</u>
	<u>\$ 156,859</u>	<u>\$ 148,193</u>

(XXV) Income tax

1. Income tax expense

(1) Components of income tax expense:

	2025	2024
Current income tax:		
Income tax incurred in	\$ 818,509	\$ 373,948
Land value increment tax recognized in income tax in the current period	15,629	19,495
Tax on undistributed	—	39,345
Over-estimated	(13,127)	(6,692)
Total current income	<u>821,011</u>	<u>426,096</u>

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	<u>2025</u>	<u>2024</u>
Deferred income tax:		
Recognition and reversal of temporary differences	218	1,567
Impact of the exchange differences arising from the disposal of an overseas subsidiary during the period	—	5,579
Income tax expense	<u>\$ 821,229</u>	<u>\$ 433,242</u>

(2) Income tax benefit (expense) amounts associated with other comprehensive income:

	<u>2025</u>	<u>2024</u>
Currency translation differences	\$ 60	\$ (6,011)
Remeasurement of defined benefit obligations	(678)	2,362
	<u>\$ (618)</u>	<u>\$ (3,649)</u>

2. Relation between income tax expense and accounting profit:

	<u>2025</u>	<u>2024</u>
Income tax expense at the statutory rate	\$ 812,576	\$ 365,103
Effect of non-recognition by law	13,482	19,945
Effect from tax-exempt income	(7,549)	(11,100)
Recognition and reversal of temporary differences	218	1,567
Impact of the exchange differences arising from the disposal of an overseas subsidiary during the period	—	5,579
Tax on undistributed surplus earnings	—	39,345
Over-estimated provision of the prior year's income tax	(13,127)	(6,692)
Land value increment tax included in current period income tax	15,629	19,495
Income tax expense	<u>\$ 821,229</u>	<u>\$ 433,242</u>

3. Deferred tax assets and liabilities resulting from temporary differences are as follows:

	2025			
	January 1	Recognized in profit and loss	Recognized in other comprehensive income	December 31
<u>Deferred income tax</u>				
<u>assets</u>				
Construction warranty reserve	\$ 1,800	\$ 600	\$ —	\$ 2,400
Unrealized expenses	7,635	(824)	—	6,811
Remeasurements of defined benefit plans	10,302	—	(678)	9,624
	<u>19,737</u>	<u>(224)</u>	<u>(678)</u>	<u>18,835</u>
<u>Deferred income tax</u>				
<u>liabilities</u>				
Exchange differences on translation of foreign operations	(8,997)	—	60	(8,937)
Book-tax difference in retirement pensions	(423)	6	—	(417)
	<u>(9,420)</u>	<u>6</u>	<u>60</u>	<u>(9,354)</u>
Total	<u>\$ 10,317</u>	<u>\$ (218)</u>	<u>\$ (618)</u>	<u>\$ 9,481</u>
2024				
	January 1	Recognized in profit and loss	Recognized in other comprehensive income	December 31
<u>Deferred income tax</u>				
<u>assets</u>				
Construction warranty reserve	\$ 3,400	\$ (1,600)	\$ —	\$ 1,800
Unrealized expenses	7,705	(70)	—	7,635
Remeasurements of defined benefit plans	7,940	—	2,362	10,302
	<u>19,045</u>	<u>(1,670)</u>	<u>2,362</u>	<u>19,737</u>
<u>Deferred income tax</u>				
<u>liabilities</u>				
Exchange differences on translation of foreign operations	(2,986)	—	(6,011)	(8,997)
Book-tax difference in retirement pensions	(526)	103	—	(423)
	<u>(3,512)</u>	<u>103</u>	<u>(6,011)</u>	<u>(9,420)</u>
Total	<u>\$ 15,533</u>	<u>\$ (1,567)</u>	<u>\$ (3,649)</u>	<u>\$ 10,317</u>

4. The difference between the Company's finance income and taxable income is mainly caused by the tax exemption from land transaction tax, etc.
5. The tax authorities have examined income tax returns of the Company through the year ended December 31, 2023.

(XXVI) Earnings per share

	2025		
	Amount after tax	Weighted average number of shares outstanding (shares in thousands)	Earnings per share (NT\$)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	<u>\$ 3,241,660</u>	319,517	<u>\$ 10.15</u>
<u>Diluted earnings per share</u>			
Effect of dilutive potential common stock on employees' compensation			
— Convertible corporate bonds	—	48,194	
— Employee remuneration	—	1,170	
Profit attributable to common stock shareholders plus assumed conversion of all dilutive potential common stocks	<u>\$ 3,241,660</u>	<u>368,881</u>	<u>\$ 8.79</u>
	2024		
	Amount after tax	Weighted average number of shares outstanding (shares in thousands)	Earnings per share (NT\$)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	<u>\$ 1,392,271</u>	319,517	<u>\$ 4.36</u>
<u>Diluted earnings per share</u>			
Effect of dilutive potential common stock on employees' compensation			
— Convertible corporate bonds	—	—	
— Employee remuneration	—	690	
Profit attributable to common stock shareholders plus assumed conversion of all dilutive potential common stocks	<u>\$ 1,392,271</u>	<u>320,207</u>	<u>\$ 4.35</u>

