

**FULL WANG INTERNATIONAL
DEVELOPMENT CO., LTD.
PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS’
REPORT
DECEMBER 31, 2024 AND 2023**

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

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.
DECEMBER 31, 2024 AND 2023 PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS' REPORT
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INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Full Wang International Development Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Full Wang International Development Co., Ltd. (the “Company”) as at December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

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

Key audit matters

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

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

Cut-off of building and land sales revenue

Description

Please refer to Note 4(27) for accounting policies on sales revenue, and Note 6(19) for details. For the year ended December 31, 2024, building and land sales revenue amounted to NT\$4,739,455 thousand, representing 99.85% of operating revenue.

In the construction industry, building and land sales revenue are recognised when control of the building and land has been transferred. Since building and land sales in the construction industry involve numerous customers, the control transfer related documents shall be reviewed before recognising revenue which usually involves manual work, and thus may result in inappropriate timing of revenue recognition around the balance sheet date. Thus, we identified the cut-off of building and land sales revenue as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding, assessment and verification on operating procedures and internal controls in relation to building and land sales revenue, including the following items:
 - (1) Interviewed employees involved in operating procedures of building and land sales revenue in each segment and obtained revenue recognition procedures of building and land sales in order to confirm that they are in line with the operating regulations.
 - (2) Examined the internal control of building and land sale revenue, checked whether the home inspection information had been reviewed by the competent supervisors and verified whether the date and the information recorded in supporting documents (including land registrations, house ownership certificates, home inspection information and house handover information) were consistent with the date and the information recorded in building and land sales contracts in order to ensure transactions were recorded in the proper period.
2. Performed cut-off test on building and land transactions around the end of the reporting period, including verifying land registration, transfer date in the house ownership certificate, customers' home inspection checklists and customers' signed receipts for turning over of property to confirm that the building and land sales revenue recognition timing was appropriate.

Assessment of allowance for inventory valuation losses

Description

Please refer to Note 4(12) for accounting policy on inventory valuation, Note 5(2) for accounting estimates and assumptions in relation to inventory valuation. As at December 31, 2024, the carrying amount of inventories and allowance for inventory valuation losses amounted to NT\$8,564,697 thousand and NT\$0 thousand, respectively.

The Company's inventories pertain to buildings and land held for sale and construction in progress, and inventories are measured at the lower of cost and net realisable value. Since the Company operates in the construction industry which involves a high degree of capital input and has a long capital recovery period, the market price of real estate has higher fluctuations due to the impact of the government's housing policy and the state of the economy in recent years and because the inventory valuation involves management's subjective judgment, thus, we identified assessment of allowance for inventory valuation losses as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding of and assessed the nature of the Company's business and industry and discussed with management in order to assess the reasonableness of the method and the procedure that the Company used to determine net realizable value.
2. Obtained the net realizable value report of inventory at the end of the reporting period, sampled and tested the adequacy of basis used in estimation of net realizable assets, including obtaining recent transaction prices of each project, recent transaction information of similar assets of neighboring area or appraisal report issued by external experts and the adequacy of the estimated costs necessary to complete the sale, and confirmed the net realizable value of ending inventories in order to assess the reasonableness of allowance for inventory valuation losses.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the parent company only financial statements

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

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

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

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

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

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

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

Wang, Yu-Chuan

Liu, Mei Lan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 11, 2025

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2024		December 31, 2023			
			AMOUNT	%	AMOUNT	%		
Current assets								
1100	Cash and cash equivalents	6(1)	\$	603,525	5	\$	602,223	6
1110	Financial assets at fair value through profit or loss - current	6(2) and 8		-	-		25,523	-
1136	Current financial assets at amortised cost	6(3) and 8		576,643	4		946,876	9
1150	Notes receivable, net	6(4)		-	-		116	-
1170	Accounts receivable, net	6(4) and 7(2)		1,765,171	13		455,173	4
1200	Other receivables	7(2) and 9(1)		11,251	-		14,407	-
1220	Current tax assets			-	-		-	-
130X	Inventories	6(5), 7(2), 8 and 9(1)		8,564,697	63		7,341,944	69
1470	Other current assets	6(6) and 7(2)		421,610	3		538,286	5
11XX	Current Assets			11,942,897	88		9,924,548	93
Non-current assets								
1510	Non-current financial assets at fair value through profit or loss	6(2)		10	-		10	-
1517	Non-current financial assets at fair value through other comprehensive income			4,950	-		4,000	-
1535	Non-current financial assets at amortised cost	6(3) and 8		620,505	5		102,655	1
1550	Investments accounted for under equity method	6(7)		362,467	3		359,532	4
1600	Property, plant and equipment	6(8)		463,147	3		39,244	-
1755	Right-of-use assets	6(9) and 7(2)		170,228	1		161,832	2
1780	Intangible assets			1,861	-		930	-
1840	Deferred tax assets	6(25)		34,971	-		32,754	-
1900	Other non-current assets	7(2) and 9(1)		34,066	-		29,640	-
15XX	Non-current assets			1,692,205	12		730,597	7
1XXX	Total assets		\$	13,635,102	100	\$	10,655,145	100

(Continued)

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(10)	\$ 6,577,280	48	\$ 4,814,078	45
2110	Short-term notes and bills payable	6(11)	684,848	5	348,159	3
2130	Current contract liabilities	6(18) and 7(2)	1,118,143	8	1,356,181	13
2150	Notes payable		18,180	-	37,960	-
2170	Accounts payable		185,554	2	167,626	2
2180	Accounts payable to related parties		550,021	4	174,364	2
2200	Other payables	6(12) and 7(2)	105,165	1	95,499	1
2230	Current income tax liabilities		19,569	-	36,860	-
2280	Current lease liabilities	7(2)	20,977	-	15,563	-
2320	Long-term liabilities, current portion	6(13)	-	-	999,905	10
2399	Other current liabilities, others		47,246	1	39,866	-
21XX	Current Liabilities		9,326,983	69	8,086,061	76
Non-current liabilities						
2530	Bonds payable	6(13)	1,298,333	9	199,602	2
2580	Non-current lease liabilities	7(2)	151,096	1	152,302	1
2600	Other non-current liabilities	6(7)	755,370	6	727,962	7
25XX	Non-current liabilities		2,204,799	16	1,079,866	10
2XXX	Total Liabilities		11,531,782	85	9,165,927	86
Equity						
	Share capital	6(14)				
3110	Share capital - common stock		1,190,163	9	1,190,163	11
	Capital surplus	6(16)				
3200	Capital surplus		283,092	2	274,901	2
	Retained earnings	6(17)				
3310	Legal reserve		24,084	-	167,797	2
3320	Special reserve		-	-	438	-
3350	Unappropriated retained earnings					
	(accumulated deficit)		604,961	4	144,151	(1)
	Other equity interest					
3400	Other equity interest		1,020	-	70	-
3XXX	Total equity		2,103,320	15	1,489,218	14
	Significant Contingent Liabilities and	9				
	Unrecognised Contract Commitments					
3X2X	Total liabilities and equity		\$ 13,635,102	100	\$ 10,655,145	100

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

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023

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

			Year ended December 31			
			2024		2023	
Items	Notes		AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(18) and 7(2)	\$ 4,746,451	100	\$ 2,046,516	100
5000	Operating costs	6(5)	(3,571,779)	(75)	(1,586,326)	(78)
5900	Net operating margin		<u>1,174,672</u>	<u>25</u>	<u>460,190</u>	<u>22</u>
	Operating expenses	7(2)				
6100	Selling expenses		(352,139)	(8)	(161,987)	(8)
6200	General and administrative expenses		(151,005)	(3)	(150,727)	(7)
6000	Total operating expenses		(503,144)	(11)	(312,714)	(15)
6900	Operating profit		<u>671,528</u>	<u>14</u>	<u>147,476</u>	<u>7</u>
	Non-operating income and expenses					
7100	Interest income	6(19)	10,065	-	6,116	-
7010	Other income	6(20)	17,465	1	43,736	2
7020	Other gains and losses	6(21)	5,923	-	27,471	1
7050	Finance costs	6(22)	(53,295)	(1)	(11,186)	-
7070	Share of (loss) profit of associates and joint ventures accounted for using equity method, net	6(7)	(572)	-	14,401	1
7000	Total non-operating income and expenses		(20,414)	-	80,538	4
7900	Profit before income tax		651,114	14	228,014	11
7950	Income tax expense	6(25)	(46,153)	(1)	(34,902)	(2)
8200	Profit for the year		<u>\$ 604,961</u>	<u>13</u>	<u>\$ 193,112</u>	<u>9</u>
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		\$ 950	-	\$ 70	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		950	-	70	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		-	-	438	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		-	-	438	-
8300	Other comprehensive income for the year		<u>\$ 950</u>	<u>-</u>	<u>\$ 508</u>	<u>-</u>
8500	Total comprehensive income for the year		<u>\$ 605,911</u>	<u>13</u>	<u>\$ 193,620</u>	<u>9</u>
9750	Total basic earnings per share	6(26)	<u>\$ 5.08</u>		<u>\$ 2.02</u>	
	Diluted earnings per share					
9850	Diluted earnings per share	6(26)	\$ 5.06		\$ 2.02	

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

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Capital surplus			Retained earnings		Other equity interest			Total equity
		Share capital - common stock	Additional paid-in capital	Employee share options	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	
<u>Year ended December 31, 2023</u>										
Balance at January 1, 2023		\$ 1,540,163	\$ 92,566	\$ -	\$ 167,797	\$ 746	(\$ 937,571)	(\$ 438)	\$ -	\$ 863,263
Profit for the year		-	-	-	-	-	193,112	-	-	193,112
Other comprehensive income		-	-	-	-	-	-	438	70	508
Total comprehensive income		-	-	-	-	-	193,112	438	70	193,620
Appropriations and distribution of 2022 retained earnings										
Reversal of special reserve		-	-	-	-	(308)	308	-	-	-
Capital reduction to offset accumulated deficits		(600,000)	-	-	-	-	600,000	-	-	-
Capital reduction		250,000	178,750	-	-	-	-	-	-	428,750
Share-based payments-Proceeds from issuing shares		-	-	3,585	-	-	-	-	-	3,585
Balance at December 31, 2023		<u>\$ 1,190,163</u>	<u>\$ 271,316</u>	<u>\$ 3,585</u>	<u>\$ 167,797</u>	<u>\$ 438</u>	<u>(\$ 144,151)</u>	<u>\$ -</u>	<u>\$ 70</u>	<u>\$ 1,489,218</u>
<u>Year ended December 31, 2024</u>										
Balance at January 1, 2024		\$ 1,190,163	\$ 271,316	\$ 3,585	\$ 167,797	\$ 438	(\$ 144,151)	\$ -	\$ 70	\$ 1,489,218
Profit for the year		-	-	-	-	-	604,961	-	-	604,961
Other comprehensive income		-	-	-	-	-	-	-	950	950
Total comprehensive income		-	-	-	-	-	604,961	-	950	605,911
Appropriations and distribution of 2023 retained earnings										
Legal reserve used to offset accumulated deficits		-	-	-	(143,713)	-	143,713	-	-	-
Reversal of special reserve		-	-	-	-	(438)	438	-	-	-
Share-based payments-Employee share options-Subsidiaries		-	-	4,684	-	-	-	-	-	4,684
Share-based payments-Employee share options		-	-	3,507	-	-	-	-	-	3,507
Share-based payments-Proceeds from issuing shares		-	3,585	(3,585)	-	-	-	-	-	-
Balance at December 31, 2024		<u>\$ 1,190,163</u>	<u>\$ 274,901</u>	<u>\$ 8,191</u>	<u>\$ 24,084</u>	<u>\$ -</u>	<u>\$ 604,961</u>	<u>\$ -</u>	<u>\$ 1,020</u>	<u>\$ 2,103,320</u>

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

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 651,114	\$ 228,014
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense - property, plant and equipment	6(8)	15,007	8,786
Depreciation expense - right-of-use assets	6(9)	7,996	5,856
Amortization expense	6(23)	571	586
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	6(2)(21)	100	(42,670)
Interest expense	6(22)	53,295	11,186
Interest income	6(19)	(10,065)	(6,116)
Dividend income	6(20)	(7)	(1,338)
Share-based payments		4,684	3,585
Share of profit of associates for using the equity method	6(7)	572	(14,401)
Profit from lease modification	6(21)	(5,774)	-
Other income		(10,608)	40,108
Loss on disposal of investments		-	433
Litigation loss	6(21)	-	13,565
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at amortised cost		12,458	(160,546)
Notes receivable		116	950
Accounts receivable (including related parties)		(1,309,998)	(411,347)
Other receivables		428	(313)
Other receivables due from related parties		(10)	11,427
Inventories		(1,091,029)	(593,504)
Payment for capitalized interests		(131,724)	(137,480)
Other current assets		116,676	(71,369)
Other non-current assets		(3,200)	-
Changes in operating liabilities			
Current contract liabilities		(238,038)	222,033
Notes payable		(19,780)	15,778
Accounts payable (including related parties)		398,340	(77,277)
Other payables (including related parties)		(2,406)	59,270
Other current liabilities		14,160	18,349
Cash outflow generated from operations		(1,547,122)	(876,435)
Interest received		10,065	6,116
Interest paid		(48,307)	(12,975)
Income taxes paid		(65,661)	(2,451)
Income taxes refunded		2,738	-
Net cash flows used in operating activities		(1,648,287)	(885,745)

