Stock Code:3266

SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2025 and 2024

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Representation Letter

The entities that are required to be included in the combined financial statements of Sunty Development Co., Ltd. as of and for the year ended December 31, 2025 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, “Consolidated Financial Statements.” In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Sunty Development Co., Ltd. and subsidiaries do not prepare a separate set of combined financial statements.

Company name: Sunty Development Co., Ltd.
Chairman: Mai, Kuan-Chen
Date: March 10, 2026

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Independent Auditors' Report

To the Board of Directors of Sunty Development Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Sunty Development Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2025 and 2024, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters that should be disclosed in this report are as follows:

1. Appropriateness of Recognition Timing of Building and Land Sales Revenue

   Please refer to notes 4(p) and 6(t) of the notes to consolidated financial statements for the accounting policy on revenue recognition and the description of revenue.

   Description of key audit matter:

   Since the Group operates in the real estate industry, in which its sales revenue is recognized upon the transfer of ownership of its real estate and the actual delivery of its housing unit to a large number of clients, the confirmation on the validity of the timing of the sales revenue recognition is crucial. Hence, the Group needs to thoroughly examine the transfer of its ownership and the data on the delivery of its housing units for its entire transactions to recognize the sales revenue, which usually involves tremendous amount of manual efforts. Therefore, sales revenue recognition has been recognized as one of our key audit matters. Therefore, the recognition timing of sales revenue is considered as one of the key audit matters.

   How the matter was addressed in our audit:

   Our principal audit procedures included:

   - Understanding the design of the Group's internal controls over the recognition of revenue and the accrual of receivables.

   - Performing substantive tests on randomly selected samples of sales contracts, and real estate ownership transfer documents; as well as checking the sales data and general ledger to ensure consistency.

   - Testing on sales transactions taking place befored and after the balance sheet date as well as confirming relevant transaction records and documentations to ensure that revenue was fairly presented in the appropriate period.

2. Valuation of Inventory

   Please refer to Note 4(h) for the accounting policies on inventory valuation, Note 5(a) for the uncertainty of accounting estimations and assumptions for inventory valuation, and Note 6(d) for details of inventory valuation.

   Description of key audit matter:

   Inventories, which play a significant role in the Group's business operation, account for 79% of the Group's total assets, wherein the evaluation has to comply with the International Accounting Standards Bulletin No. 2. Moreover, if the net realizable value of inventories is inaccurately assessed, it will result in a negative impact on the financial report. Therefore, inventory evaluation has been recognized as one of our key audit matters.

   How the matter was addressed in our audit:

   - Understanding the Group' s internal procedures and accounting processes over inventory valuation; obtaining the valuation information on the net realizable value of inventory on the date of the reporting; inspecting and performing sample testing on the comparable market data such as sales prices of the transactions in the neighborhood, registered sales prices of real estate published by contract prices of recent sales of the Group's developments or Ministry of the Interior, or confirming and recalculating the investment return analysis of each developments, to evaluate if the net realizable value of inventory is fairly presented.

3. Construction contracts

Refer to Note 4(p) for the accounting policies on construction contracts; Note 5(b) for the uncertainty of accounting estimations and assumptions for total construction costs; and Note 6(t) for details of revenue recognition of customer contracts.

Description of key audit matter:

The Group's constrution contracts revenue accounted for 40% of the consolidated operating income in 2025. The estimated total cost of a construction contract requires a high level of judgment by the management. The Group uses the percentage of completion method to recognize the construction income and cost, and the degree of completion is based on the cost incurred as a percentage of the estimated total cost as of the financial reporting date. The measurement of the degree of completion may result in a significant difference between the timing of profit and loss recognition and the current financial statements.

The corresponding audit procedures:

Our audit procedures for the key audit matters above include:

- Understand the internal operating procedures for the estimated total cost evaluation, and randomly check the estimated total cost of major projects to ensure the consistency between the evaluation process and the internal operating procedures.

- For the projects with the estimated total cost of major additions and revisions in the current period, random check the estimated total cost approved by the project management department, including the supporting documents of the additional or subtracted projects in the current period and major projects with pricing.

- Obtain the details of the costs and expenses of the current period, and implement the relevant verification procedures, including checking the amount of costs of the current period incurred to the relevant document slips, to confirm that the input costs of the current period have been properly booked.

Other Matter

Sunty Development Co., Ltd. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2025 and 2024, on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRIC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group 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 Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 consolidated financial statements.

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Han, Yi-Lien and Tseng, Kuo-Yang.