(XXVII) Changes in liabilities from financing activities

	2025							
	Short-term loans	Short-term notes and bills payable	Bonds payable	Long-term loans (Note 2)	Guarantee deposits received	Lease liabilities	Dividends payable	Total liabilities from financing activities
January 1	\$ 16,778,327	\$ 349,706	\$ 5,386,521	\$ 4,216,330	\$ 11,181	\$ 41,002	\$ —	\$ 26,783,067
Increase	7,485,548	1,750,000	—	1,687,360	25,000	—	—	10,947,908
Decrease	(13,534,208)	(2,100,000)	—	(1,720,349)	(8,600)	(15,225)	(1,674,718)	(19,053,100)
Convertible bond conversion rights	—	—	—	—	—	—	—	—
Amortization of convertible bonds discount	—	—	129,153	—	—	—	—	129,153
Payment of interest expense (Note 1)	—	(2,950)	—	—	—	(509)	—	(3,459)
Other non-cash changes	—	3,244	—	—	—	(10,467)	1,674,718	1,667,495
December 31	<u>\$ 10,729,667</u>	<u>\$ —</u>	<u>\$ 5,515,674</u>	<u>\$ 4,183,341</u>	<u>\$ 27,581</u>	<u>\$ 14,801</u>	<u>\$ —</u>	<u>\$ 20,471,064</u>
	2024							
	Short-term loans	Short-term notes and bills payable	Bonds payable	Long-term loans (Note 3)	Guarantee deposits received	Lease liabilities	Dividends payable	Total liabilities from financing activities
January 1	\$ 12,112,470	\$ —	\$ —	\$ 4,131,536	\$ 27,626	\$ 23,855	\$ —	\$ 16,295,487
Increase	18,685,857	1,250,000	6,131,722	1,538,402	16,315	—	—	27,622,296
Decrease	(14,020,000)	(900,000)	—	(1,453,608)	(32,760)	(7,265)	(2,076,096)	(18,489,729)
Convertible bond conversion rights	—	—	(737,089)	—	—	—	—	(737,089)
Amortization of convertible bonds discount	—	—	32,288	—	—	—	—	32,288
Payment of interest expense (Note 1)	—	(1,962)	—	—	—	(302)	—	(2,264)
Other non-cash changes	—	1,668	(40,400)	—	—	24,714	2,076,096	2,062,078
December 31	<u>\$ 16,778,327</u>	<u>\$ 349,706</u>	<u>\$ 5,386,521</u>	<u>\$ 4,216,330</u>	<u>\$ 11,181</u>	<u>\$ 41,002</u>	<u>\$ —</u>	<u>\$ 26,783,067</u>

Note1: Statement of cash flows from operating activities.

Note2: It includes \$1,376,305 long-term loans due within one year or one operating cycle, accounted for under the item "Long-term liabilities due within one year or one operating cycle".

Note3: Of which \$1,318,265 is classified under "Long-term liabilities due within one year or within one operating cycle" representing long-term borrowings maturing within one year or one operating cycle.

## VII. Related-Party Transactions

### (I) Name and relationship of related parties

<u>Name of related party</u>	<u>Relationship with the Company</u>
Pinhsing Construction Co., Ltd. (Pinhsing Construction)	Subsidiary
Chengdu Wancheng Duobao Properties Ltd. (Chengdu Wancheng Duobao)	Subsidiary
Taiwan Digit Automated Control Co., Ltd. (TDAC)	Associates
Full-Come Foundation Engineering Co., Ltd. (Full-Come Foundation Engineering)	Associates
Huapu Construction Co., Ltd. (Huapu Construction)	Associates
Wei-Chieh Liao	Relatives of key management within the second degree of kinship
Wan-Chien Chung	Relatives of key management within the second degree of kinship
Sheng-En Hung	Relatives of key management within the second degree of kinship
Huang Yu-Hsuan	Relatives of key management within the second degree of kinship
Huang Pin-Wei	Relatives of key management within the second degree of kinship
Chang-Hsueh Investment Co., Ltd. and other three people	Other related parties

### (II) Significant transactions with related parties

#### 1. Sales

- (1) During the years of 2025 and 2024, the board of directors of the Group resolved to sell the projects developed and constructed by the Company to the related parties, and the total transaction amount including tax were \$72,160 and \$150,910, respectively.
- (2) In 2022, the Group sold a construction project developed by the Company to a related party. The project was completed and delivered in the current year, and revenue of \$527,630 (including tax) was recognized.