(Continued)

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
(Increase) decrease in financial assets at amortised cost		(\$ 160,075)	\$ 194,887
Acquisition of financial assets at fair value through other comprehensive income		-	(3,930)
Acquisition of financial assets at fair value through profit or loss	6(27)	-	(265,708)
Proceeds from disposal of financial assets at fair value through profit or loss	6(27)	25,423	769,759
Acquisition of property, plant and equipment	6(27)	(421,428)	(6,486)
Acquisition of investments accounted for using equity method		-	(300,000)
Proceeds from liquidation of subsidiaries		-	432
Payment for capitalized interests		(8,469)	(1,772)
Increase in refundable deposits		(13,469)	(7,082)
Decrease in refundable deposits		12,243	18,978
Acquisition of intangible assets		(1,502)	(640)
Dividends received		7	1,338
Net cash flows (used in) from investing activities		(567,270)	399,776
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(28)	3,708,147	1,892,516
Decrease in short-term borrowings	6(28)	(1,944,945)	(1,601,610)
Increase in short-term notes and bills payable	6(28)	692,000	350,000
Decrease in short-term notes and bills payable	6(28)	(350,000)	(350,000)
Proceeds from issuing bonds	6(28)	1,100,000	200,000
Repayments of bonds	6(28)	(1,000,000)	(700,000)
Repayment of principal portion of lease liabilities	6(28)	(15,635)	(10,812)
Increase in guarantee deposits received	6(28)	288,205	915,931
Decrease in guarantee deposits received	6(28)	(260,913)	(191,824)
Proceeds from issuing shares	6(14)	-	428,750
Net cash flows from financing activities		2,216,859	932,951
Net increase in cash and cash equivalents		1,302	446,982
Cash and cash equivalents at beginning of year		602,223	155,241
Cash and cash equivalents at end of year		\$ 603,525	\$ 602,223

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

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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

1. History and Organisation

Full Wang International Development Co., Ltd. (the “Company”) was incorporated on April 23, 1997. The Company is primarily engaged in construction, development, sales, lease, agency and consignment of real estate. The Company’s stocks have been approved for public issuance by the Securities and Futures Commission, Ministry of Finance (currently named the Financial Supervisory Commission (FSC)) since July 26, 1997 and was listed on the Taipei Exchange starting from February 26, 2003.

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

These financial statements were authorised for issuance by the Board of Directors on March 11, 2025.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS®”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	January 1, 2024

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

The above standards and interpretations have no significant impact to the Company’s financial

condition and financial performance based on the Company's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
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 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
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. Summary of Material Accounting Policies

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

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

- A. Except for the financial assets at fair value through profit or loss, the parent company only financial statements have been prepared under the historical cost convention.
- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of

applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The parent company only financial statements are presented in New Taiwan dollar, which is the Company's functional currency.

Foreign currency transactions and balances

- A. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- B. Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- C. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- D. All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

(4) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets:
 - (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

Except for the assets related to construction and long-term construction contracts, assets that do not meet the above criteria are classified as non-current assets.

- B. Liabilities that meet one of the following criteria are classified as current liabilities:
 - (a) Liabilities that are expected to be settled within the normal operating cycle;
 - (b) Liabilities arising mainly from trading activities;
 - (c) Liabilities that are to be settled within twelve months from the balance sheet date;

- (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

Except for the liabilities related to construction and long-term construction contracts, liabilities that do not meet the above criteria are classified as non-current liabilities.

- C. As the operating cycle for constructions and sales of buildings usually exceeds one year, the Company uses the operating cycle as its criteria for classifying current and non-current assets and liabilities related to construction contracts. For other assets and liabilities, the criterion is one year.

(5) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Company recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(6) Financial assets at fair value through other comprehensive income

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
- (a) The objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets; and
- (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:
- The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
- (a) The objective of the Company's business model is achieved by collecting contractual cash

flows.

- (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(8) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9) Impairment of financial assets

For financial assets at amortised cost, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(10) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(11) Leasing arrangements (lessor) — operating leases

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

(12) Inventories

Inventories related to the construction industry include land held for sale, buildings held for sale, construction in progress and construction materials, etc., which are recorded at cost. Borrowing costs incurred during the construction period are capitalised. The cost is accumulated based on constructions and is determined based on floor space of a building. Also, inventories are assessed based on the lower of cost and net realizable value at the balance sheet date. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The Company adopted specific identification

method to attribute costs to each construction project when comparing costs and net realizable value of inventories. The amount that the Company wrote down from cost to net realizable value was accounted for as cost of goods sold.

(13) Subsidiaries accounted for using equity method

- A. Subsidiaries are all entities (including structured 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.
- B. Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Company are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- C. The Company's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise losses proportionate to its ownership.
- D. Pursuant to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, profit (loss) of the current period and other comprehensive income in the non-consolidated financial statements shall be equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the non-consolidated financial statements shall be equal to equity attributable to owners of the parent in the consolidated financial statements.

(14) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised 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 derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. 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. The estimated useful lives of property, plant and equipment are as follows:

Leasehold improvements	1 ~ 2 year(s)
Other equipment	2 ~ 5 year(s)

(15) Leasing arrangements (lessee) — right-of-use assets/ lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following:

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

The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset measured at cost shall comprise the amount of the initial measurement of lease liability.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss.

(16) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 years.

(17) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years 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 amortised historical cost would have been if the impairment had not been recognised.

(18) Borrowings

Borrowings comprise long-term and short-term bank borrowings and other short-term loans. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(19) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(20) Bonds payable

Ordinary corporate bonds issued by the Company are initially recognised at fair value less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortised to profit or loss over the period of bond circulation using the effective interest method as an adjustment to 'finance costs'.

(21) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(22) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

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

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Company calculates the number of shares based

on the closing price at the previous day of the board meeting resolution.

(23) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(24) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is 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. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for 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 accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries, 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 tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

(25) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(26) Dividends

Cash dividends distributed to shareholders are recorded as liability in the financial statements when the Company's Board of Directors resolved to distribute dividends. Stock dividends distributed to shareholders are recorded as stock dividend to be distributed in the financial statements when the shareholders resolved to distribute dividends and transferred to ordinary shares at the effective date of new shares.

(27) Revenue recognition

A. Sales of real estate

- (a) The Company is primarily engaged in building real estate through entrusting a construction company and sales of real estate. The revenue from sales of real estate is recognised when the control over the real estate is transferred to customers. The properties have generally no alternative use for the Company due to contractual restrictions. However, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer.
- (b) Certain sales contract of pre-sale houses contains provision for advance sales receipts, wherein the period between advance collection and the transfer of control of goods is longer than one year. The Company assessed that there is no significant financial component in the individual contract, therefore the Company does not adjust the transaction price to reflect the time value of money.

B. Service revenue

Service revenue is derived from providing services based on commissioned sales contracts. Revenue is recognised when the provision of services is completed, and customer pays contract consideration when the provision of service is completed.

C. Incremental costs of obtaining a contract

The Company recognises an asset (shown as 'other current assets') the incremental costs (mainly comprised of sales commissions) of obtaining a contract with a customer if the Company expects to recover those costs. The recognised asset is amortised on a systematic basis that is consistent with the transfers to the customer of the goods or services to which the asset relates. The Company recognises an impairment loss to the extent that the carrying amount of the asset exceeds the remaining amount of consideration that the Company expects to receive less the costs that have not been recognised as expenses.

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

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. There are no critical accounting judgements, estimates and assumption uncertainty.

(1) Critical judgements in applying the Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Company must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Inventory valuation is primarily estimated based on the market price which may have significant changes due to the government's housing policy and the recent state of the economy on real estate.

As of December 31, 2024, the carrying amount of inventories was \$8,564,697 thousand.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash on hand and petty cash	\$ 933	\$ 879
Checking accounts	2,252	9,995
Demand deposits	596,683	587,961
Foreign currency deposits	3,657	3,388
	<u>\$ 603,525</u>	<u>\$ 602,223</u>

- A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. For the years ended December 31, 2024 and 2023, the Company's performance guarantee escrow account pertained to trust deposit of pre-sales new construction and certain demand deposits and time deposits that serve as guarantee for corporate bonds, short-term notes bills payable and short-term borrowings issued by the Company amounting to \$576,643 thousand and \$946,876 thousand, respectively, which is listed as financial assets at amortised cost-current. Please refer to Notes 6(3) and 8 for details.
- C. For the years ended December 31, 2024 and 2023, certain demand deposits and time deposits were pledged to others as collateral for the Company's issuance of corporate bonds amounting to \$620,505 thousand and \$102,655 thousand, respectively, which were listed as financial assets at amortised cost-non-current. Please refer to Notes 6(3) and 8 for details.

(2) Financial assets at fair value through profit or loss

Items	December 31, 2024	December 31, 2023
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Equity securities	\$ -	\$ 25,274
Valuation adjustment	-	249
	<u>\$ -</u>	<u>\$ 25,523</u>

Non-current items:

Financial assets mandatorily measured at fair value through profit or loss

Equity securities	<u>\$ 10</u>	<u>\$ 10</u>
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A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	Years ended December 31,	
	2024	2023
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	(\$ 100)	\$ 42,670
Dividend income recognised in profit or loss	1	1,338
	<u>(\$ 99)</u>	<u>\$ 44,008</u>

B. Details of the Company's financial assets at fair value through profit or loss pledged to others as collateral are provided in Note 8.

C. The fair value information and price risk pertaining to the financial assets at fair value through profit or loss are provided in Notes 12(2) and (3).

(3) Financial assets at amortised cost

Items	December 31, 2024	December 31, 2023
Current items:		
Performance guarantee escrow account	\$ 251,007	\$ 263,465
Restricted demand deposits	325,636	680,111
Restricted time deposits	-	3,300
	<u>\$ 576,643</u>	<u>\$ 946,876</u>
Non-current items:		
Restricted demand deposits	\$ 607,605	\$ 102,655
Restricted time deposits	12,900	-
	<u>\$ 620,505</u>	<u>\$ 102,655</u>

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Years ended December 31,	
	2024	2023
Interest income	\$ 5,210	\$ 4,573
B. As at December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Company was its carrying amount.		
C. Details of the Company's financial assets at amortised cost pledged to others as collateral are provided in Note 8.		
D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Company's investments in certificates of deposit are financial institutions with high credit quality, so the Company expects that the probability of counterparty default is remote.		

(4) Accounts and notes receivable

	December 31, 2024	December 31, 2023
Notes receivable	\$ -	\$ 116
Accounts receivable	1,765,870	455,872
Less: Allowance for uncollectible accounts	(699)	(699)
	\$ 1,765,171	\$ 455,173

A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	December 31, 2024		December 31, 2023	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	\$ 1,765,870	\$ -	\$ 455,872	\$ 116

The above ageing analysis was based on past due date.