KPMG

Taipei, Taiwan (Republic of China)
March 10, 2026

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 933,129	7	1,926,083	15
1110	Current financial assets at fair value through profit or loss (notes 6(b) and (w))	273,566	2	234,950	2
1140	Current contract assets (notes 6(t) and 7)	11,522	-	9,200	-
1150	Notes receivable, net (notes 6(c) and (w))	11,400	-	17,099	-
1170	Accounts receivable, net (notes 6(c) and (w))	40,356	-	38,511	-
1180	Accounts receivable - related parties, net (notes 6(c), (w) and 7)	-	-	632	-
1200	Other receivables, net (notes 6(w) and 7)	584	-	777	-
1320	Inventory (for construction) (notes 6(d), 7 and 8)	10,473,411	79	8,819,157	71
1410	Prepayments	185,745	2	155,030	1
1476	Other current financial assets (notes 6(j) and 8)	137,013	1	77,070	1
1479	Other current assets, others	1,779	-	4,762	-
1480	Current incremental costs to obtain a contract (note 6(j))	155,483	1	120,327	1
		12,223,988	92	11,403,598	91
	Non-current assets:				
1551	Investments accounted for using equity method (note 6(e))	-	-	29,931	-
1600	Property, plant and equipment (notes 6(g) and 8)	90,297	1	91,971	1
1755	Right-of-use assets (note 6(h))	7,495	-	9,597	-
1760	Investment property, net (notes 6(i) and 8)	905,986	7	930,208	8
1780	Intangible assets	1,591	-	1,514	-
1840	Deferred tax assets (note 6(q))	38,207	-	38,684	-
1975	Non-current net defined benefit asset	15,261	-	14,073	-
1980	Other non-current financial assets (notes 6(j) and 8)	25,249	-	32,250	-
		1,084,086	8	1,148,228	9
	Total assets	**$ 13,308,074**	**100**	**12,551,826**	**100**

	Liabilities and Equity	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Current liabilities:				
2100	Short-term borrowings (note 6(k))	$ 4,123,000	31	3,199,000	25
2130	Current lease liabilities (notes 6(t), 7 and 9)	1,636,790	13	1,481,665	12
2150	Notes payable (note 6(w))	5,621	-	1,694	-
2170	Accounts payable (note 6(w))	563,902	4	633,522	5
2180	Accounts payable to related parties (notes 6(w) and 7)	42,068	-	22,414	-
2200	Other payables (notes 6(p) and (w))	195,768	2	208,507	2
2230	Current tax liabilities	17,217	-	191,965	2
2250	Current provisions (note 6(n))	11,782	-	9,686	-
2280	Current lease liabilities (note 6(m))	4,468	-	4,081	-
2322	Long-term borrowings, current portion (note 6(l))	30,000	-	30,000	-
2399	Other current liabilities-others (note 7)	7,404	-	4,105	-
		6,638,020	50	5,786,639	46
	Non-Current liabilities:				
2540	Long-term borrowings (note 6(l))	159,000	1	189,000	2
2550	Non-current provisions (note 6(n))	60,772	1	64,454	1
2573	Deferred tax liabilities-others (note 6(q))	8	-	160	-
2580	Non-current lease liabilities (note 6(m))	53,898	-	55,755	-
2645	Guarantee deposits (note 6(w))	1,908	-	5,011	-
		275,586	2	314,380	3
	Total liabilities	6,913,606	52	6,101,019	49
	Equity attributable to owners of the Company (note 6(r)):				
3100	Share capital	3,523,143	27	3,523,143	28
3200	Capital surplus	802,671	6	802,671	6
3300	Retained earnings	2,028,931	15	2,088,813	17
3400	Other equity interest	-	-	639	-
	Total equity attributable to owners of the Company:	6,354,745	48	6,415,266	51
36XX	Non-controlling interests	39,723	-	35,541	-
	Total equity	6,394,468	48	6,450,807	51
	Total liabilities and equity	**$ 13,308,074**	**100**	**12,551,826**	**100**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

(In Thousands of New Taiwan Dollars)