#### 2. Purchases and commitments

	<u>2025</u>	<u>2024</u>
Subsidiary - Pinhsing Construction	\$ 5,360,411	\$ 3,616,856
Associates	74,242	40,197
	<u>\$ 5,434,653</u>	<u>\$ 3,657,053</u>

- (1) The contraction project entrusted by the Company to Pin Shing Construction Co., Ltd. was in compliance with the contract, and the payment period was approximately 120 days; the payment period to non-related parties is approximately within one month or 45 days.
- (2) As of December 31, 2025, the total contract price for ongoing construction projects signed between the Company and Pinhsing Construction amounts to \$13,439,800, and the total unestimated amount of construction payments is \$9,600,783.
3. Accounts payable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Subsidiary - Pinhsing Construction	\$ 1,848,120	\$ 1,336,052
Associates	16,726	9,457
	<u>\$ 1,864,846</u>	<u>\$ 1,345,509</u>

The amounts payable to related parties mainly arise from purchase transactions, and no interest is charged on such payables.

4. Management fee income (listed under "Other income")

	<u>2025</u>	<u>2024</u>
Subsidiary - Pinhsing Construction	\$ 4,810	\$ 1,714

(III) Information on the remunerations of the key management

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 125,716	\$ 70,425

## VIII. Pledged Assets

The Company's assets pledged as collateral are as follows:

Asset items	Carrying amounts		Purpose of the guarantees
	December 31, 2025	December 31, 2024	
Installment accounts receivable			Loans secured by accounts receivable
- Accounts receivable	\$ 107,742	\$ 109,717	
- Long-term notes and accounts receivable	1,548,540	1,761,699	
Other installments receivable			Loans secured by accounts receivable
- Other receivables	8,763	9,148	
- Long-term notes and accounts receivable	119,296	136,366	
Other current assets			Pre-sale construction project trust fund
- Restricted bank deposits	2,022,294	2,674,396	
Inventories	32,180,055	40,836,414	Short-term loans and commercial papers payable
Investment property	235,416	239,517	Loans secured by accounts receivable
	<u>\$ 36,222,106</u>	<u>\$ 45,767,257</u>	

## IX. Significant Commitments and Contingencies

- (I) As of December 31, 2025, the total amount of construction contracts entered into with non-related parties amounted to \$3,349,886 and the amount not yet estimated amounted to \$3,526,763.
- (II) As of December 31, 2025, the Company has signed letters of trust deed with the trustee financial institution for the projects of construction in progress. The relevant project names and trust banks are as follows:

Project name	Trust bank
Sky tower	Taipei Fubon Commercial Bank Co., Ltd.
UPPER MANSION	Cathay United Bank Co., Ltd.
FLOURISH MANSION	E.SUN Commercial Bank, Ltd.
Mout River	Mega International Commercial Bank
THE WEAVEN	Mega International Commercial Bank
Ultimate Luxury	Cathay United Bank Co., Ltd.
Huaku Mansion de Lotus	E.SUN Commercial Bank, Ltd.
Huaku Grand Seasons	CTBC Bank Co., Ltd.
Huaku Vision Park	Hua Nan Commercial Bank, Ltd.
Huaku Yu Cheng	CTBC Bank Co., Ltd.

The above projects have been registered with the financial institutions that have been entrusted with the transfer of prices or real estate development trusts.

**X. Significant Disaster Losses**

None.

**XI. Significant Subsequent Events**

None.

**XII. Others**

(I) Capital risk management

The objective of the Company's capital management is to ensure that the Company can continue operations, maintain an optimal capital structure to lower the cost of funds, and provide returns to shareholders. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. The Company regulates the borrowing amount based on the progress of the project and the funds required for the operation.

(II) Financial instruments

1. Categories of financial instruments

	<u>December 31,</u>	<u>December 31,</u>
<u>Financial assets</u>		
Financial assets/loans and receivables measured at amortized cost		
Cash and cash equivalents	\$ 7,602,434	\$ 3,361,727
Time deposits	—	2,000,000
Notes receivable	120,421	109,193
Accounts receivable (including long-term installment accounts receivable over one year)	1,847,217	2,009,318
Other receivables	173,225	12,467
Refundable deposits	839,537	407,917
Other financial assets	<u>2,022,294</u>	<u>2,674,396</u>
	\$ 12,605,128	\$ 10,575,018

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	<u>December 31,</u>	<u>December 31,</u>
<u>Financial liabilities</u>		
Financial liabilities measured at		
Short-term loans	\$ 10,729,667	\$ 16,778,327
Short-term notes and bills payable	—	349,706
Notes payable	7,650	5,399
Accounts payable	2,767,535	1,672,123
Other accounts payable	533,169	326,775
Bonds payable	5,515,674	5,386,521
Long-term borrowings (including due within one year or one operating cycle)	4,183,341	4,216,330
Guarantee deposits received	27,581	11,181
	<u>\$ 23,764,617</u>	<u>\$ 28,746,362</u>
Lease liabilities	<u>\$ 14,801</u>	<u>\$ 41,002</u>

2. Risk management policy

- (1) The Company's daily operations are affected by various financial risks, including market risks (including exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk.
- (2) The risk management work is carried out by the finance department of the Company in accordance with the opinions of the Board of Directors. Through cooperation with each operating units of the Group, the finance department of the Company is responsible for identifying, evaluating, and hedging financial risks.
- (3) The Company does not undertake derivatives for hedging financial risks.