- B. As of December 31, 2024 and 2023, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2023, the balance of receivables from contracts with customers amounted to \$44,892 thousand.
- C. As at December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's accounts receivable was its carrying amount.
- D. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(5) Inventories

December 31, 2024			
	Cost	Allowance for valuation loss	Book value
Buildings and land held for sale	\$ 130,184	\$ -	\$ 130,184
Construction in progress	7,935,955	-	7,935,955
Prepayment for land	498,558	-	498,558
	<u>\$ 8,564,697</u>	<u>\$ -</u>	<u>\$ 8,564,697</u>

December 31, 2023			
	Cost	Allowance for valuation loss	Book value
Buildings and land held for sale	\$ 237,463	\$ -	\$ 237,463
Construction in progress	7,031,191	-	7,031,191
Prepayment for land	73,290	-	73,290
	<u>\$ 7,341,944</u>	<u>\$ -</u>	<u>\$ 7,341,944</u>

A. The detail of inventories are listed below:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Buildings and land held for sale</u>		
The Infinity	\$ 38,083	\$ 38,083
New Style	9,436	11,268
F House	44,194	44,195
XIN HAI CHENG(formerly Luliao section, Shalu District)	3,683	24,931
The melody of home(formerly Wenhui section, Miaoli County)	-	108,242
Wei Mei Chu(formerly Lantian W. section, Nanzi Dist., Kaohsiung City)	12,499	-
The Peerless Age	11,545	-
Others	<u>10,744</u>	<u>10,744</u>
	<u>130,184</u>	<u>237,463</u>

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Construction in progress</u>		
My Style(formerly named sunshine town)	\$ 1,241,199	\$ 1,635,352
Wei Mei Chu(formerly Lantian W. section, Nanzi Dist., Kaohsiung City)	-	1,459,374
Yuan Zhong section, Nanzi Dist., Kaohsiung City	-	499,686
Skyline W one(formerly Shangshi section)	1,745,685	1,358,125
ELEGANT VILLAGE(formerly Qiaozhen section, Yunlin County 2)	440,439	282,853
Forest Mansion(formely Mayuantou section, West Dist.)	767,841	754,879
Yunlinxi section, Douliu city	431,108	389,565
L'ÉLÉGANCE	1,275,416	651,313
Depths of Green-townhouse(formerly Kouzhuang section, Houli Dist.)	337,064	44
Depths of Green-building(formerly Kouzhuang section, Houli Dist.)	340,660	-
The W CLUB (formely Changhua Hemei Jiazhao section)	368,079	-
Luliao Section, Shalu District2	371,998	-
Guangrong Section, Xinzhuang	538,531	-
Guanghua Section, Caotun Township	69,125	-
Yanhe Section, Changhua	8,810	-
	<u>7,935,955</u>	<u>7,031,191</u>
<u>Prepayment for land</u>		
Kouzhuang Section, Houli Dist.	-	66,490
Guanghua Section, Caotun Township	-	6,800
Luzhunan Section, Wuri District	253,838	-
Yanhe Section, Changhua	17,836	-
He'an Section, Xitun District	102,833	-
Tongrong Section, Beitun District	124,051	-
	<u>498,558</u>	<u>73,290</u>
	<u>\$ 8,564,697</u>	<u>\$ 7,341,944</u>

B. The cost of inventories recognised as expense for the year:

	<u>Years ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Cost of goods sold	\$ 3,567,650	\$ 1,582,734
Cost of services	4,129	3,592
	<u>\$ 3,571,779</u>	<u>\$ 1,586,326</u>

C. Information on capitalisation of interest is as follows:

	Years ended December 31,	
	2024	2023
Interest capitalised	\$ 131,724	\$ 137,480
Interest capitalised ratio (%)	2.34%~3.66%	0.96%~3.42%

D. Information about the inventory that were pledged to others as collaterals is provided in Note 8.

E. On June 19, 2021, the Company purchased land located in Yunlinxi Section, Douliu City, Yunlin County from Mr. LIN,FU-YONG, Mrs. LIN,LAN-GUI, Mr. LIN,HONG-JUN and Jiou Yi Investment Co., LTD (the “buyer”) for a total consideration of \$361,192 thousand. The Company had paid \$361,192 thousand for the land (shown as inventories). However, the land had performance disputes. In addition, the Company claimed for punitive-damage of \$361,192 thousand and damage compensation of \$1,556 thousand and its interest against the buyer. During the litigation, the seller filed a counter-claim in the same litigation, requesting the Company to allow the seller to receive the land sale proceeds amounting to \$361,192 thousand in the trust property account, and pay the punitive damages amounting to \$361,192 thousand to the seller. On May 23, 2024, the District Court persuaded both parties to conduct a mediation. On October 11, 2024, the Company reached a settlement with the seller, and the Company agreed to adjust the total consideration of land to \$401,192 thousand. The incremental price was \$40,000 thousand, and the real estate agreement is continually performed. The payment had been settled on November 15, 2024.

(6) Other current assets

	December 31, 2024	December 31, 2023
Assets recognised as incremental costs to obtain contracts with customers	\$ 242,086	\$ 415,429
Excess business tax paid	135,750	85,342
Prepaid expenses	30,720	19,781
Payment on behalf of others	5,664	8,377
Others	7,390	9,357
	<u>\$ 421,610</u>	<u>\$ 538,286</u>

(7) Investments accounted for using equity method

	December 31, 2024	December 31, 2023
<u>Investments accounted for using equity method</u>		
Baoxin Construction Co., Ltd.	\$ 339,346	\$ 333,374
Full Xin Global Real Estate Co., Ltd.	6,578	6,818
Full Wang Real Estate Co., Ltd.	4,975	4,980
BIFINITY BIOTECHNOLOGY CO., LTD.	11,568	14,362
	<u>\$ 362,467</u>	<u>\$ 359,534</u>
<u>Credit balance of investments accounted for using equity method (shown as other non-current liabilities)</u>		
Full Wang Property Agency Co., Ltd	\$ 3,392	\$ 3,392
Sindar Technologies, Inc.	323	323
	<u>\$ 3,715</u>	<u>\$ 3,715</u>

- A. Details of the Company's subsidiaries are provided in Note 4(3) of the Company's consolidated financial statements as of and for the year ended December 31, 2024.
- B. For the years ended December 31, 2024 and 2023, above subsidiaries accounted for using equity method were accounted based on each investee's audited financial statements for the corresponding period. Details of investments income (loss) and share of other comprehensive income are as follows:

	<u>Years ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
<u>Share of profit (loss) of subsidiaries accounted for using equity method</u>		
Baoxin Construction Co., Ltd.	\$ 2,464	\$ 12,462
Full Xin Global Real Estate Co., Ltd.	(238)	(210)
Full Wang Real Estate Co., Ltd.	(5)	24
BIFINITY BIOTECHNOLOGY CO., LTD.	(2,794)	2,086
Full Wang Property Agency Co., Ltd	1	-
Fuwong International Development Co., Ltd	-	39
	<u>(\$ 572)</u>	<u>\$ 14,401</u>
<u>Share of other comprehensive income of subsidiaries accounted for using equity method</u>		
Fuwong International Development Co., Ltd	<u>\$ -</u>	<u>\$ 438</u>

- C. The Board of Directors of Baoxin Construction Co., Ltd. during their meeting on November 27, 2023 adopted a resolution to increase the Company's capital in the amount of \$300,000 thousand by issuing 30,000 thousand new shares with the effective date set on November 30, 2023, and the registration was completed on December 13, 2023.
- D. The Board of Directors of the Company during their meeting on April 20, 2018 resolved to

liquidate Fuwong International Development Co., Ltd., and the liquidation was completed in May 16, 2023.

(8) Property, plant and equipment

	<u>January 1, 2024</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfer</u>	<u>December 31, 2024</u>
Cost					
Leasehold improvements	\$ 10,229	\$ 49,093	(\$ 8,216)	\$ 514	\$ 51,620
Other equipment	45,970	2,294	(988)	-	47,276
Unfinished construction	17,956	387,523	-	(514)	404,965
	<u>\$ 74,155</u>	<u>\$438,910</u>	<u>(\$ 9,204)</u>	<u>\$ -</u>	<u>\$ 503,861</u>
Accumulated Depreciation					
Leasehold improvements	(\$ 10,193)	(\$ 6,595)	\$ 8,216	\$ -	(\$ 8,572)
Other equipment	(24,718)	(8,412)	988	-	(32,142)
	<u>(\$ 34,911)</u>	<u>(\$ 15,007)</u>	<u>\$ 9,204</u>	<u>\$ -</u>	<u>(\$ 40,714)</u>
	<u>\$ 39,244</u>				<u>\$ 463,147</u>
	<u>January 1, 2023</u>	<u>Additions</u>	<u>Disposals</u>		<u>December 31, 2023</u>
Cost					
Leasehold improvements	\$ 10,229	\$ -	\$ -	\$ -	\$ 10,229
Other equipment	44,899	1,071	-	-	45,970
Unfinished construction	4,083	13,873	-	-	17,956
	<u>\$ 59,211</u>	<u>\$ 14,944</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,155</u>
Accumulated Depreciation					
Leasehold improvements	(\$ 8,444)	(\$ 1,749)	\$ -	\$ -	(\$ 10,193)
Other equipment	(17,681)	(7,037)	-	-	(24,718)
	<u>(\$ 26,125)</u>	<u>(\$ 8,786)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 34,911)</u>
	<u>\$ 33,086</u>				<u>\$ 39,244</u>

A. Information on capitalisation of interest is as follows:

	<u>Years ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Interest capitalised	\$ 6,273	\$ 104
Interest capitalised ratio (%)	2.34%~3.66%	0.96%~3.42%

B. Amount and rate of capitalized interest for property, plant and equipment and relating to lease agreements:

	<u>Years ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Depreciation capitalised	\$ 9,225	\$ 6,474
Interest capitalised	\$ 2,196	\$ 1,668

(9) Lease arrangements — lessee

A. The Company leases various assets including land and buildings. Rental contracts are typically made for periods of 20 and 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants,

but leased assets may not be used as security for borrowing purposes.

B. Short-term leases with a lease term of 12 months or less comprise of advertising signboard and reception centre.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2024	December 31, 2023
	Book value	Book value
Land	\$ 167,006	\$ 158,166
Buildings	3,222	3,666
	<u>\$ 170,228</u>	<u>\$ 161,832</u>
	Years ended December 31,	
	2024	2023
	Depreciation charge	Depreciation charge
Land	\$ 14,153	\$ 10,138
Buildings	3,068	2,192
Less: Capitalisation of qualifying assets	(9,225)	(6,474)
	<u>\$ 7,996</u>	<u>\$ 5,856</u>

D. The Company built a shopping mall on the leased land. Expenses incurred in the lease contract pertained to the necessary expenses for the shopping mall to reach the expected usable state. Details of the capitalisation of related expenses to unfinished construction are provided in Note 6(8).

E. The information on profit and loss accounts relating to lease contracts is as follows:

	Years ended December 31,	
	2024	2023
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 342	\$ 759
Expense on short-term lease contracts	8,980	3,619
Gains arising from lease modifications	5,774	-

F. For the years ended December 31, 2024 and 2023, the additions to right-of-use assets were \$20,877 and \$10,526 thousand, respectively.

G. On June 9, 2021, the Company signed a land lease agreement for leasing land No.38 and No.39, Xingaojie Section, in Taichung Railway Station area of high-speed rail amounting to \$182,784 thousand. The Company intends to operate a large shopping mall on the aforementioned land, which is still in the construction stage as of December 31, 2024.

H. For the years ended December 31, 2024 and 2023, the Company's total cash outflow for leases were \$27,153 thousand and \$16,858 thousand, respectively.

I. For the year ended December 31, 2024, as the announced land value was updated and the contract was early terminated, the right-of-use assets increased by \$4,740 thousand and lease liabilities decreased by \$1,034 thousand, respectively. In addition, the Company recognised gains arising

from lease modifications amounting to \$5,774 thousand.

J. Variable lease payments

(a) Some of the Company's lease contracts contain variable lease payment terms that are linked to the declaration of the land value. For the aforementioned leases, rents are calculated based on multiplying the land price announced by the Department of Land Administration by specific ratio.

(b) A 1% increase in the announced land values with such variable lease contracts would increase total lease payments by approximately \$104 thousand and \$101 thousand for the years ended December 31, 2024 and 2023, respectively.

(10) Short-term borrowings

Type of borrowings	December 31, 2024	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	\$ 6,064,076	2.63%~3.53%	Inventories
Unsecured borrowings	513,204	2.88%~4.68%	None
	<u>\$ 6,577,280</u>		
Type of borrowings	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	\$ 4,607,078	2.25%~3.30%	Inventories and financial assets at fair value through profit or loss
Unsecured borrowings	207,000	2.75%~4.55%	None
	<u>\$ 4,814,078</u>		

A. Interest expense recognised in profit or loss amounted to \$22,156 thousand and \$0 for the years ended December 31, 2024 and 2023, respectively.

B. The above borrowings were intended for construction and fulfilling working capital uses. The borrowings period is from 2014 to 2029.

(11) Short-term notes and bills payable

	December 31, 2024	December 31, 2023
Commercial papers payable	\$ 692,000	\$ 350,000
Less: Discount on commercial papers payable	(7,152)	(1,841)
	<u>\$ 684,848</u>	<u>\$ 348,159</u>
Coupon rate	<u>1.66%~2.00%</u>	<u>1.75%</u>

The above commercial papers payable was issued and guaranteed by Shanghai Commercial and Savings Bank and China Bills Finance Corporation.