		2025		2024	
		Amount	%	Amount	%
4000	**Operating revenues (notes 6(o), (t) and 7)**	$ 1,433,489	100	4,679,558	100
5000	**Operating costs (notes 6(d) and 7)**	972,086	68	3,208,241	68
5900	**Gross profit from operations**	461,403	32	1,471,317	32
	Operating expenses (note 7):				
6100	Selling expenses (note 6(j))	32,501	2	225,262	5
6200	Administrative expenses	243,393	17	322,140	7
6300	Research and development expenses	2,348	-	2,028	-
		278,242	19	549,430	12
6900	**Net operating income**	183,161	13	921,887	20
	Non-operating income and expenses:				
7100	Interest income (notes 6(v) and 7)	12,963	1	23,341	-
7010	Other income (note 6(v))	5,385	-	-	-
7020	Other gains and losses (notes 6(h), (i) and (v))	35,187	3	(29,391)	-
7050	Finance costs (notes 6(d) and (v))	(1,216)	-	(3,090)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net (note 6(e))	6,442	-	(1,608)	-
		58,761	4	(10,748)	-
7900	**Profit before income tax**	241,922	17	911,139	20
7950	**Less: Income tax expenses (note 6(q))**	33,039	3	224,596	5
	Profit for the period	208,883	14	686,543	15
8300	**Other comprehensive income (loss):**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans (note 6(p))	1,188	-	2,061	-
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements (note 6(r))	(1,099)	-	1,114	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(q))	220	-	(223)	-
	Items that may be reclassified to profit or loss	(879)	-	891	-
8300	**Other comprehensive income (net of tax)**	309	-	2,952	-
	Total comprehensive income	**$ 209,192**	**14**	**689,495**	**15**
	Profit (loss), attributable to:				
8610	Owners of parent	$ 203,437	14	679,506	15
8620	Non-controlling interests	5,446	-	7,037	-
		$ 208,883	**14**	**686,543**	**15**
	Comprehensive income attributable to:				
8710	Owners of parent	$ 203,475	14	681,976	15
8720	Non-controlling interests	5,717	-	7,519	-
		$ 209,192	**14**	**689,495**	**15**
	Basic earnings per share (NT dollar) (note 6(s))				
9750	**Basic earnings per share**	**$**	**0.58**		**1.93**
9850	**Diluted earnings per share**	**$**	**0.58**		**1.92**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent								
	Share capital		Retained earnings			Total other equity interest			
	Ordinary shares	Capital surplus	Retained earnings	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance on January 1, 2024	$ 3,523,143	802,670	715,904	956,060	1,671,964	(252)	5,997,525	37,338	6,034,863
Profit for the period	-	-	-	679,506	679,506	-	679,506	7,037	686,543
Other comprehensive income, net of tax	-	-	-	1,579	1,579	891	2,470	482	2,952
Total comprehensive income	-	-	-	681,085	681,085	891	681,976	7,519	689,495
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	68,613	(68,613)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	(264,236)	(264,236)	-	(264,236)	-	(264,236)
Reversal of special reserve	-	-	(43,699)	43,699	-	-	-	-	-
Disposal of subsidiaries accounted for using the equity method	-	1	-	-	-	-	1	-	1
Non-controlling interests (net of tax)	-	-	-	-	-	-	-	(9,316)	(9,316)
Balance on December 31, 2024	3,523,143	802,671	740,818	1,347,995	2,088,813	639	6,415,266	35,541	6,450,807
Profit for the period	-	-	-	203,437	203,437	-	203,437	5,446	208,883
Other comprehensive income, net of tax	-	-	-	917	917	(879)	38	271	309
Total comprehensive income	-	-	-	204,354	204,354	(879)	203,475	5,717	209,192
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	68,108	(68,108)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	(264,236)	(264,236)	-	(264,236)	-	(264,236)
Reversal of special reserve	-	-	(891)	891	-	-	-	-	-
Disposal of subsidiaries or investments accounted for using equity method	-	-	-	-	-	240	240	-	240
Non-controlling interests (net of tax)	-	-	-	-	-	-	-	(1,535)	(1,535)
Balance on December 31, 2025	**$ 3,523,143**	**802,671**	**808,035**	**1,220,896**	**2,028,931**	**-**	**6,354,745**	**39,723**	**6,394,468**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2025	2024
Cash flows from (used in) operating activities:		
Profit before income tax	$ 241,922	911,139
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	29,434	30,809
Amortization expense	1,044	365
Net profit on financial assets or liabilities at fair value through profit or loss	(26,836)	(8,407)
Interest expense	1,216	3,090
Interest income	(12,963)	(23,341)
Dividend income	(3,617)	(3,899)
Share of loss of associates and joint ventures accounted for using equity method	(6,442)	1,608
Gain on disposal of property, plant and equipment	-	5
Loss (gain) on disposal of investment properties	(905)	-
Gains on disposal of investments	(2,858)	-
Impairment loss	-	68,124
Gain on lease modification	-	(8)
Gain on disposal of right-of-use assets	-	(2,975)
Total adjustments to reconcile profit (loss)	(21,927)	65,371
Changes in operating assets and liabilities:		
Increase in financial assets at fair value through profit or loss, mandatorily measured at fair value through profit or loss	(11,780)	(27,565)
(Increase) decrease in contract assets	(2,322)	17,248
Decrease (increase) in notes receivables	5,699	(17,099)
(Increase) decrease in account receivables	(1,213)	61,355
Decrease in other receivables	20	536
(Increase) decrease in inventories	(1,563,303)	911,109
(Increase) decrease in prepayments	(30,882)	31,026
(Increase) decrease in other financial assets (current and non-current)	(55,982)	163,919
Decrease (increase) in other current assets	2,983	(2,356)
(Increase) decrease in current incremental costs of obtaining a contract	(35,156)	219,300
Increase in net defined benefit liabilities	-	(482)
Total changes in operating assets	(1,691,936)	1,356,991
Increase (decrease) in contract liabilities	155,125	(762,555)
Increase (decrease) in notes payables	3,927	(3,020)
(Decrease) increase in accounts payables	(49,966)	193,513
(Decrease) increase in other payables	(12,388)	37,634
(Decrease) increase in provisions	(1,586)	20,994
Increase (decrease) in other current liabilities	3,299	(6,042)
Total changes in operating liabilities	98,411	(519,476)
Total changes in operating assets and liabilities	(1,593,525)	837,515
Total adjustments	(1,615,452)	902,886
Cash inflow (outflow) generated from operations	(1,373,530)	1,814,025
Interest received	13,136	23,067
Interest paid	(92,518)	(97,924)
Income taxes paid	(207,242)	(85,879)
Net cash flows from (used in) operating activities	(1,660,154)	1,653,289