3. Nature and degree of significant financial risks

(1) Market risk

Foreign currency risk

- A. The Company operates internationally. The main currency is NTD. Exchange rate risk arises from recognized assets and liabilities and net investments in foreign operations. The management of the Company has established policies to manage the exchange rate risk of functional currencies. The Company manages its overall foreign currency risk

through the finance department. The Company had no foreign currency assets or liabilities as of December 31, 2025 and 2024.

- B. The fluctuations in exchange rates significantly impacted the (losses) gains on monetary items for the years ended December 31, 2025 and 2024, with aggregate amounts of \$30 and \$54, respectively.

#### Price risk

The Company has no equity instruments exposed to price risk, and has no commodity exposed to price risk.

#### Cash flow interest rate risk and fair value interest rate risk

- A. The Company's interest rate risks come from short-term and long-term loans. Loans with floating interest rates expose the group to cash flow interest rate risks, of which a portion is offset by the cash held with floating interest rates. For the years ended December 31, 2025 and 2024, the Company's borrowings at floating interest rate were denominated in the NTD.
- B. The Company simulates a number of scenarios and analyzes interest rate risk, including consideration of refinancing, extending contracts of existing positions, and other available financings to calculate the impact of changes in specific interest rates on profit or loss.
- C. When all other factors remain unchanged, the maximum impact of a 1% change in interest rate on the financial costs of 2025 and 2024 is of an increase or decrease of \$149,130 and \$213,447, respectively. In the years 2025 and 2024, \$17,843 and \$20,169, respectively, were attributable to interest income generated from installment sales where the interest payments from purchasers were directly deposited into the Company's bank loan account to repay the interest expenses incurred from the accounts receivable secured borrowing contracts signed with banks. Therefore, the Company does not bear the interest rate risk arising from this transaction. The simulation is done on a quarterly basis to verify that the maximum loss potential is within the limit given by the management.

#### (2) Credit risk

- A. Credit risk of the Company refers to the risk of financial loss of the Company caused by the client or counterparties of financial instruments fail to fulfill their contractual obligations. It mainly comes from the

counterparty inability to settle accounts receivable according to the collection conditions.

- B. The Company establishes credit risk management from the group perspective. Only banks and financial institutions with an independent credit rating of at least "A" are accepted as counterparties for transactions.
- C. The Company mainly engages in leasing and selling residential properties, industrial plants, and commercial office buildings. Revenue from buildings and land sales is recognized when the full contract price is received, and all ownership transfers and actual handovers of the house are completed. Therefore, the accounts receivable generated from buildings and land sales are expected to be minimal, with little possibility of non-recovery. The Company also implements individual management and regular tracking of receivables arising from special trading. Besides, the Company classifies customers' accounts receivable and installment accounts receivable based on customer characteristics. Using the simplified approach of preparation matrix, the Company estimates the expected credit loss and adjusts the loss rate established by historical and current information during a specific period to assess the loss allowance of installment accounts receivable. As of December 31, 2025 and 2024, the Company assessed that the amount of credit impairment losses was not significant.
- D. No written-off debts with recourse existed as of December 31, 2025 and 2024.
- E. The Company does not have any accounts receivable on sale.

(3) Liquidity risk

- A. The cash flow forecast is performed and compiled by the finance department. The Company's finance department monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while 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.
- B. The Company's non-derivative financial liabilities are analyzed based on the remaining period from the date of balance sheet to the contract expiration date; the derivative financial liabilities are analyzed based on

the fair value at the date of balance sheet. Except for notes payable with undiscounted contract cash flow amount that is approximately equal to its book value and matures within one year, the amount of undiscounted contractual cash flow of other financial liabilities is as follows:

December 31, 2025

Non-derivative financial

<u>liabilities:</u>	<u>Within 1 Year</u>	<u>1-3 years</u>	<u>Over 3 years</u>
Short-term loans	\$ 2,108,339	\$ 1,497,057	\$ 8,021,320
Accounts payable	2,679,886	24,985	62,664
Other payables	491,102	7,951	34,116
Lease liabilities	10,016	5,008	—
Long-term loans (including due within one year or one operating cycle)	1,296,996	1,149,046	—
Loans secured by accounts receivable	149,625	137,086	2,100,831
Bonds payable	—	—	6,000,000

December 31, 2024

Non-derivative financial

<u>liabilities:</u>	<u>Within 1 Year</u>	<u>1-3 years</u>	<u>Over 3 years</u>
Short-term loans	\$ 1,744,404	\$ 10,622,101	\$ 5,343,990
Short-term notes and bills payable	350,000	—	—
Accounts payable	1,510,792	117,869	43,462
Other payables	287,143	1,800	37,832
Lease liabilities	17,584	21,366	3,171
Long-term loans (including due within one year or one operating cycle)	1,231,814	1,006,526	—
Loans secured by accounts receivable	157,127	329,043	2,269,406
Bonds payable	—	—	6,000,000

C. The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or significant differences in actual amounts.

(III) Fair value information

1. The following states the definition of different levels of valuation techniques used to measure the fair value of financial and non-financial instruments:

Level 1: Level 1 inputs are (unadjusted) quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Observable inputs for the asset or liability, either directly or indirectly, other than quoted market prices included within Level 1.