(12) Other payables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Salary and bonus payable	\$ 41,325	\$ 24,291
Interest payable	23,218	11,745
Accrued commission	13,598	12,466
Payable on repairs and maintenance	9,987	15,700
Advertisement expense payable	4,143	845
Payable on machinery and equipment	-	212
Others	12,894	30,240
	<u>\$ 105,165</u>	<u>\$ 95,499</u>

(13) Bonds payable

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Bonds payable	\$ 1,300,000	\$ 1,200,000
Less: Discount on bonds payable	(1,667)	(493)
	1,298,333	1,199,507
Less: Current portion or exercise of put options	-	(999,905)
	<u>\$ 1,298,333</u>	<u>\$ 199,602</u>

The domestic secured ordinary corporate bonds issued by the Company are as follows:

A. The terms of the 2019 first secured ordinary corporate bonds issued by the Company are as follows:

The competent authority has approved the 2019 first secured ordinary corporate bonds issued by the Company. The bonds have a total issuance amount of \$400 million and a coupon rate of 0.95%, covering a 5-year period of issuance and a circulation period from March 7, 2019 to March 7, 2024. The Company will redeem the secured bonds at the face value and pay in full amount using cash at the maturity date. The secured ordinary corporate bonds were listed on the Taipei Exchange on March 7, 2019. The secured corporate bonds were fully settled by cash on March 7, 2024.

B. The terms of the 2019 second secured ordinary corporate bonds issued by the Company are as follows:

The competent authority has approved the 2019 second secured ordinary corporate bonds issued by the Company. The bonds have a total issuance amount of \$300 million and a coupon rate of 0.88%, covering a 5-year period of issuance and a circulation period from May 9, 2019 to May 9, 2024. The Company will redeem the secured bonds at the face value and pay in full amount using cash at the maturity date. The secured ordinary corporate bonds were listed on the Taipei Exchange on May 9, 2024.

C. The terms of the 2019 third secured ordinary corporate bonds issued by the Company are as follows:

The competent authority has approved the 2019 third secured ordinary corporate bonds issued

by the Company. The bonds have a total issuance amount of \$300 million and a coupon rate of 1.05%, covering a 5-year period of issuance and a circulation period from July 11, 2019 to July 11, 2024. The Company will redeem the secured bonds at the face value and pay in full amount using cash at the maturity date. The secured ordinary corporate bonds were listed on the Taipei Exchange on July 11, 2024.

- D. The terms of the 2023 first secured ordinary corporate bonds issued by the Company are as follows:

The competent authority has approved the 2023 first secured ordinary corporate bonds issued by the Company. The bonds have a total issuance amount of \$200 million and a coupon rate of 1.77%, covering a 3-year period of issuance and a circulation period from December 19, 2023 to December 19, 2026. The Company will redeem the secured bonds at the face value and pay in full amount using cash at the maturity date. The secured ordinary corporate bonds were listed on the Taipei Exchange on December 19, 2023.

- E. The terms of the 2024 first secured ordinary corporate bonds issued by the Company are as follows:

The competent authority has approved the 2024 first secured ordinary corporate bonds issued by the Company. The bonds have a total issuance amount of \$300 million and a coupon rate of 1.77%, covering a 3-year period of issuance and a circulation period from January 12, 2024 to January 12, 2027. The Company will redeem the secured bonds at the face value and pay in full amount using cash at the maturity date. The secured ordinary corporate bonds were listed on the Taipei Exchange on January 12, 2024.

- F. The terms of the 2024 second secured ordinary corporate bonds issued by the Company are as follows:

The competent authority has approved the 2024 second secured ordinary corporate bonds issued by the Company. The bonds have a total issuance amount of \$200 million and a coupon rate of 1.69%, covering a 3-year period of issuance and a circulation period from May 7, 2024 to May 7, 2027. The Company will redeem the secured bonds at the face value and pay in full amount using cash at the maturity date. The secured ordinary corporate bonds were listed on the Taipei Exchange on May 7, 2024.

- G. The terms of the 2024 third secured ordinary corporate bonds issued by the Company are as follows:

The competent authority has approved the 2024 third secured ordinary corporate bonds issued by the Company. The bonds have a total issuance amount of \$600 million and a coupon rate of 2.15%, covering a 5-year period of issuance and a circulation period from July 11, 2024 to July 11, 2029. The Company will redeem the secured bonds at the face value and pay in full amount using cash at the maturity date. The secured ordinary corporate bonds were listed on the Taipei Exchange on July 11, 2024.

(14) Pensions

- A. Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- B. The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2024 and 2023, were \$2,202 thousand and \$1,898 thousand, respectively.

(15) Share-based payment

- A. For the years ended December 31, 2024 and 2023, the Group’s share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
The 2024 first issuance of employee stock options	2024.07.23	5,000	3 years	2.75 years' service
Cash capital increase reserved for employee preemption	2023.11.13	771	NA	Vested immediately

- B. Details of the share-based payment arrangements are as follows:

The 2024 first issuance of employee stock options

	2024	
	No. of options (share in thousands)	Weighted-average exercise price (in dollars)
Options outstanding at January 1	-	\$ -
Options granted	5,000	-
Options forfeited	(191)	-
Options outstanding at December 31	4,809	
Options exercisable at December 31	-	

- C. On May 10, 2024, the Company’s Board of Directors resolved the employee incentive plan. Accordingly, the Company issued 5,000 units employee stock options and granted it to employees of the Company and the Company’s subsidiaries. As of December 31, 2024, the number of employee stock options granted to each company is as follows:

	No. of options
This Company	2,772
Subsidiary-Baoxin Construction Co., Ltd.	2,037
	4,809

D. The expiry date and exercise price of stock options outstanding at balance sheet date are as follows:

Actual release date	Due date	December 31, 2024	
		No. of options (share in thousands)	Exercise price (in dollars)
2024.07.23	2027.04.23	4,809	\$ 47.15

E. The fair value of other equity interest information related to fair value is as follows:

Type of arrangement	Grant date	Stock price	Exercise price	Expected price volatility (Note 1)	Expected option life	Risk-free interest rate	Fair value per unit	Footnote
Employee stock options	2024.07.23	\$ 47.15	\$47.15	32.87%	3 years	1.4178%	\$ 11.1108	(Note 2)
Cash capital increase reserved for employee preemption	2023.11.13	21.80	17.15	NA	NA	NA	4.6500	

Note 1 : Expected price volatility rate was estimated using the stock prices of the most recent period with length of this period approximate to the length of the stock options' expected life, and the standard deviation of return on the stock during this period.

Note 2 : The fair values of stock options and other equity granted on grant date is measured using the Black-Scholes option-pricing model.

F. Expenses incurred on share-based payment transactions are shown below:

	Year ended December 31, 2024	Year ended December 31, 2023
Equity-settled	\$ 4,684	\$ 3,585

(16) Share capital

A. As of December 31, 2024, the Company's authorized capital was \$2 billion, and the paid-in capital was \$1,190,163 thousand with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Certain authorized capital was reserved for issuing stock option certificates, bonds with warrant and preference shares with warrant amounting to 20 million shares which can be issued several times as approved by the Board of Directors.

Movements in the number of the Company's ordinary shares outstanding are as follows: (unit: share in thousands)

	2024	2023
At January 1	\$ 119,016	\$ 154,016
Less:Capital reduction to offset accumulated	- (60,000)
Add:Cash capital increase	-	25,000
At December 31	\$ 119,016	\$ 119,016

B. To improve the Company's financial structure, on April 10, 2023, the shareholders resolved to

reduce its capital by retiring accumulated losses amounting to \$600,000 thousand. The Company retired 60,000 thousand shares of issued common shares with a par value of NT\$10 (in dollars) per share. The ratio of the capital reduction was 38.956922%. The capital reduction was approved by the competent authority on May 12, 2023 and the registration was completed on June 6, 2023.

- C. The Board of Directors of the Company during their meeting on May 17, 2023 adopted a resolution to increase the Company's capital by issuing 25,000 thousand ordinary shares with a par value of \$10 (in dollars) per share. The capital increase was approved by the competent authority on October 27, 2023 and the effective date was set on December 6, 2023. The registration was completed on December 20, 2023.

(17) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(18) Accumulated deficit

- A. According to the earnings distribution policy specified in the Company's Articles of Incorporation, the Company's earnings or deficits shall be distributed or offset at the end of every quarter. The Board of Directors is authorised to distribute cash dividends and bonus by a special resolution. Dividends distributed by cash should meet the regulation on capital surplus or legal reserve stipulated in the Company Act which shall be reported to the latest shareholders' meeting.
- B. The Company's dividend policy is summarised below: the Company adopts a balanced dividend policy taking into consideration long-term finance plan and maximum interests for shareholders. The Company considers the future capital expenditure budget and capital needs to appropriate dividends and bonus no lower than 10% of distributable earnings to shareholders. Shareholders' dividends and bonus can be distributed in the form of cash or shares, of which cash dividends shall not be lower than 10% of total dividends.
- C. Legal reserve shall be appropriated until it equals the total capital stock balance. Legal reserve can be used to offset deficits. However, if the Company has no deficit, the amount that the legal reserve exceeds 25% of total paid-in capital can be transferred to share capital or distributed as cash dividends.
- D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

- E. The appropriations of earnings of 2023 and 2022 as resolved by the shareholders at their meetings on May 30, 2024 and April 10, 2023, respectively, are as follows:

	Years ended December 31,	
	2023	2022
Legal reserve	(\$ 143,713)	\$ -
Special reserve	(438)	(308)
	(\$ 144,151)	(\$ 308)

The above proposal for deficit compensation and appropriation of earnings were the same as that proposed by the Board of Directors on March 12, 2024 and February 23, 2023, respectively.

- D. The appropriations of earnings of 2024 as resolved by the Directors at their meetings on March 11, 2025, are as follows:

	Year ended December 31, 2024	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 60,496	
Special reserve	83,311	\$ 0.70
Cash dividends	59,508	0.50
	<u>\$ 203,315</u>	

Apart from the cash dividends which have been resolved at the meeting of Board of Directors on March 11, 2025, the remaining items in the above appropriation of earnings are yet to be resolved by the shareholders.

- G. For the information relating to employees' compensation and directors' and supervisors' remuneration, please refer to Note 6(25).

(19) Operating revenue

	Years ended December 31,	
	2024	2023
Revenue from contracts customers	\$ 4,744,384	\$ 2,043,553
Others-rental revenue	2,067	2,963
	<u>\$ 4,746,451</u>	<u>\$ 2,046,516</u>

- A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods and services at a point in time, and revenue all arises from Taiwan. Details of revenue are as follows:

<u>Year ended December 31, 2024</u>	<u>Building and land sales</u>	<u>Service revenue</u>	<u>Total</u>
Total segment revenue	<u>\$ 4,739,455</u>	<u>\$ 4,929</u>	<u>\$ 4,744,384</u>
Timing of revenue recognition			
At a point in time	<u>\$ 4,739,455</u>	<u>\$ 4,929</u>	<u>\$ 4,744,384</u>

<u>Year ended December 31, 2023</u>	<u>Building and land sales</u>	<u>Service revenue</u>	<u>Total</u>
Total segment revenue	\$ 2,037,745	\$ 5,808	\$ 2,043,553
Timing of revenue recognition			
At a point in time	\$ 2,037,745	\$ 5,808	\$ 2,043,553

- B. As of December 31, 2024 and 2023, the allocation of transaction prices and expected year of revenue recognition for the building and land sales contract that the Company entered into but not yet fulfilled performance obligation are summarised as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Contracts signed	\$ 7,495,710	\$ 8,450,738
Expected year of revenue recognition	2025~2029	2024~2029

C. Contract liabilities

The Company has recognised the following revenue-related contract liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>January 1, 2023</u>
Contract liabilities	\$ 1,118,143	\$ 1,356,181	\$ 1,134,148

Revenue recognised that was included in the contract liability balance at the beginning of the period

	<u>Years ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Revenue recognised that was included in the contract liability balance at the beginning of the period	\$ 819,061	\$ 311,062

(20) Interest income

	<u>Years ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Interest income from bank deposits	\$ 4,604	\$ 1,358
Interest income from financial assets measured at amortised cost	5,210	4,573
Other interest income	251	185
	<u>\$ 10,065</u>	<u>\$ 6,116</u>

(21) Other income

	<u>Years ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Dividend income	\$ 7	\$ 1,338
Other income, others (Notes 1 and 2)	17,458	42,398
	<u>\$ 17,465</u>	<u>\$ 43,736</u>

Note 1: For the year ended December 31, 2024, ‘other income – others’ pertained to reversing previous years’ estimated losses due to the affirmed verdict, and reclassifying payables as other income due to an overdue civil claim.

Note 2: ‘Other income, others’ for the year ended December 31, 2023 was mainly arising from the reversal of the estimated losses in prior years.