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows (CONT'D)

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2025	2024
Cash flows from (used in) investing activities:		
Proceeds from disposal of investments accounted for using equity method	38,372	-
Acquisition of property, plant and equipment	(768)	(1,002)
Decrease in refundable deposits	40	810
Acquisition of intangible assets	(954)	(1,786)
Increase received	3,617	-
Dividends received	-	3,899
Proceeds from disposal of investment properties	2,070	-
Other investing activities	-	74,286
Net cash flows from (used in) investing activities	42,377	76,207
Cash flows from (used in) financing activities:		
Increase in short-term loans	1,355,000	1,044,000
Repayments of short-term loans	(431,000)	(1,630,000)
Increase in short-term notes and bills payables	99,845	79,769
Decrease in short-term notes and bills payables	(99,845)	(79,769)
Repayments of long-term loans	(30,000)	(32,500)
Decrease in other borrowings	3,000	-
(Decrease) increase in guarantee deposits received	(3,103)	2,061
Payment of lease liabilities	(3,303)	(2,780)
Cash dividends paid	(264,236)	(264,236)
Change in non-controlling interests	(1,535)	(9,316)
Net cash flows from (used in) financing activities	624,823	(892,771)
Net increase in cash and cash equivalents	(992,954)	836,725
Cash and cash equivalents at beginning of period	1,926,083	1,089,358
Cash and cash equivalents at end of period	$ **933,129**	**1,926,083**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Sunty Development Co., Ltd. (hereinafter referred to as Sunty Property Development) was established on March 17, 1993. On March 21, 2013, the company merged with Sunty Property Co., Ltd., with Sunty Development being the surviving company in the merger. Subsequently, on April 3, 2013, the surviving company was approved by the Ministry of Economic Affairs to change its name to "Sunty Development Co., Ltd." (hereinafter referred to as the Company). The registered address is 11th Floor, No. 289, Section 4, Zhongxiao East Road, Da'an District, Taipei City.

The Company and its subsidiaries (hereinafter referred to as "the Group") are principally engaged in residential and building development, leasing and sales, urban renewal and construction projects, etc.

(2) Approval date and procedures of the consolidated financial statements:

These consolidated financial statements were authorized for issue by the Board of Directors on March 10, 2026.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 "Lack of Exchangeability"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

(b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

(Continued)

(c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027 note:On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

(Continued)

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

(4) Summary of material accounting policies:

The material accounting policies presented in the consolidated financial statements are summarized as below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C. (altogether referred to “ IFRS Accounting Standards” endorsed by the “FSC”).

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on the historical cost basis:

1) Financial assets measured at fair value through profit or loss are measured at fair value;

2) The defined benefit liabilities (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation, limited as explained in note 4(q).