Level 3: Unobservable inputs for the asset or liability.

2. For fair value information of investment property measured at cost, please refer to Note 6 (7).
3. As of December 31, 2025, and December 31, 2024, the Company held financial and non-financial instruments measured at fair value amounting to \$29,800 and \$60,600, respectively. These amounts are based on the valuation results of an independent appraiser and are classified as Level 3 fair values.
4. Financial instruments not measured at fair value, including cash and cash equivalents, notes and accounts receivable, other receivables, refundable deposits, restricted bank deposits, short-term loans, short term bills payable, notes payable, accounts payable, other payables, long-term borrowings, guarantee deposit received, are reasonable approximations of fair values.

### **XIII. Matters Disclosed in Notes**

#### **(I) Related Information on Significant Transactions**

1. Financings provided: None.
2. Endorsements/guarantees provided to others: None.
3. Marketable securities held at the end of the period: None.
4. Purchases from and sales to related parties amounted to at least NT\$100 million or exceeding 20% of paid-in capital: Please refer to Table 1.
5. Receivables from related parties amounted to at least NT\$100 million or exceeding 20% of paid-in capital: Please refer to Table 2.
6. Parent-subsidiary and subsidiary-subsidiary business relations and significant transactions thereof: Please refer to Table 3.

#### **(II) Related Information on Investees**

Name, location, and information on investee companies (not including investee companies in mainland China): Please refer to Table 4.

(III) Information on Investments in Mainland China

1. Investee information: Please refer to Table 5.
2. Significant transactions with invested companies in Mainland China, either directly or indirectly via a third area: None.

**XIV. Information on Operating Segments**

Not applicable.

Huaku Development Co., Ltd.

Schedule of Inventories

December 31, 2025

Unit: NT\$ thousands

Item	Amount		Note
	Cost	Market price (Note)	
Buildings and land held for sale	\$ 5,399,992	\$ 7,692,100	
Construction in progress			
Huaku Vision Park (formerly the Jang Dah Beitou Project)	5,043,084	5,043,084	
UPPER MANSION	4,789,010	4,789,010	
FORTUNE ONE	4,698,063	4,698,063	
Huaku Mansion de Lotus (formerly Wenlin North Road Project III)	2,236,304	2,236,304	
Sky tower	2,128,705	2,128,705	
Mout River	1,870,433	1,870,433	
Huaku Four Seasons (formerly Taichung Chongde 10th Road Project)	1,781,220	1,781,220	
FLOURISH MANSION	1,621,052	1,621,052	
Ultimate Luxury	1,544,936	1,544,936	
THE WEAVEN	1,159,149	1,159,149	
Huaku Yu Cheng	34,650	34,650	
	<u>26,906,606</u>	<u>26,906,606</u>	
Land held for construction			
Guangpu Hsinchu Project, Second Phase	2,126,269	2,126,269	
Taichung Jingmao Fifth Road Project	1,672,152	1,672,152	
Taichung Fengle Road Project II	1,509,680	1,509,680	
Zhengda Xindian Project	702,825	702,825	
Fuxing S. Road Urban Renewal Project	241,061	241,061	
Dunnan Project	198,834	198,834	
Others	463,965	463,965	
	<u>6,914,786</u>	<u>6,914,786</u>	
Advances for land and others			
Floor area and road land	94,427	94,429	
	<u>\$ 39,315,811</u>	<u>\$ 41,607,921</u>	

Note: Due to the industry characteristics of a construction company, the market prices of the construction in progress and the land held for construction are listed at the lower of the cost and net realizable value.

Huaku Development Co., Ltd.  
Schedule of Changes in Construction in Progress  
January 1 to December 31, 2025

Unit: NT\$ thousands

Project name	Beginning balance	Additions in the period		Transfers in the period		Ending balance	Note
		Investment cost	Capitalized interest	Transferred from land held for construction	Project completed and transferred		
ASIA ONE	\$ 6,356,505	\$ 1,522,305	\$ 94,313	\$ —	\$ (7,973,123)	\$ —	Assets pledged as collateral
UPPER MANSION	4,196,122	552,247	40,641	—	—	4,789,010	"
FORTUNE ONE	3,673,707	953,530	70,826	—	—	4,698,063	"
Casa Blanca	3,450,546	968,132	17,634	—	(4,436,312)	—	"
Huaku Deyue	2,192,024	761,130	8,353	—	(2,961,507)	—	"
DA'AN TOWER	1,723,265	710,846	650	—	(2,434,761)	—	"
Sky tower	1,714,556	403,386	10,763	—	—	2,128,705	"
Mout River	1,518,883	334,980	16,570	—	—	1,870,433	"
FLOURISH MANSION	1,392,641	213,726	14,685	—	—	1,621,052	"
Ultimate Luxury	1,130,897	405,751	8,288	—	—	1,544,936	"
THE WEAVEN	993,020	152,565	13,564	—	—	1,159,149	"
Huaku Vision Park (formerly the Jang Dah Beitou Project)	—	880,988	72,576	4,089,520	—	5,043,084	"
Huaku Mansion de Lotus (formerly Wenlin North Road Project III)	—	21,243	34,019	2,181,042	—	2,236,304	"
Huaku Four Seasons (formerly Taichung Chongde 10th Road Project)	—	24,350	26,885	1,729,985	—	1,781,220	"
Huaku Yu Cheng	—	34,551	99	—	—	34,650	"
					\$		
	<u>\$28,342,166</u>	<u>\$ 7,939,730</u>	<u>\$ 429,866</u>	<u>\$ 8,000,547</u>	<u>(17,805,703)</u>	<u>\$ 26,906,606</u>	