(22) Other gains and losses

	Years ended December 31,	
	2024	2023
Foreign exchange gains	\$ 249	\$ 109
Losses on disposals of investments	-	(433)
Gains arising from lease modifications	5,774	-
Gain (losses) on financial assets at fair value through loss	(100)	42,670
Litigation loss	-	(13,565)
Other losses	-	(1,310)
	<u>\$ 5,923</u>	<u>\$ 27,471</u>

(23) Finance costs

	Years ended December 31,	
	2024	2023
Interest expense		
Bank borrowings	\$ 162,349	\$ 128,614
Bonds payable	21,294	13,867
Short-term notes and bills payable	7,307	5,530
Lease liability	2,538	2,427
Less: Capitalisation of qualifying assets	(140,193)	(139,252)
	<u>\$ 53,295</u>	<u>\$ 11,186</u>

(24) Expenses by nature

	Years ended December 31,	
	2024	2023
Employee benefit expense	\$ 79,327	\$ 70,561
Depreciation-properties	15,007	8,786
Depreciation-right-of-use assets	7,996	5,856
Amortisation charge	571	586
	<u>\$ 102,901</u>	<u>\$ 85,789</u>

(25) Employee benefit expense

	Years ended December 31,	
	2024	2023
Wages and salaries	\$ 61,958	\$ 56,447
Share-based payments	4,684	3,585
Labour and health insurance fees	4,156	3,764
Pension costs	2,202	1,898
Directors' remuneration	2,362	1,938
Other personnel expenses	3,965	2,929
	<u>\$ 79,327</u>	<u>\$ 70,561</u>

- A. In accordance with to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall not be lower than 3% for employees' compensation and shall not be higher than 3% for directors' and supervisors' remuneration.
- B. The employees' compensation and directors' remuneration of the Company are estimated as follows:

	Years ended December 31,	
	2024	2023
Employees' compensation	\$ 21,007	\$ -
Directors' compensation	518	-
	<u>\$ 21,525</u>	<u>\$ -</u>

The aforementioned amounts were recognised in salary expenses, and were accrued based on profit of the current year. For the year ended December 31, 2024, employees' compensation and directors' remuneration were accrued at 3.12% and 0.08%, respectively. No employees' compensation and directors' remuneration were accrued for the year ended December 31, 2023.

- C. Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(26) Income tax

A. Income tax expense

Components of income tax expense:

	Years ended December 31,	
	2024	2023
Current tax:		
Current tax on profits for the year	\$ 37,078	\$ 37,430
Incremental tax on land value	15,625	423
Prior year income tax (over)underestimation	(4,333)	1,456
Total current tax	<u>48,370</u>	<u>39,309</u>
Deferred tax:		
Origination and reversal of temporary differences	(2,217)	(4,407)
Total deferred tax	(2,217)	(4,407)
Income tax expense	<u>\$ 46,153</u>	<u>\$ 34,902</u>

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
	2024	2023
Tax calculated based on profit (loss) before tax and statutory tax rate	\$ 130,223	\$ 45,603
Expenses disallowed by tax regulation	414	(7,474)
Tax exempt income by tax regulation	(95,875)	(6,104)
Change in assessment of realisation of taxable loss	99	(737)
Prior year income tax (over)underestimation	(4,333)	1,456
Separate taxation (Note)	-	3,029
Incremental tax on land value	<u>15,625</u>	<u>423</u>
Income tax expense	<u>\$ 46,153</u>	<u>\$ 34,902</u>

Note: It pertained to tax payable on transaction income in compliance with the Article 4-4 of the Income Tax Act.

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax losses are as follows:

2024			
	January 1	Recognised in profit or loss	December 31
Deferred tax assets:			
Temporary differences:			
Loss on investments			
accounted for using equity method	\$ 4,563	\$ -	\$ 4,563
Accrued litigation loss	2,788	(1,828)	960
Unrealized expenses	19,639	6,919	26,558
Deferred interest expense			
which the land purchased after 2016	1,623	1,000	2,623
Allowance for bad debts	437	(46)	391
Unrealized gross profit from sales	3,704	(3,828)	(124)
Total	<u>\$ 32,754</u>	<u>\$ 2,217</u>	<u>\$ 34,971</u>

2023			
	January 1	Recognised in profit or loss	December 31
Deferred tax assets:			
Temporary differences:			
Loss on investments			
accounted for using equity method	\$ 5,052	(\$ 489)	\$ 4,563
Accrued litigation loss	1,055	1,733	2,788
Unrealized expenses	19,562	77	19,639
Deferred interest expense			
which the land purchased after 2016	2,004	(381)	1,623
Allowance for bad debts	391	46	437
Unrealized gross profit from sales	283	3,421	3,704
Total	<u>\$ 28,347</u>	<u>\$ 4,407</u>	<u>\$ 32,754</u>

D. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.

(27) Earnings per share

Year ended December 31, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	<u>\$ 604,961</u>	<u>119,016</u>	<u>\$ 5.08</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 604,961	119,016	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>487</u>	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 604,961</u>	<u>119,503</u>	<u>\$ 5.06</u>
Year ended December 31, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	<u>\$ 193,112</u>	<u>95,797</u>	<u>\$ 2.02</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 193,112	95,797	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>-</u>	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 193,112</u>	<u>95,797</u>	<u>\$ 2.02</u>

The Company's issuance of employee stock options was not included in the calculation of diluted

earnings per share as it will have an anti-dilutive effect for the year ended December 31, 2024.

(28) Supplemental cash flow information

A. Purchase of property, plant and equipment

	Years ended December 31,	
	2024	2023
Purchase of property, plant and equipment	\$ 438,910	\$ 14,944
Add: Beginning balance of payable on equipment	212	-
Less: Ending balance of payable on equipment	-	(212)
Less: Depreciation capitalised	(9,225)	(6,474)
Less: Payment for capitalized interests	(8,469)	(1,772)
	<u>\$ 421,428</u>	<u>\$ 6,486</u>

B. Acquisition of financial assets at fair value through profit or loss

	Years ended December 31,	
	2024	2023
Acquisition of financial assets at fair value through profit or loss	\$ -	\$ 260,440
Add: Payables at the beginning of the period	-	5,268
	<u>\$ -</u>	<u>\$ 265,708</u>

C. Proceeds from disposal of financial assets at fair value through profit or loss

	Years ended December 31,	
	2024	2023
Proceeds from disposal of financial assets at fair value through profit or loss	\$ 25,274	\$ 733,194
Less: Loss on disposal	149	26,917
Add: Receivables at the beginning of the period	-	9,648
	<u>\$ 25,423</u>	<u>\$ 769,759</u>

D. Financing activities with no cash flow effects

	Years ended December 31	
	2024	2023
Capital reduction to offset accumulated deficit	\$ -	(\$ 600,000)

(29) Changes in liabilities from financing activities

	January 1, 2024	Changes in cash flow from financing activities	Changes in non-cash items- increase	Changes in other non-cash items	December 31, 2024
Short-term borrowings	\$ 4,814,078	\$ 1,763,202	\$ -	\$ -	\$ 6,577,280
Short-term notes and bills payable	348,159	342,000	-	(5,311)	684,848
Lease liability	167,865	(15,635)	20,877	(1,034)	172,073
Bonds payable	1,199,507	100,000	-	(1,174)	1,298,333
Guarantee deposits received	724,760	27,292	-	-	752,052
	<u>\$ 7,254,369</u>	<u>\$ 2,216,859</u>	<u>\$ 20,877</u>	<u>(\$ 7,519)</u>	<u>\$ 9,484,586</u>
	January 1, 2023	Changes in cash flow from financing activities	Changes in non-cash items- increase	Changes in other non-cash items	December 31, 2023
Short-term borrowings	\$ 4,523,172	\$ 290,906	\$ -	\$ -	\$ 4,814,078
Short-term notes and bills payable	348,737	-	-	(578)	348,159
Lease liability	168,151	(10,812)	10,526	-	167,865
Bonds payable	1,699,480	(500,000)	-	27	1,199,507
Guarantee deposits received	653	724,107	-	-	724,760
	<u>\$ 6,740,193</u>	<u>\$ 504,201</u>	<u>\$ 10,526</u>	<u>(\$ 551)</u>	<u>\$ 7,254,369</u>

7. Related Party Transactions

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Chang Yun CONSTRUCTION DEVELOPMENT CO.,LTD.(Chang Yun Company)	A major shareholder of the Company
Tian Wei Asset Management Corporation CO.,LTD.(Tian Wei Company)	A major shareholder of the Company
Hung Chien CONSTRUCTION CO.,LTD. (Hung Chien Company)	The Company's chairman and the chairman of the company are within second degree of kinship
Baoxin Construction Co., Ltd. (Baoxin Company)	Subsidiary
BIFINITY BIOTECHNOLOGY CO., LTD.	Subsidiary
Full Wang Property Agency Co., Ltd	Subsidiary
Full Wang Real Estate Co., Ltd.	Subsidiary
Sindar Technologies, Inc. ("Sindar")	Subsidiary
FUWONG INTERNATIONAL DEVELOPMENT CO., LTD ("FUWONG")	Subsidiary(Liquidation was completed on May 16, 2023)
Tsung Yi Lin	The company's general manager(Served as a director of this company before January 12, 2023)
Yu Jen Lin	Representative of the Company's corporate director
CHANG,YU-TUAN	Directors of the company
YU-CHEN LIN	Key management personnel
Spouses of key management	Other related party

(2) Significant related party transactions

A. Operating revenue

	<u>Years ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Sales of real estate		
Other related party	\$ -	\$ 18,998
Service revenue		
Hung Chien Company	-	5,808
Chang Yun Company	4,929	-
Total	<u>\$ 4,929</u>	<u>\$ 24,806</u>

(a) The transaction price and collection terms of selling properties have no significant difference with non-related parties.

(b) Service revenue is a consignment revenue and inspection revenue that the Company received from related parties, and the transaction price and collection terms have no significant difference with non-related parties.

B. Purchase and commitment

	Years ended December 31,	
	2024	2023
Subcontracting constructions:		
Baoxin Company	\$ 2,417,139	\$ 1,405,059

(a) Subcontracting constructions pertained to the Company commissioning Baoxin Company to contract construction, the transaction price was made based on mutual agreement and the collection terms were based on the progress of the contract. There was no significant difference with non-related parties.

(b) As of December 31, 2024, the total consideration of the construction that the Company had entered into with Baoxin Company but not yet completed amounted (untaxed) to \$7,459,220 thousand, and the unpaid construction payment amounted (untaxed) to \$5,190,619 thousand.

C. Receivables from related parties

	December 31, 2024	December 31, 2023
Receivables from related parties		
Other related party	\$ -	\$ 301
Other receivables		
Full Wang Property Agency	\$ 397	\$ 397
Sindar	449	439
Full Wang Real Estate	1	1
	\$ 847	\$ 837

The receivables from related parties are receivables from the sales of buildings and land to related parties. The payments are collected based on the contract and have no significant difference with non-related parties.

Receivables from related parties mainly arose from operating activities and payment on behalf of others.

D. Payables to related parties

	December 31, 2024	December 31, 2023
Accounts payable:		
Baoxin Company	\$ 550,021	\$ 174,364

Payables to related parties mainly arose from subcontracting construction.

E. Guarantee deposits paid (shown as other non-current assets)

	December 31, 2024	December 31, 2023
Tian Wei Company	\$ 140	\$ 140

Guarantee deposits paid was the guarantee provided for the joint-construction and partitioning sales of the Company and Hung Chien Company and leasing offices from Tian Wei Company.

F. Contract liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Other related parties	<u>\$ 5,527</u>	<u>\$ 6,732</u>

This represents a building and land payment received from related parties derived from the Company's sale of construction projects to related parties.

G. Receipts under custody (shown as other current liabilities)

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Baoxin Company	<u>\$ 751,654</u>	<u>\$ 724,248</u>

Payments that the Company received on behalf of Baoxin Company.

H. Acquisition of financial assets:

December 31, 2024:None

		<u>Year ended December 31, 2023</u>		
	<u>Accounts</u>	<u>No. of shares</u> <u>(share in thousands)</u>	<u>Objects</u>	<u>Consideration</u>
Baoxin Company	Investments accounted for under equity method	30,000	shares	\$ 300,000

I. Lease arrangements — lessee

(a) The Company leases buildings from Tian Wei Company. The lease term was 5 years and rent was paid at the end of every year.