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollars (NTD), which is the Company’ s functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(Continued)

SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Basis of consolidation

(i) Principles for preparing consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, 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.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Changes in the Group's ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

When the Group loses control over a subsidiary, it derecognizes the assets (including any goodwill) and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any interest retained in the former subsidiary is measured at fair value when control is lost, with the resulting gain or loss being recognized in profit or loss. The Group recognizes as gain or loss in profit or loss the difference between (i) the fair value of the consideration received as well as any investment retained in the former subsidiary at its fair value at the date when control is lost; and (ii) the assets (including any goodwill), liabilities of the subsidiary as well as any related non-controlling interests at their carrying amounts at the date when control is lost, as gain or loss in profit or loss. When the Group loses control of its subsidiary, it accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if it had directly disposed of the related assets or liabilities.

(ii) List of subsidiaries in the consolidated financial statements:

Name of investor	Name of Subsidiary	Principal activity	Shareholding December 31, 2025	Shareholding December 31, 2024	Description
The Company	Hsin Tung Yang Construction Co., Ltd. (hereinafter referred to as Hsin Tung Yang Construction) (Note 1)	Comprehensive construction industry, etc.	77.14 %	76.63 %	The Company hold more than 50% interest of the subsidiary directly

(Continued)

SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of Subsidiary	Principal activity	Shareholding December 31, 2025	Shareholding December 31, 2024	Description
The Company	Sunty International Land Development Co., Ltd. (hereinafter referred to as Sunty International)	Housing and Building Development, Rental and Hotel	100.00 %	100.00 %	The Company hold more than 50% interest of the subsidiary directly
The Company	Sunty Land Development Co., Ltd. (hereinafter referred to as Sunty Land Development)	Housing and Building Development, Rental and Hotel	100.00 %	100.00 %	The Company hold more than 50% interest of the subsidiary directly

Note 1: The Group has obtained 0.51% shares from non-related parties in May and September, 2025, resulting in an increase of shareholding percentage from 76.63% to 77.14%.

(iii) Subsidiaries excluded from the consolidated financial statements: None.

(d) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period ("the reporting date"), monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

· an investment in equity securities designated as at fair value through other comprehensive income;

· a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

· qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, joint control, or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(e) Classification of current and non-current assets and liabilities

Due to the nature of the operating activities, the business cycle of the Group is usually longer than one year. Thus, the Group adopts a business cycle as the standard of classification of current and non-current operationg assets and liabilities. Items other than operationg assets and liabilities are classified as current when the following criteria is met. Otherwise, they are classified as non-current.

(i) It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;

(ii) It holds the asset primarily for the purpose of trading;

(iii) It expects to realize the asset within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as non current.

(i) It expects to settle the liability in its normal operating cycle;

(ii) It holds the liability primarily for the purpose of trading

(iii) The liability is due to be settled within twelve months after the reporting period; or

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

(Continued)

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(g) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(Continued)

2) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

3) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, notes and trade receivables, other receivables, guarantee deposit paid and other financial assets) and contract assets.

The Group measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

· debt securities that are determined to have low credit risk at the reporting date; and

· other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group’s historical experience and informed credit assessment as well as forward-looking information.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

(Continued)

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

· significant financial difficulty of the borrower or issuer;

· a breach of contract such as a default or being more than 180 days past due;

· the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

· it is probable that the borrower will enter bankruptcy or other financial reorganization; or

· the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

4) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(Continued)

(ii) Financial liabilities and equity instruments

1) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

2) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

3) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(h) Inventories

Inventories are measured at the lower of cost or net realizable value. The cost of inventories includes expenditures incurred in bringing them to their existing location and condition, and capitalization of interest.

The Group’s inventories are evaluated on a case-by-case basis using the selling price method, while the individual item approach is used in the comparison of cost and net realizable value. Net realizable value is the expected selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(Continued)

SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual proportionate share.

Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group's interests in the associate. When the Group's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

(j) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is initially recognized at cost and then subsequently measured at cost, less accumulated depreciation and accumulated impairment losses. The depreciation methods, useful lives, and residual values of investment property are same as the practice of the property, plant, and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as operating revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(k) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(Continued)

(ii) Subsequent cost

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1)Buildings	5～45 years
2)Transportation equipment	5 years
3)Office and other equipment	3～5 years

Depreciation methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

(l) Lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group’s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

1) fixed payments, including in-substance fixed payments;

2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

3) amounts expected to be payable under a residual value guarantee; and

4) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

1) there is a change in future lease payments arising from the change in an index or rate; or

2) there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or

3) there is a change of its assessment on whether it will exercise a purchase; or

4) there is a change of its assessment on whether it will exercise an extension or termination option; or

5) there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a practical expedient, the Group elects not to assess all rent concessions that meets all the conditions as follows are lease modifications or not:

1) the rent concessions occurring as a direct con sequence of the COVID-19 pandemic;

2) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

3) any reduction in lease payments affects only payments originally due on or before 30 June 2022; and

(Continued)

4) there is no substantive change to other terms and conditions of the lease.