Huaku Development Co., Ltd.

Statement of Changes in Investments Using the Equity Method

January 1 to December 31, 2025

Unit: NT\$ thousands

Name	Beginning balance		Increase		Decrease		Other adjustments (Note 2)	Ending balance			Equity		Collateral or pledge	Note
	Shares	Amount	Shares	Amount	Shares	Amount		Shares	Shareholding percentage	Amount	Unit price (NT\$)	Total		
Chengdu Wanda Real Estate Co., Ltd.	—	\$ 34,843	—	\$ —	—	\$ (1,017)	\$ (4,575)	—	80%	\$ 29,251	\$ —	\$ 29,251	None	
Pin Shing Construction Co., Ltd.	70,000,000	771,037	—	55,818	—	—	(55,212)	70,000,000	100%	771,643	15.70	1,098,849	"	Note 1
Taiwan Digit Automated Control Co., Ltd.	800,000	31,611	—	7,073	—	—	(5,600)	800,000	40%	33,084	41.36	33,084	"	
Huapu Construction Co., Ltd.	500,000	5,151	—	15	—	—	(13)	500,000	50%	5,153	10.31	5,153	"	
		<u>\$ 842,642</u>		<u>\$ 62,906</u>		<u>\$ (1,017)</u>	<u>\$ (65,400)</u>			<u>\$ 839,131</u>		<u>\$ 1,166,337</u>		

Note1: The difference between net equity and the balance of long-term equity investments is primarily due to unrealized internal gains generated from offsetting counter flow transactions and adjustment of transactions of the Company's stock held by that company.

Note2: Other adjustments are the financial statements translation differences from the foreign operations, the subsidiaries collect cash dividends from the Company and account for capital reserve, distribution of cash dividends from the subsidiaries, capital reduction and return of the share capital from the subsidiaries, and the recognition of the pension actuarial calculations profit and loss on pensions from the subsidiaries.

Huaku Development Co., Ltd.  
Statements of Operating Revenue  
January 1 to December 31, 2025

Unit: NT\$ thousands

Item	Abstract	Amount
Revenue from sales of buildings and land		
Revenue from sales of land		\$ 11,726,850
Revenue from sales of buildings		6,470,005
Sale returns and allowances		(47)
		18,196,808
Rental income		40,329
		\$ 18,237,137

Huaku Development Co., Ltd.  
Statement of Operating Cost  
January 1 to December 31, 2025

Unit: NT\$ thousands

Item	Amount	
	Sub-total	Total
Beginning inventory		
Buildings and land held for sale	\$ 1,059,102	
Construction in progress	28,342,166	
Land held for construction	12,684,958	
Prepayment for land and building capacity	1,458,989	\$ 43,545,215
Add: Purchases		8,126,018
Costs of construction in progress during the period		499,175
Rental costs		4,125
Capitalization of interest		463,889
Less: Ending inventory		
Buildings and land held for sale	(5,399,992)	
Construction in progress	(26,906,606)	
Land held for construction	(6,914,786)	
Prepayment for land and building capacity	(111,136)	(39,332,520)
Add: Allowance for valuation loss		—
Operating costs		\$ 13,305,902

Huaku Development Co., Ltd.  
Statement of Operating Expenses  
January 1 to December 31, 2025

Unit: NT\$ thousands

Item	Amount	Note
<u>Selling expenses</u>		
Advertising expenses	\$ 192,987	
Commission expenses	213,664	
Other expenses	9,985	
	<u>416,636</u>	
<u>Administrative expenses</u>		
Wages and salaries expenses	348,686	
Depreciation expenses	59,757	
Donations expenses	618	
Taxation	55,206	
Warranty repair cost	16,092	
Insurance expenses	16,210	
Regulatory fees	<b>14,109</b>	
Service fees	<b>10,984</b>	
Other expenses	77,679	
	<u>599,341</u>	
Total	<u>\$ 1,015,977</u>	

Huaku Development Co., Ltd.  
Statement of Non-operating Income and Expenses  
January 1 to December 31, 2025

Unit: NT\$ thousands

Item	Amount	Note
Shares of profit (loss) of subsidiaries, associates, and joint ventures accounted for using the equity method	\$ 61,889	
Interest income	106,144	
Other income - others	105,411	
Financial cost	(156,859)	
Other gains and losses	31,046	
	\$ 147,631	

Huaku Development Co., Ltd.