(b) Lease liability

i. Outstanding balance

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Tian Wei Company	<u>\$ 1,137</u>	<u>\$ 2,262</u>

ii. Interest expense

	<u>Years ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Tian Wei Company	<u>\$ 18</u>	<u>\$ 30</u>

J. Endorsements and guarantees provided to related parties:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Baoxin Company	<u>\$ 100,000</u>	<u>\$ -</u>

(3) Key management compensation

	<u>Years ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 12,355	\$ 11,830
Post-employment benefits	531	532
	<u>\$ 12,886</u>	<u>\$ 12,362</u>

Remuneration of directors and other key managements are determined by the Remuneration Committee based on the personal performance and market trend.

8. Pledged Assets

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

Pledged asset	Book value		Purpose
	December 31, 2024	December 31, 2023	
Inventories	\$ 8,033,466	\$ 7,246,598	Short-term borrowings and short-term notes and bills payable
Financial assets at fair value through profit or loss	-	25,523	Short-term borrowings
Financial assets at amortised cost-current			
Performance guarantee escrow account pertained to trust deposit	251,007	263,465	Trust deposit of pre-sales construction
Restricted demand deposits	325,636	680,111	Short-term borrowings and Short-term notes and bills payable and Bonds payable
Restricted time deposits	-	3,300	Bonds payable
Non-current financial assets at amortised cost			
Restricted demand deposits	607,605	102,655	Bonds payable
Restricted time deposits	12,900	-	Bonds payable
	<u>\$ 9,230,614</u>	<u>\$ 8,321,652</u>	

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

A. HSING YA CONSTRUCTION ENGINEERING CO., LTD. ("HSING YA") undertook the Company's 'New construction of 96 households congregate housing in Songguan Sec., Beitun Dist., Taichung City' on January 27, 2015 and undertook the Company's 'New construction of congregate housing flats with 11 floors in Tuku Sec., West Dist., Taichung City' on July 4, 2014. HSING YA requested the Company to pay construction payment amounting to \$69,178 thousand and pay the interest, and requested to confirm that the warranty period of the above two constructions were calculated from December 28, 2017 and April 5, 2017, respectively. HSING YA also requested the Company to return the performance promissory note of HSING YA. The Company has recognised the above construction payment during the construction period, and listed as accounts payable.

On March 17, 2022, a lawsuit was ruled in favour of the Company, and the delayed fine was used to fully offset the requested construction payment. The above two construction warranty periods were calculated from December 15, 2018 and August 15, 2018, respectively, and the rest of

HSING YA's request was denied.

The Company and HSING YA both disagreed with the verdict and filed an appeal to the High Court. As of March 11, 2025, the case is awaiting the judgement of the High Court.

- B. Tien Lan management committee filed a civil lawsuit against the Company for loss compensation in the total amount of \$3,649 thousand. On June 8, 2023, a judgment of the lawsuit was rendered that the Company should pay NT\$3,420 thousand to Tien Lan management committee, and pay interests at 5% annual interest rate from February 26, 2022 to the settlement date to Tien Lan management committee. The Company disagreed with the verdict and filed an appeal.

On April 26, 2024, the High Court persuaded both parties to conduct a mediation. On July 10, 2024, both parties reached a settlement, and the case was affirmed. The Company should pay \$2,100 thousand to Tien Lan management committee, which was settled on August 9, 2024.

The Company had accrued provisions amounting to \$3,649 thousand (shown as other current liabilities) when the litigation was in progress. For the year ended December 31, 2024, the Company reversed provisions amounting to \$1,549 thousand (shown as other income) based on the aforementioned judgement.

- C. The customer entered into a sale and purchase contract of pre-sale real estate with the Company and filed a civil lawsuit against the Company with requesting the sale proceeds to be refunded in the total amount of \$4,810 thousand. The Taiwan Taichung District Court has rejected the appeal of the customer on January 12, 2024. The customer disagreed with the verdict and filed an appeal. On April 26, 2024, the High Court advised a settlement. On August 16, 2024, the first mediation did not reach an agreement. On January 3, 2025, the High Court again advised a settlement. On March 4, 2024, mediation by the High Court concluded with both parties reaching a settlement, making the case final. The Company is required to pay the consumer \$3,182 thousand.

The Company had accrued provisions (shown as other current liabilities) amounting to \$4,800 thousand based on the highest possible loss compensation.

- D. On August 13, 2020, the Company purchased land located in Longjing District, Taichung City from Worship guilds JI,CHANG-XING ("Worship guilds") for a total consideration of \$98,900 thousand. The Company had paid \$29,670 thousand for the land, however, Worship guilds did not demolish above-ground buildings and other specified items as stipulated in the contracts. As a result, the Company filed a lawsuit for contract performance in order to secure the Company's right. The Company reached a settlement with Worship guilds on September 17, 2021 and recovered the consideration amounting to \$19,373 thousand, and the remaining consideration amounting to \$10,297 thousand (shown as Other receivables). On November 29, 2024, a judgement of the lawsuit was rendered by the District Court which indicated that Worship guilds and the Company should jointly file an application to withdraw the application of land value increment tax. As of March 11, 2025, the return procedures are pending implementation by the Local Tax Bureau of Taichung City Government.

- E. Zhen Ai Industrial Co., Ltd ("Zhen Ai") filed a civil lawsuit against the Company requesting

payment of service fees. On July 26, 2023, a judgement of the lawsuit was rendered that the Company should pay NT\$5,000 thousand to Zhen Ai. The Company disagreed with the verdict and filed an appeal. On March 26, 2024, a judgement of the lawsuit was rendered by the second instance at the High Court which indicated that the Company should pay NT\$1,000 thousand to Zhen Ai, and pay the interest which was calculated at 5% annual interest rate for the period from January 12, 2023 up to the settlement date to Zhen Ai as well as the 20% of court costs (including the first instance and the second instance), totalling \$1,033 thousand. Zhen Ai disagreed with the verdict and filed an appeal on April 26, 2024.

On August 2, 2024, the High Court rejected the appeal of Zhen Ai, and the case was affirmed. The Company should pay \$1,000 thousand to Zhen Ai, and pay the interest which was calculated at 5% annual interest rate for the period from January 12, 2023 up to the settlement date to Zhen Ai, which were settled on September 9, 2024.

In addition, the Company had accrued provisions amounting to \$5,116 thousand (shown as other current liabilities) when the litigation was in progress. For the year ended December 31, 2024, the Company reversed provisions amounting to \$4,083 thousand (shown as other income) based on the aforementioned judgement.

(2) Commitments

A. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	December 31, 2024	December 31, 2023
Buildings and land held for sale	\$ 2,446,100	\$ 435,369

B. As of December 31, 2024 and 2023, the Company's contracted construction contracts amounted to \$8,436,041 thousand and \$7,343,426 thousand, and unaccrued amounts were \$5,448,178 thousand and \$4,972,489 thousand, respectively.

C. As of December 31, 2024, the Company's construction in progress and the deed of trust signed with the entrusted financial institutions were commissioned to Taichung Commercial Bank Co., Ltd., Chinatrust Commercial Bank Co., Ltd., Hua Nan Commercial Bank, Ltd. and TAIWAN BUSINESS BANK,LTD. for implementing transfer registrations for consideration or real estate development trust.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. 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 of the Company based on the progress of the project and the funds required for the operation.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	<u>\$ 10</u>	<u>\$ 25,533</u>
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	<u>\$ 4,950</u>	<u>\$ 4,000</u>
Financial assets at amortised cost		
Cash	\$ 603,525	\$ 602,223
Financial assets at amortised cost	1,197,148	1,049,531
Notes receivable	-	116
Accounts receivable (including related parties)	1,765,171	455,173
Other receivables (including related parties)	11,251	14,407
Guarantee deposits paid (shown as other non-current assets)	<u>30,866</u>	<u>29,640</u>
	<u>\$ 3,607,961</u>	<u>\$ 2,151,090</u>
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 6,577,280	\$ 4,814,078
Short-term notes and bills payable	684,848	348,159
Notes payable	18,180	37,960
Accounts payable (including related parties)	735,575	341,990
Other payables (including related parties)	105,165	95,499
Corporate bonds payable (including current portion)	1,298,333	1,199,507
Guarantee deposits received (shown as other non-current liabilities)	<u>752,052</u>	<u>724,760</u>
	10,171,433	7,561,953
Lease liability	<u>172,073</u>	<u>167,865</u>
	<u>\$ 10,343,506</u>	<u>\$ 7,729,818</u>

B. Financial risk management policies

- (a) The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk.
- (b) Risk management is carried out by the Company's treasury department through close co-

operation with the Company's operating units to identify, evaluate and hedge financial risks, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

The Company's businesses involve functional currency operations (the Company's and certain subsidiaries' functional currency: NTD), the value affected by exchange rate fluctuations is remote and will not generate exchange rate risk accordingly.

Price risk

- i. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- ii. The Company's major investment is equity securities. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 5% with all other variables held constant, post-tax profit for the years ended December 31, 2024 and 2023 would have increased/decreased by \$1 thousand and \$1,276 thousand, respectively, as a result of gains on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$248 and \$200, respectively, as a result of other comprehensive income on equity investments classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During December 31, 2024 and 2023, the Company's borrowings at variable rate were mainly denominated in New Taiwan dollars.
- ii. If the borrowing interest rate of New Taiwan dollars had increased/decreased by 0.1% with all other variables held constant, profit, net of tax for the years ended December 31, 2024 and 2023 would have increased/decreased by \$5,262 thousand and \$3,815 thousand, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms,

and the contract cash flows of financial assets stated at amortised cost.

- ii. The Company manages their credit risk taking into consideration the entire company's concern. For banks and financial institutions, checking their credit rating on deposits, only independently rated parties with a minimum rating of good credit quality are accepted. According to the Company's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. The Company adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- iv. The Company adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.
- v. The Company primarily operates buildings and land business, such as sales of houses and plants. Revenue is recognised when transfer of ownership and house handover are completed, and the possibility of uncollectible accounts receivable is remote. The Company individually manages and regularly follows-up accounts receivable derived from special transactions. In addition, the Company classifies customers' accounts receivable in accordance with customer types and credit rating of customer. The Company applies the modified approach using a provision matrix to estimate the expected credit loss.
- vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i). It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
 - (ii). The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii). Default or delinquency in interest or principal repayments;
 - (iv). Adverse changes in national or regional economic conditions that are expected to cause a default.
- vii. The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights. For the years ended December 31, 2024 and 2023, the Company had no written-off financial assets that are still under recourse procedures.

viii. The Company used the historical and timely information to assess the default possibility of accounts receivable. On December 31, 2024 and 2023, the provision matrix is as follows:

	Not past due	Up to 90 days past due	Over 90 days past due	Total
<u>December 31, 2024</u>				
Expected loss rate	0.04%	0.00%	0.00%	
Total book value	\$ 1,765,870	\$ -	\$ -	\$1,765,870
Loss allowance	(\$ 699)	\$ -	\$ -	(\$ 699)
<u>December 31, 2023</u>				
Expected loss rate	0.15%	0.00%	0.00%	
Total book value	\$ 455,872	\$ -	\$ -	\$ 455,872
Loss allowance	(\$ 699)	\$ -	\$ -	(\$ 699)

ix. Movements in relation to the Company applying the modified approach to provide loss allowance for accounts receivable are as follows:

	2024	2023
	Accounts receivable	Accounts receivable
At January 1 (i.e. at December 31)	\$ 699	\$ 699

x. The Company estimated that the loss rate of financial assets at amortised costs, notes receivables, accounts receivable-related parties, other accounts receivable (including related parties) and guarantee deposits paid is remote, therefore, loss allowance is immaterial as of December 31, 2024 and 2023.

(c) Liquidity risk

i. Cash flow forecasting is aggregated by Company treasury. Company treasury 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.

ii. As at December 31, 2024 and 2023, the Company has undrawn borrowing facilities amounting to \$5,834,335 thousand and \$4,337,094 thousand, respectively. The above bank borrowing facilities were drawn down based on the progress of the project.

iii. The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

December 31, 2024	Less than 3 months	Between 3 months and 1 year	Between 1 and 3 years	Over 3 years	Total
Short-term borrowings	\$ 280,507	\$ 2,771,901	\$ 1,756,414	\$ 2,182,925	\$ 6,991,747
Short-term notes and bills payable	42,000	650,000	-	-	692,000
Notes payable	8,880	9,300	-	-	18,180
Accounts payable	412,578	225,854	97,143	-	735,575
Other payables	76,692	28,473	-	-	105,165
Lease liability	5,420	15,577	26,837	139,550	187,384
Guarantee deposits received(shown as other non-current liabilities)	-	398	751,654	-	752,052
Bonds payable	6,283	18,848	738,862	619,350	1,383,343

Non-derivative financial liabilities:

December 31, 2023	Less than 3 months	Between 3 months and 1 year	Between 1 and 3 years	Over 3 years	Total
Short-term borrowings	\$ 49,390	\$ 521,566	\$ 3,203,688	\$ 1,346,920	\$ 5,121,564
Short-term notes and bills payable	-	350,000	-	-	350,000
Notes payable	22,279	15,681	-	-	37,960
Accounts payable	107,404	142,022	92,564	-	341,990
Other payables	47,679	47,820	-	-	95,499
Lease liability	3,872	11,691	24,262	147,715	187,540
Guarantee deposits received(shown as other non-current liabilities)	-	513	724,247	-	724,760
Bonds payable	402,966	603,663	206,785	-	1,213,414

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where 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. The fair value of the Company's investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

The carrying amounts of the Company's financial instruments not measured at fair value (including cash, financial assets at amortised cost, notes payable, accounts receivable (including related parties), other receivables (including related parties), guarantee deposits paid, short-term borrowings, short-term notes and bills payable, notes payable, accounts payable (including

related parties), other payables, other payables to related parties, bonds payable guarantee deposits received and lease liabilities are approximate to their fair values.