In accordance with the practical expedient, the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract.

(m) Intangible assets

(i) Recognition and measurement

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives (1~5 years) of intangible assets, other than goodwill, from the date that they are available for use.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(n) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

(Continued)

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

(o) Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(p) Revenue recognition

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group’s main types of revenue are explained below:

1) Land development and sale of real estate

The Group develops and sells residential properties and usually sales properties in advance during construction or before construction begins. Revenue is recognized when control over the properties has been transferred to the customer.

The revenue is measured at the transaction price agreed under the contract. For sale of readily available house, the consideration is due when legal title of a property has been transferred. For pre-selling properties, the consideration is usually received by installment during the period from contract inception until the transfer of properties to the customer. If the contract includes a significant financing component, the transaction price will be adjusted for the effects of the time value of money during the period, using the specific borrowing rate of the construction project.

2) Construction contracts

The Group enters into contracts to build residential properties and commercial buildings. Because its customer controls the asset as it is constructed, the Group recognizes revenue over time on the basis of the construction costs incurred to date as a proportion of the total estimated costs of the contract. The consideration promised in the contract includes fixed and variable amounts. The customer pays the fixed amount based on a payment schedule. For some variable considerations (for example, a penalty payment calculated based on delay days) the Group recognizes revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. If the Group has recognized revenue, but not issued a bill, then the entitlement to consideration is recognized as a contract asset. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional.

If the Group cannot reasonably measure its progress towards complete satisfaction of the performance obligation of a construction contract, the Group shall recognize revenue only to the extent of the costs expected to be recovered.

A provision for onerous contracts is recognized when the Group expects the unavoidable costs of performing the obligations under a construction contract exceed the economic benefits expected to be received under the contract.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

For residential properties and commercial buildings, the Group offers a standard warranty to provide assurance that they comply with agreed upon specifications and has recognized warranty provisions for this obligation; please refer to note 6(n).

3) Consulting services and Management services

The Group provides advisory and management services. Revenue from providing services is recognized in the accounting period in which the services are rendered.

4) Rental revenues

The rental income arising from investment property is recognized in accordance with the straight-line method over the lease period; also, the given lease incentives is deemed as part of the overall rent income and it is credited to the rent income in accordance with the straight-line method over the lease period. The income generated from the sublease of property is recognized as operating revenue.

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SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES
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5) Financing components

The Group assesses whether the financial factors are significant at the contract level in accordance with IFRS15 Application Guidance - The Real Estate Industry, wherein the calculation can be made on a case-by-case basis. After the Group has taken into account the industry characteristics and market borrowing rates, it determines that the financial factors are considered material when they account for more than 5% of the total contract price. In addition, the Group expects that (i) the financing components are not substantive to individual contract or (ii) the period between the transfer of the promised goods or services to the customer and payment by the customer does not exceed one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(ii) Revenue from contracts with customers - Incremental costs of obtaining a contract

1) The Group recognizes as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

2) Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 18 Intangible Assets), the Group recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

a) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;

b) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

c) the costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfil the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Group cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations (or partially satisfied performance obligations), the Group recognizes these costs as expenses when incurred.

(Continued)

(q) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(r) Income Taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

(Continued)

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;

(ii) Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date, and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(s) Earnings per share

Disclosures are made of basic and diluted earnings per share attributable to ordinary equity holders of the Company. The basic earnings per share is calculated based on the profit attributable to the ordinary shareholders of the Company divided by weighted average number of ordinary shares outstanding. The diluted earnings per share is calculated based on the profit attributable to ordinary shareholders of the Company, divided by weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares.

(t) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may incur revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. Each operating segment consists of standalone financial information.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

In preparing these consolidated financial statements, management has made judgments and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to estimates are recognized prospectively in the period of the change and future periods.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows: None.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows:

(a) Valuation of inventories and investment properties

As inventories and investment properties are stated at the lower of cost or net realizable value, the Group estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. The investment properties are also measured at fair value using the income approach. Please refer to note 6(d) and 6(i) for further description of the valuation of inventories and investment properties.

(Continued)

(b) Construction contracts

The consolidated company’s recognition of income and cost of construction contract construction profit and loss is based on the degree of completion of the contract activities. It measures the degree of completion based on the completion of the performance obligation stated in the contract. Since the estimated total cost and contract items are based on the evaluation and judgment of the management based on the nature, expected contract amount, construction duration, engineering implementation and construction methods of different projects, they may affect the calculation of the percentage of completion and project profit and loss.