Summary Table of Personnel, Depreciation, Depletion and Amortization Expenses for the Current Period  
January 1 to December 31, 2025

Unit: NT\$ thousands

	2025			2024		
	Operating costs	Attributable to operating expenses	Total	Operating costs	Attributable to operating expenses	Total
Employee benefit expenses						
Wages and salaries expenses	\$ —	\$ 283,663	\$ 283,663	\$ —	\$ 179,665	\$ 179,665
Labor and health insurance expenses	—	13,539	13,539	—	13,069	13,069
Pension expenses	—	5,263	5,263	—	4,406	4,406
Directors' remuneration	—	59,760	59,760	—	29,184	29,184
Other employee benefit expenses	—	16,053	16,053	—	10,428	10,428
	<u>\$ —</u>	<u>\$ 378,278</u>	<u>\$ 378,278</u>	<u>\$ —</u>	<u>\$ 236,752</u>	<u>\$ 236,752</u>
Depreciation expenses	\$ 4,100	\$ 59,757	\$ 63,857	\$ 4,100	\$ 18,522	\$ 22,622
Depletion expenses	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Amortization expenses	\$ —	\$ 2,697	\$ 2,697	\$ —	\$ 2,109	\$ 2,109

1. The numbers of employees of the Company for the years ended December 31, 2025, and 2024 were 90 and 91, respectively. Among which the numbers of directors who were not part-time employees were both 7.
2. The Company has disclosed the following information according to the above table:
  - (1) The Company's average employee benefit expenses for 2025 and 2024 were \$3,838 and \$2,471, respectively.
  - (2) The Company's average employee salary expenses for 2025 and 2024 were \$3,418 and \$2,139, respectively.
  - (3) The average adjustment of employee salary expenses was 60%.
  - (4) The Company's remunerations for supervisors for 2025 and 2024 were both \$0. (Note)
  - (5) The Company's remuneration policies are as follows:
    - a. Pursuant to Article 29-1 of the Articles of Incorporation, the Company shall allocate 3%-5% of the annual profit, if any, as employee compensation, and a maximum of 2% shall be allocated as the directors' remuneration. However, in case the Company still has accumulated deficits, the amount of accumulated deficits should be deducted from such earnings before the balance is calculated for distribution.
    - b. The directors' remuneration is allocated by the Company's directors in accordance with the Articles of Incorporation and with reference to the price index, industry market price, operating results, and financial position, and is approved by the shareholders' meeting on the allocation of directors' remuneration from annual earnings.
    - c. The amount of remuneration paid to the managers of the Company was reviewed by the Compensation Committee and then submitted to the board of directors for approval based on the directors' duties, contributions, annual operating performance of the Company, and consideration of future risks of the Company.
    - d. The remuneration package of the Company's employees includes monthly salary, bonuses, and employee compensation. The standards for employees' salary are determined based on their current positions, educational and professional experience, professional knowledge, and market value. Employees' bonuses and compensation are determined in accordance with the total amount allocated by the Articles of Incorporation, the Company's annual operating performance, professional contribution, and performance appraisal results.

Note: The Company has established the Audit Committee; therefore, there is no remuneration for supervisors.

Huaku Development Co., Ltd.  
Purchases or sales of goods from or to related parties amounting to at least NT\$100 million or 20% of the paid-in capital  
January 1 to December 31, 2025

Table 1.

Unit: NT\$ thousands  
(Unless specified otherwise)

Supplier (Buyer)	Counterparty	Relationship	Transaction details				Reasons for and status of differences in transaction terms compared to arms-length transaction		Notes and accounts receivable (Payable)		Note
			Purchase (Sale)	Amount	Ratio to the total purchase (sale) amount	Credit period	Unit price	Credit period	Balance	Ratio to the total notes and accounts receivable (payable)	
Huaku Development Co., Ltd.	Pin Shing Construction Co., Ltd.	Subsidiary	Purchase	\$ 5,360,411	62	Within 120 days	Contract-based pricing	Typically, suppliers are paid within one month or 45 days	\$(1,848,120)	66	
Pin Shing Construction Co., Ltd.	Huaku Development Co., Ltd.	Parent company	Sales	(5,582,214)	100	Within 120 days	Contract-based pricing	Typically, customers are provided with a 30-day monthly credit term	1,848,120	100	

Huaku Development Co., Ltd.  
 Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital  
 December 31, 2025

Table 2.

Unit: NT\$ thousands  
 (Unless specified otherwise)

Companies with receivables	Counterparty	Relationship	Balance of receivable from related parties	Turnover rate	Overdue		Amount collected after the period for receivable from related parties	Allowance for Doubtful Accounts
					Amount	Action taken		
Pin Shing Construction Co., Ltd.	Huaku Development Co., Ltd.	Parent company	\$ 1,848,120	Note	\$ —	—	\$ 1,098,063	\$ —

Note: This column is not applicable to the construction engineering industry.

Huaku Development Co., Ltd.  
Parent-subsidiary and subsidiary-subsidiary business relations and significant transactions thereof  
January 1 to December 31, 2025

Table 3.