- C. The related information of financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2024 and 2023 are as follows:

- (a) The related information of natures of the assets is as follows:

<u>December 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ 10</u>
Financial assets at fair value through other comprehensive income				
Equity Securities	<u>\$ -</u>	<u>\$ 4,950</u>	<u>\$ -</u>	<u>\$ 4,950</u>
<u>December 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	<u>\$ 25,523</u>	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ 25,533</u>
Financial assets at fair value through other comprehensive income				
Equity Securities	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ -</u>	<u>\$ 4,000</u>

- (b) The methods and assumptions the Company used to measure fair value are as follows:

The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

<u>Market quoted price</u>	<u>Listed shares</u>
	<u>Closing price</u>

- D. For the years ended December 31, 2024 and 2023, there was no transfer between Level 1 and Level 2.
- E. For the years ended December 31, 2024 and 2023, there was no transfer into or out from Level 3.

13. Supplementary Disclosures

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: Please refer to table 1.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates

and joint ventures): Please refer to table 2.

- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 3.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 7.

(3) Information on investments in Mainland China

- A. Basic information: None.
- B. Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas: None.

(4) Major shareholders information

Major shareholders information: Please refer to table 8.

14. Segment Information

None.

Full Wang International Development Co., Ltd.
Provision of endorsements and guarantees to others
December 31, 2024

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being		Maximum		Actual amount drawn down	Amount of	Ratio of accumulated	Ceiling on	Provision of	Provision of	Provision of	Footnote	
		endorsed/guaranteed		outstanding	Outstanding			endorsement/	total amount of	endorsements/	endorsements/	endorsements/		
		Relationship	Limit on	endorsement/	endorsement/			endorsement/	guarantee amount to	endorsement/	guarantees by	guarantees by		guarantees to
		with the endorser/ guarantor	provided for a single party (Note 1)	guarantees amount as of December 31, 2024	guarantees amount as of December 31, 2024			guarantees secured with collateral	net asset value of th endorser/guarantor company	guarantees provided (Note 2)	parent company to subsidiary	subsidiary to parent company		the party in Mainland China
0	Full Wang International Development Co., Ltd.	Baoxin Company	A subsidiary	\$ 210,332	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	0.05	\$ 841,328	Y	N	N	

Note 1: Limit on the Company’s endorsements/guarantees to a single party is 10% of the Company’s net assets
Note 2: Ceiling on the Company’s total endorsements/guarantees to others is 40% of the Company’s current net assets.

Full Wang International Development Co., Ltd.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2024

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

				As of December 31, 2024				
Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer	General ledger account	Number of shares	Book value	Ownership	Fair value	Footnote
The Company	The Second Credit Cooperative Association of Taichung	None.	Non-current financial assets at fair value through profit or loss	100	\$ 10	-	<u>\$ 10</u>	
The Company	TAICHUNG INTERNATIONAL ENTERTAINMENT CORPORATION	None.	Non-current financial assets at fair value through other comprehensive income	2,492	3,930	-	<u>\$ 4,950</u>	
			Valuation adjustments		<u>1,020</u>			
					<u>\$ 4,950</u>			
Baoxin Company	ABILITY OPTO-ELECTRONICS TECHNOLOGY CO.,LTD.-bonds issued under repurchase agreement	None.	Current financial assets at amortised cost	-	<u>\$ 50,000</u>	-	<u>\$ 50,000</u>	
Baoxin Company	The Second Credit Cooperative Association of Taichung	None.	Non-current financial assets at fair value through profit or loss	100	<u>\$ 10</u>	-	<u>\$ 10</u>	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities in accordance with IFRS 9.

Full Wang International Development Co., Ltd.
Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more
Year ended December 31, 2024

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

							If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:						
Real estate acquired by	Real estate acquired	Transaction date or date of the event (Note 1)	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount	Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
The Company	Jiazhao Section and its buildings in Hemei Township	2024.01.11	\$ 332,560	\$ 332,560	Natural person	-	-	-	-	\$ -	Contract	Inventories	-
The Company	Guangrong Section and its buildings in Xinzhuang District.	2024.08.17	565,000	565,000	LONG CHUAN MACHINERY WORKS LTD.	-	-	-	-	-	Contract	Inventories	-
The Company	Tongrong Section and its buildings in Beitun District.	2024.11.18	1,238,356	123,836	CHIEN SEIEH INDUSTRIAL CO., LTD. And Natural person	-	-	-	-	-	Contract	Inventories	-
The Company	He'an Section in Xitun District.	2024.11.07~2024.12.10	974,770	97,520	Natural person	-	-	-	-	-	Contract	Inventories	-
The Company	F PLAZA	2022.12.06	398,233	398,233	Baoxin Company and 8 other companies	Note2	-	-	-	-	Contract	Construct a shopping mall	-

Note 1: Date of the event referred to herein is the date of contract signing.

Note 2: Baoxin Company is a subsidiary of the company.

Full Wang International Development Co., Ltd.

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

Year ended December 31, 2024

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance at December 31, 2024	Percentage of total notes/accounts receivable (payable)	Footnote (Note 2)
The Company	Baoxin Company	A subsidiary of the company	subcontracting construction	\$ 2,417,139	93%	Price and payment were made based on the construction contract	\$ -	-	(\$ 550,021)	61%	Note 4

Note 1: If terms of related-party transactions are different from third-party transactions, explain the differences and reasons in the ‘Unit price’ and ‘Credit term’ columns.

Note 2: In case related-party transaction terms involve advance receipts (prepayments) transactions, explain in the footnote the reasons, contractual provisions, related amounts and differences in types of transactions compared to third-party transactions

Note 3: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Note 4: The transactions were eliminated when preparing the consolidated financial statements.

Full Wang International Development Co., Ltd.

Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more

December 31, 2024

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2024 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 2)	Allowance for doubtful account
					Amount	Action taken		
Baoxin Company	The Company	Parent-subsidiary company	\$ 550,021	13.17	\$ -	-	\$ 131,196	-

Note 1: Fill in separately the balances of accounts receivable-related parties, notes receivable-related parties, other receivables-related parties....

Note 2: Balance as of March 11, 2025.

Full Wang International Development Co., Ltd.
Significant inter-company transactions during the reporting periods
Year ended December 31, 2024

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

No.(Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount (Note 4)	Transaction terms	Percentage of
0	The Company	Baoxin Company	1	Subcontracting construction	\$ 2,417,139	Price and payment were made based on the construction contract	50.67%
0	The Company	Baoxin Company	1	Accounts payable	550,021	Price and payment were made based on the construction contract	4.15%
0	The Company	Baoxin Company	1	Guarantee deposits received	751,654	Provide a performance guarantee of 10% of the total contract price in accordance with the construction contract.	5.67%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1)Parent company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1)Parent company to subsidiary.

(2)Subsidiary to parent company.

(3)Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The transactions were eliminated when preparing the consolidated financial statements.

Note 5: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

Full Wang International Development Co., Ltd.

Information on investees

Year ended December 31, 2024

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2024			Net income of investee as of December 31, 2024	Investment income (loss) recognised by the Company for the year ended December 31, 2024		Footnote
				Balance as at December 31, 2024	Balance as at December 31, 2023	No. of shares (in thousands)	Ownership (%)	Book value				
The Company	Baoxin Company	Taiwan	Comprehensive construction	\$ 420,000	\$ 420,000	42,000	100	\$ 339,346	\$ 114,690	\$	2,464	Notes 1 and 2
The Company	Full Xin Company	Taiwan	Trade of real estate	10,000	10,000	1,000	100	6,578 (238) (238)	Note 2
The Company	Full Wang Real Estate	Taiwan	Trade of real estate	5,000	5,000	500	100	4,975 (5) (5)	Note 2
The Company	BIFINITY	Taiwan	Trade of cosmetic	61,900	61,900	6,000	100	11,568 (2,794) (2,794)	Note 2
The Company	Full Wang Property Agency	Taiwan	Trade, lease, agency and consignment of real estate	10,000	10,000	1,000	74 (3,392)	1		1	Notes 2
The Company	Sindar	British Virgin Islands	Merchant	21,456	21,456	650	100 (323)	-		-	Note 2
BIFINITY	Full Wang Property Agency	Taiwan	Trade, lease, agency and consignment of real estate	3,500	3,500	350	26	3,372	1		-	Notes 2 and 3

Note 1: Investment income recognised for the year ended December 31, 2024 includes realised and unrealised gain (loss) on upstream transactions.

Note 2: The transactions were eliminated when preparing the consolidated financial statements.

Note 3: It was a second-tier subsidiary, and investment income was not included.

Full Wang International Development Co., Ltd.
Major shareholders information
December 31, 2024

Table 8

Name of major shareholders	Shares	
	Name of shares held	Ownership (%)
PAO CHU Investment Co., Ltd.	17,533,316	14.73%
PAO HSIN Investment Ltd.	13,232,001	11.11%
Tian Wei Asset Management Corporation CO.,LTD.	12,910,732	10.84%
Chang Yun CONSTRUCTION DEVELOPMENT CO.,LTD.	12,427,611	10.44%

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.

CASH AND CASH EQUIVALENTS

DECEMBER 31, 2024

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

STATEMENT 1

<u>Items</u>	<u>Description</u>	<u>Amount</u>
Pretty cash and cash on hand		\$ 933
Cash in banks		
Checking accounts		2,252
Demand deposits		596,683
Foreign currency deposits	USD 109 thousand; exchange rate was 32.79	3,571
	EUR 3 thousand; exchange rate was 34.14	86
		<u>\$ 603,525</u>

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.

ACCOUNTS RECEIVABLE

DECEMBER 31, 2024

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

STATEMENT 4

<u>Client Name</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Non-related parties			
Wei Mei Chu(formerly Lantian W. section, Nanzi Dist., Kaohsiung City)		\$ 1,535,370	Each individual customer balance did not exceed 5% of the account balance.
The Peerless Age		221,140	
Others		<u>9,360</u>	
		1,765,870	
Less: Allowance for bad debts		(699)	
		<u>\$ 1,765,171</u>	

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.

INVENTORIES

DECEMBER 31, 2024

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

STATEMENT 3

Item	Amount		Note
	Cost	Net Realizable Value	
Buildings and land held for sale			
The Infinity	\$ 38,083	\$ 51,302	Net realizable value (collaterals provided)
New Style	9,436	22,908	Net Realizable Value
F House	44,194	76,712	Net realizable value (collaterals provided)
XIN HAI CHENG(formerly Luliao section, Shalu District)	3,683	7,775	Net Realizable Value
Wei Mei Chu(formerly Lantian W. section, Nanzi Dist., Kaohsiung City)	12,499	16,493	Net realizable value (collaterals provided)
The Peerless Age	11,545	46,315	Net realizable value (collaterals provided)
Others	10,744	18,792	Net Realizable Value
Total	130,184	240,297	
Construction in progress			
My Style(formerly named sunshine town)	\$ 1,241,199	\$ 2,910,035	Net realizable value (collaterals provided)
Skyline W one(formerly Shangshi section)	1,745,685	2,532,171	Net realizable value (collaterals provided)
ELEGANT VILLAGE(formerly Qiaozhen section, Yunlin County 2)	440,439	794,048	Net realizable value (collaterals provided)
Forest Mansion(formely Mayuantou section, West Dist.)	767,841	1,249,116	Net realizable value (collaterals provided)
Yunlinxi section, Douliu city	431,108	544,308	Net realizable value (collaterals provided)
L'ÉLÉGANCE	1,275,416	2,130,002	Net realizable value (collaterals provided)
Depths of Green-townhouse(formerly Kouzhuang section, Houli Dist.)	337,064	487,211	Net realizable value (collaterals provided)
Depths of Green-building(formerly Kouzhuang section, Houli Dist.)	340,660	913,066	Net realizable value (collaterals provided)
The W CLUB(formely Changhua Hemei Jiazhao section)	368,079	388,869	Net realizable value (collaterals provided)
Luliao Section, Shalu District2	371,998	394,309	Net realizable value (collaterals provided)
Guangrong Section, Xinzhuang	538,531	676,531	Net realizable value (collaterals provided)
Guanghua Section, Caotun Township	69,125	79,560	Net realizable value (collaterals provided)
Yanhe Section, Changhua	8,810	9,677	Net Realizable Value
	7,935,955	13,108,903	

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.