The Group’s accounting policies and disclosures included financial and non-financial assets and liabilities measured at fair value. The Group’ s financial instrument valuation group conducts independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. The valuation group periodically reviews significant unobservable inputs and adjustments. If the input data for valuation models is provided by external third parties (such as agency and pricing service institution), the valuation group would evaluate the evidence supporting such input data in order to ensure that the fair value measurement and hierarchy meet the IFRSs. The investment property should be evaluated regularly by using the evaluation methods and parametric assumptions announced by FSC, or be appraised by appointed external appraiser.

The Group uses the observable market data to evaluate its assets and liabilities. The different inputs of levels of fair value hierarchy in determination of fair value are as follows:

- Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the assets or liabilities that are not based on observable market data.

If there is any movement of financial instruments measured at fair value between level 1, Level 2, and Level 3, the Group recognizes the movement at the reporting date. Please refer notes as follows:

(a) Note 6(i) Investment property.

(b) Note 6(w) Financial instruments.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

		December 31, 2025	December 31, 2024
Cash and cash on hand	$	1,067	966
Demand deposits		443,076	716,368
Checking account deposits		7,135	5,263
Time deposits		401,900	1,053,800
Cash equivalents		79,951	149,686
Cash and cash equivalents in the statements of cash flows	**$**	**933,129**	**1,926,083**

(Continued)

The aforementioned cash equivalents are short-term notes, maturing in January 2026 and 2025 respectively, with an interest rate of 1.32%.

Please refer to note 6(w) for the disclosure of the Group's financial assets and liabilities interest risk and sensitivity analysis.

(b) Financial Assets and Liabilities at Fair Value through Profit or Loss ("FVTPL")

		December 31, 2025	December 31, 2024
Mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets			
Beneficiary certificate	$	170,825	145,637
Stocks listed on domestic markets		102,741	89,313
Total	**$**	**273,566**	**234,950**

For the gains or losses on remeasurement at fair value, please refer to note 6(w).

As of December 31, 2025 and 2024, the financial assets were not pledged.

(c) Notes and accounts receivable (including related parties)

		December 31, 2025	December 31, 2024
Notes receivable	$	11,400	17,099
Accounts receivable (including related parties)		40,356	39,143
	$	**51,756**	**56,242**

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward-looking information, including the macroeconomic and related industrial information. The loss allowance provisions were determined as follows:

	December 31, 2025		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance Provision**
Current	**$ 51,756**	**-**	**-**

	December 31, 2024		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance Provision**
Current	**$ 56,242**	**-**	**-**

For the years ended December 31, 2025 and 2024, there is no credit losses recognized or reversed.

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SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES
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(d) Inventories (for construction)

	December 31, 2025	December 31, 2024
Prepayments for land and buildings	$ 12,300	17,985
Land held for construction site	3,389,380	3,382,130
Construction in progress	6,288,295	5,325,480
Buildings and land held for sale	783,436	93,562
	$ 10,473,411	8,819,157

(i) For the years ended December 31, 2025 and 2024, the cost of goods sold amounted to $433,184 thousand and $2,799,976 thousand, respectively.

(ii) For the years ended December 31, 2024, the inventory valuation losses recognized due to inventories written down to net realizable value amounted to $10,300 thousand.

(iii) For the years ended December 31, 2025 and 2024, construction in progress of the Group is calculated using a capitalization rate of 2.51% and 2.45%, respectively. The interest capitalized amounted to $90,951 thousand and $91,826 thousand, respectively.

(iv) For the information on inventories pledged as collateral as of December 31, 2025 and 2024, please refer to note 8.

(e) Investments accounted for using equity method

A summary of the Group’s financial information for investments accounted for using the equity method at the reporting date is as follows:

	December 31, 2025	December 31, 2024
Associates	$ -	29,931

(i) Associates

Associates which are material to the Group consisted of the followings

Name of Associates	Nature of Relationship with the Group	Main operating location/ Registered Country of the Company	Proportion of shareholding and voting rights December 31, 2025	Proportion of shareholding and voting rights December 31, 2024
Great Harbor Limited	General Investment	Samoa	- %	17.98 %

The summarized financial information of the Group's significant associates is as follows. The financial information has been adjusted for the amounts included in the Consolidated Financial Statement of associates according to IFRS. This is to reflect the fair value adjustments made by the Group upon acquisition of equity interests in associates and adjustments made for differences of accounting policies:

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SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES
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1) Summary of the financial information of Great Harbor Limited