Unit: NT\$ thousands  
(Unless specified otherwise)

No. (Note)	Name of counterparty	Counterparty	Relationship with the Counterparty	Transaction details			Ratio as a percentage of total consolidated revenue or total assets
				Account	Amount	Terms	
0	Huaku Development Co., Ltd.	Pin Shing Construction Co., Ltd.	Parent company to subsidiary	Purchase	\$ 5,360,411	Contract-based pricing within 120 days	29
0	Huaku Development Co., Ltd.	Pin Shing Construction Co., Ltd.	Parent company to subsidiary	Accounts payable	1,848,120	Contract-based pricing within 120 days	3
1	Pin Shing Construction Co., Ltd.	Huaku Development Co., Ltd.	Subsidiary to parent company	Sales	5,582,214	Contract-based pricing within 120 days	31
1	Pin Shing Construction Co., Ltd.	Huaku Development Co., Ltd.	Subsidiary to parent company	Accounts receivable	1,848,120	Contract-based pricing within 120 days	3

Note: Information on business transactions between the parent company and its subsidiaries should be indicated in the numbered columns, and the numbers should be filled out as follows:

- (1) 0 for the parent company.
- (2) Subsidiaries should be numbered based on the company's classification, beginning with the Arabic numeral 1.

Huaku Development Co., Ltd.

Name, location, and information on investee companies (not including investee companies in Mainland China)

January 1 to December 31, 2025

Table 4.

Unit: NT\$ thousands  
(Unless specified otherwise)

Investor company	Investee company	Location	Main businesses	Initial investment amount		Shares held as at the end of the period			Current profit or loss of the investee	Investment gain (loss) recognized	Note
				End of the	End of last	Shares	Ratio	Carrying amount			
Huaku Development Co., Ltd.	Pin Shing Construction Co., Ltd.	Taiwan	Contracting civil engineering and hydraulic engineering projects	\$ 614,184	\$ 614,184	70,000,000	100	\$ 771,643	\$ 131,105	\$ 55,818	Subsidiary
Huaku Development Co., Ltd.	Taiwan Digit Automated Control Co., Ltd.	Taiwan	Engineering monitoring	8,000	8,000	800,000	40	33,084	17,259	7,073	An investee accounted for using the equity method
Huaku Development Co., Ltd.	Huapu Construction Co., Ltd.	Taiwan	Leasing, selling and development of residential and commercial buildings	5,000	5,000	500,000	50	5,153	30	15	An investee accounted for using the equity method
Pin Shing Construction Co., Ltd.	Full-Come Foundation Engineering Co., Ltd.	Taiwan	Professional construction industry of foundation engineering	25,925	25,925	2,469,576	38.05	41,789	32,782	12,323	An investee company of subsidiary accounted for using equity method

Huaku Development Co., Ltd.  
Basic Information on Investments in Mainland China  
January 1 to December 31, 2025

Table 5.

Unit: NT\$ thousands  
(Unless specified otherwise)

Investee company in Mainland China	Main Businesses	Paid-in Capital	Investment Method	Accumulated Investment Amount of Remittance from Taiwan - Beginning of the Current Period	Remitted or Recovered Investment Amount of the Current Period		Accumulated Investment Amount of Remittance from Taiwan - End of the Current Period	Current Profit or Loss of the Investee Company	The Company's Shareholding Percentage from Direct or Indirect Investment	Investment Profit or Loss Recognized in the Current Period (Note 2)	Book Value of Investment at the End of the Current Period	Accumulated Repatriation of Investment Income as of the End of the Period	Note
					Remitted	Recovered							
Chengdu Wanda Real Estate Co., Ltd.	Property development	\$ 2,248	Note 1	\$ —	\$ —	\$ —	\$ —	\$ (1,271)	80	\$ (1,017)	\$ 29,251	\$ 350,614	Note 3
Company Name	Accumulated Remitted Investment Amount from Taiwan to Mainland China - End of the Current Period	Investment Amounts Authorized by Investment Commission, MOEA	Ceiling on Investment in Mainland China Imposed by the Investment Commission, MOEA										
Huaku Development Co., Ltd.	\$ —	\$ 879,438	\$ 13,453,551										

Note1: Direct investment in a Mainland China company.

Note2: Based on the valuation and disclosure of the company's financial statements audited by a CPA in the same period

Note3: On August 29, 2014, the company was approved by the Chengdu Investment Promotion Committee to reduce the capital by RMB\$ 115 million. In October 2017, all the Company's holdings of RMB\$ 92 million had been fully remitted back.

In addition, on April 20, 2018, with the approval of the Chengdu Investment Promotion Commission, the company reduced its capital by RMB 110 million. In February 2019, all the company's holdings of RMB 88 million had been fully remitted back.

In addition, on April 29, 2022, with the approval of the Administration For Market Regulation of Chengdu, the company reduced its capital by RMB\$ 4.5 million. In May 2022, all the Company's holdings of RMB\$ 3.6 million had been fully remitted back.