INVENTORIES (Cont.)

DECEMBER 31, 2024

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

STATEMENT 3

Item	Amount		Note
	Cost	Net Realizable Value	
Prepayment for land			
Luzhunan Section, Wuri District	\$ 253,838	\$ 253,838	Replacement cost
Yanhe Section, Changhua	102,833	\$ 102,833	Replacement cost
He'an Section, Xitun District	124,051	\$ 124,051	Replacement cost
Tongrong Section, Beitun District	17,836	17,836	Replacement cost
	<u>498,558</u>	<u>498,558</u>	
	<u>\$ 8,564,697</u>	<u>\$ 13,847,758</u>	

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.
STATEMENT OF FINANCIAL ASSETS MEASURED AT AMORTIZED COST - NON-CURRENT
DECEMBER 31, 2024
 (Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 4

Items	Description	Amount	Coupon Rate
Non-Current items:			
Restricted demand deposits		\$ 607,605	0.71%
Restricted time deposits		12,900	0.83%
		<u>\$ 620,505</u>	

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.

SHORT-TERM BORROWINGS

DECEMBER 31, 2024

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

STATEMENT 5

Description	Creditor	Ending Balance	Contract Period	Coupon Rate	Collateral
Secured borrowings	Taiwan Business Bank	\$ 1,636,035	2014/10/06~2029/12/17	2.63%~3.13%	Inventories
Secured borrowings	First Commercial Bank	1,436,161	2020/04/13~2029/11/30	2.78%~3.03%	Inventories
Secured borrowings	Yuanta Commercial Bank Co., Ltd.	1,230,000	2024/05/03~2028/12/10	2.77%~3.00%	Inventories
Secured borrowings	Hua Nan Commercial Bank, Ltd.	854,500	2023/06/09~2027/03/31	3.16%~3.26%	Inventories
Secured borrowings	Agricultural Bank of Taiwan Corporation	511,110	2023/11/29~2027/11/29	2.83%~3.06%	Inventories
Secured borrowings	Chang Hwa Bank	198,000	2021/11/30~2026/11/30	2.93%	Inventories
Secured borrowings	Shinkong Insurance Company, Ltd.	181,200	2024/10/08~2029/10/08	2.88%~3.13%	Inventories
Secured borrowings	King's Town Bank	17,070	2024/07/15~2025/07/15	3.53%	Inventories
Unrestricted borrowings	Taichung Commercial Bank Co., Ltd.	223,150	2022/07/19~2025/08/05	3.67%~4.68%	None
Unrestricted borrowings	First Commercial Bank	167,000	2020/04/16~2025/04/13	2.88%	None
Unrestricted borrowings	Hwatai Bank	123,054	2024/09/25~2025/09/25	3.75%	None
		<u>\$ 6,577,280</u>			

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.
SHORT-TERM NOTES AND BILLS PAYABLE
DECEMBER 31, 2024

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

STATEMENT 6

Item	Guarantees/Acceptances agency	Contract period Date		Interest Rate	Amount			Remark
					Unamortised short-term notes			
					Issued amount	payable discount	Book value	
Short-term notes and bills payable	Shanghai Commercial and Savings Bank	2024/04/19	2025/04/18	1.89%	\$ 350,000	\$ 1,952	\$ 348,048	
Short-term notes and bills payable	Shanghai Commercial and Savings Bank	2024/11/15	2025/11/14	1.99%	150,000	2,593	147,407	
Short-term notes and bills payable	Shanghai Commercial and Savings Bank	2024/11/15	2025/11/14	2.00%	150,000	2,607	147,393	
Short-term notes and bills payable	China Bills Finance Corporation	2024/12/24	2025/01/21	1.66%	42,000	-	42,000	
					<u>\$ 692,000</u>	<u>\$ 7,152</u>	<u>\$ 684,848</u>	

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.
STATEMENT OF CURRENT CONTRACT LIABILITIES
DECEMBER 31, 2024

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

STATEMENT 7

Item	Advance payment for real estate	Note
My Style(formerly named Sunshine Town)	\$ 257,352	
Skyline W one(formerly Shangshi section)	343,140	
ELEGANT VILLAGE(formerly Qiaozhen section, Yunlin County 2)	134,865	
Forest Mansion(formely Mayuantou section, West Dist.)	79,934	Each individual customer balance did not exceed 5% of the account balance.
L'ÉLÉGANCE	230,721	
Other	72,131	
	<u>\$ 1,118,143</u>	

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.

STATEMENT OF BONDS PAYABLE

DECEMBER 31, 2024

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

STATEMENT 8

Bonds Name	Trustee	Issuance Date	Interest Payment Date	Coupon Rate	Amount					Repayment Term	Collateral
					Total Issuance Amount	Repayment Paid	Ending Balance	Unamortized Premiums (Discounts)	Book value		
The 2023 first-time secured ordinary corporate bonds	Hua Nan Commercial Bank, Ltd.	2023/12/19	12/19 of every year	1.77%	\$ 200,000	\$ -	\$ 200,000	(\$ 262)	\$ 199,738	Repaid in full at maturity	Note 1
The 2024 first-time secured ordinary corporate bonds	Hua Nan Commercial Bank, Ltd.	2024/01/02	1/2 of every year	1.77%	300,000	-	300,000	(677)	299,323	Repaid in full at maturity	Note 1
The 2024 second time secured ordinary corporate bonds	Hua Nan Commercial Bank, Ltd.	2024/05/07	5/7 of every year	1.69%	200,000	-	200,000	(8)	199,992	Repaid in full at maturity	Note 1
The 2024 third time secured ordinary corporate bonds	Hua Nan Commercial Bank, Ltd.	2024/07/11	7/11 of every year	2.15%	600,000	-	600,000	(720)	599,280	Repaid in full at maturity	Note 2
					<u>\$ 1,300,000</u>	<u>\$ -</u>	<u>\$ 1,300,000</u>	<u>(\$ 1,667)</u>	<u>\$ 1,298,333</u>		

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.

STATEMENT OF BONDS PAYABLE (Cont.)

DECEMBER 31, 2024

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

STATEMENT 8

- Note 1. The Company commissioned Taiwan Cooperative Bank to perform guarantee for corporate bonds under the letters of guarantee.
2. The Company commissioned Taiwan Business Bank to perform guarantee for corporate bonds under the letters of guarantee.

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.
STATEMENT OF OTHER NON-CURRENT LIABILITIES
DECEMBER 31, 2024

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

STATEMENT 9

Item	Description	Amount
Guarantee deposits received		\$ 751,655
Credit balance of investments accounted for using equity method		3,715
		<u>\$ 755,370</u>

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.

SALES REVENUE

FOR THE YEAR ENDED DECEMBER 31, 2024

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

STATEMENT 10

<u>Name of construction</u>	<u>Revenue from buildings</u>	<u>Revenue from land</u>	<u>Total</u>	<u>Note</u>
Buildings and land sales revenue	\$ 2,394,825	\$ 2,344,630	\$ 4,739,455	
Service revenue			4,929	
Rental revenue			2,067	
			<u>\$ 4,746,451</u>	

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.

COST OF SALES

FOR THE YEAR ENDED DECEMBER 31, 2024

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

STATEMENT 11

<u>Name of construction</u>	<u>Buildings and structures, cost</u>	<u>Land, cost</u>	<u>Total</u>	<u>Note</u>
Cost of construction sales	\$ 2,608,134	\$ 959,516	\$ 3,567,650	
Labor cost			4,129	
			<u>\$ 3,571,779</u>	

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.

OPERATING EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2024

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

STATEMENT 12

Items	Selling expenses	Administrative expenses	Total	Note
Wages and salaries	\$ 6,676	\$ 62,168	\$ 68,844	
Repairs and maintenance expense	12,544	10,459	23,003	
Commissions expense	272,321	-	272,321	
Labor expense	5,377	8,491	13,868	Each individual customer
Advertisement expense	28,982	4,419	33,401	balance did not exceed
Entertainment expense	39	8,096	8,135	5% of the account
Others	26,200	57,372	83,572	balance.
	<u>\$ 352,139</u>	<u>\$ 151,005</u>	<u>\$ 503,144</u>	

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.

STATEMENT OF OTHER INCOME

FOR THE YEAR ENDED DECEMBER 31, 2024

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

STATEMENT 13

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
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Note: Please refer to Note 6(21) for details of other income.

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.
STATEMENT OF DETAILS OF OTHER GAINS AND LOSSES, NET
FOR THE YEAR ENDED DECEMBER 31, 2024

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

STATEMENT 14

Item	Description	Amount	Note
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Note: Please refer to Note 6(23) for details of other gains and losses.

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.

STATEMENT OF FINANCE COST

FOR THE YEAR ENDED DECEMBER 31, 2024

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

STATEMENT 15

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
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Note: Please refer to Note 6(24) for details of finance cost.

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY
FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 16

Function Nature	Year ended December 31, 2024			Year ended December 31, 2023		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee Benefit Expense						
Wages and salaries	\$ -	\$ 66,642	\$ 66,642	\$ -	\$ 60,032	\$ 60,032
Labour and health insurance fees	-	4,156	4,156	-	3,764	3,764
Pension costs	-	2,202	2,202	-	1,898	1,898
Directors' remuneration	-	2,362	2,362	-	1,938	1,938
Other personnel expenses	-	3,965	3,965	-	2,929	2,929
Depreciation Expense	-	23,003	23,003	-	14,642	14,642
Depletion Expense	-	-	-	-	-	-
Amortisation Expense	-	571	571	-	586	586

Note:

A.As at December 31, 2024 and 2023, the Company had 53 and 47 employees, including 5 and 5 non-employee directors, respectively.

B.A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information :

(a) Average employee benefit expense in current year was \$1,603 thousand ((Total employee benefit expense in current year–Total directors' compensation in current year)/(Number of employees in current year–Number of non-employee directors in current year)).

Average employee benefit expense in previous year was \$1,634 thousand ((Total employee benefit expense in previous year–Total directors' compensation in previous year)/(Number of employees in previous year – Number of non-employee directors in previous year)).

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY
FUNCTION (Cont.)
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 16

- (b) Average employee salaries in current year was \$1,388 thousand (Total employee salaries in current year / (Number of employees in current year–Number of non-employee directors in current year)).
Average employee salaries in previous year was \$1,429 thousand (Total employee salaries in previous year / (Number of employees in previous year–Number of non-employee directors in previous year)).
- (c) Adjustment of average employee salaries was (2.87%) ((Average employee salaries in current year - Average employee salaries in previous year) / Average employee salaries in previous year).
- (d) The supervisors' remuneration in current year was \$0 thousand. The supervisors' remuneration in previous year was \$0 thousand.
- (e) Salary and Compensation Policy:
- i. Employees' salary: The Company's salary and compensation policy makes an effort to provide a fair and reasonable reward and punishment system to employees, to strengthen team's discipline, to encourage employees focusing on benefaction, to improve the Company's service quality, to be a behaviour guidance followed by employees and keep a good image of the Company. Employees' salary and compensation include monthly salary, performance bonus and reward calculated based on operating results and sales conditions of construction projects and compensation (bonus) distributed based on profitability of every year which allocated to individual employee based on the position, contribution and performance.
 - ii. Managers: The Company's remuneration to managers adopts the balanced salary and bonus, referring to the pay level in the same industry. The remuneration is determined according to the job responsibility, contribution to the Company's operation and by reference to the general pay levels of the industry, and shall be reviewed by the remuneration committee and reported to the Board of Directors for approval. The procedure for determination of remuneration takes into consideration the Company's overall operation performance, achievement rate of personal performance and contribution to the Company's performance to grant a reasonable remuneration.

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY
FUNCTION (Cont.)
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 16

- iii. Directors and supervisors' remuneration: Directors' and supervisors' remuneration include monthly fixed remuneration, transportation allowance for the professional practice execution and bonus from distribution of earnings. The fixed remuneration and transportation allowance are paid based on general market levels and earnings distribution in accordance with the Company's Articles of Incorporation. The remuneration of general manager and vice general manager comprise of the basic salary and meal allowance, and their salaries are determined based on experience, working performance and seniority.