	December 31, 2025	December 31, 2024
Current assets	$ -	24,222
Non current assets	-	179,397
Current liabilities	-	27,719
Net assets	**$ -**	**175,900**
Net assets attributable to investee	**$ -**	**175,000**

	2025.1.1~ 2025.10.31	For the year ended December 31, 2024
Net loss from continuing operations for the period	$ 20,128	487
Other comprehensive income	(6,112)	6,200
Total comprehensive income	**$ 14,016**	**6,687**
Share of net assets of associates as of January 1	$ 29,931	30,425
Disposal	(35,274)	-
Comprehensive income attributable to the Group	5,343	(494)
Share of net assets of associates as of December 31	**$ -**	**29,931**

(ii) Based on a resolution approved during its board meeting held on October 21, 2025, the Group’s associate, Great Harbor Ltd. (G.H.), reduced its capital at the amount of USD1,249 thousand (approximately NT$38,372thousand), with the record date set at October 31, 2025, resulting in the Group to lose significant influence over G.H. Since the above transaction was considered to be a disposal of an associate according to IAS 28, the Group recognized a disposal gain of NT$2,858 thousand (recognized as other gains and losses of income statement and calculated based on IFRS), including a gain on disposal of investment and a loss of exchange differences on translation of foreign financial statements of NT$$3,098 thousand and NT$240 thousand, respectively, which had been fully received on November 3, 2025.

(iii) Collateral

As of December 31, 2025 and 2024, the Group did not provide any investment accounted for using equity method as collaterals for its loans.

(f) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

Subsidiary	Major operation place/ Country	Percentage of non-controlling interests	
		December 31, 2025	December 31, 2024
Hsin Tung Yang Construction	Taiwan	22.86 %	23.37 %

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The following information of the aforementioned subsidiaries have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Included in this information is the fair value adjustment made during the acquisition and relevant difference in accounting principles between the Group as at the acquisition date. Intra-group transactions were not eliminated in this information.

Summary of the financial information of Hsin Tung Yang Construction:

	December 31, 2025	December 31, 2024
Current assets	$ 785,215	666,655
Non-current assets	87,621	87,414
Current liabilities	(491,316)	(456,657)
Non-current liabilities	(9,641)	(11,128)
Net assets	**$ 371,879**	**286,284**
Non-controlling interests	**$ 39,723**	**35,541**

	For the years ended December 31 2025	2024
Sales revenue	**$ 1,265,107**	**1,186,343**
Net income	$ 84,407	61,694
Other comprehensive income	1,188	2,061
Total comprehensive income	**$ 85,595**	**63,755**
Profit attributable to non-controlling interests	**$ 5,446**	**7,037**
Comprehensive income attributable to non-controlling interests	**$ 5,717**	**7,519**
Net cash flows from operating activities	$ 62,252	78,871
Net cash flows from investing activities	5,034	3,899
Net cash used in financing activities	(1,540)	(34,432)
Increase (decrease) in cash and cash equivalents	**$ 65,746**	**48,338**
Dividends paid to non-controlling interests	**$ -**	**(7,644)**

(g) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended December 31, 2025 and 2024, were as follows:

	Land	Buildings and construction	Facilities	Office equipment	Construction in progress	Total
Cost or deemed cost:						
Balance on January 1, 2025	$ 152,951	88,756	99	3,493	-	245,299
Additions	-	-	-	768	-	768
Disposal	-	-	(47)	(20)	-	(67)
Balance on December 31, 2025	**$ 152,951**	**88,756**	**52**	**4,241**	**-**	**246,000**

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	Land	Buildings and construction	Facilities	Office equipment	Construction in progress	Total
Balance on January 1, 2024	$ 152,951	88,211	279	3,338	12,293	257,072
Additions	-	545	-	457	-	1,002
Disposal	-	-	(180)	(302)	(12,293)	(12,775)
Balance on December 31, 2024	**$ 152,951**	**88,756**	**99**	**3,493**	**-**	**245,299**
Depreciation and impairments loss:						
Balance on January 1, 2025	$ 73,618	76,935	99	2,676	-	153,328
Depreciation	-	2,043	-	399	-	2,442
Disposal	-	-	(47)	(20)	-	(67)
Balance on December 31, 2025	**$ 73,618**	**78,978**	**52**	**3,055**	**-**	**155,703**
Balance on January 1, 2024	$ 38,200	66,260	267	2,743	12,293	119,763
Depreciation	-	2,414	7	235	-	2,656
Disposal	-	-	(175)	(302)	(12,293)	(12,770)
Transfer in/ out	35,418	8,261	-	-	-	43,679
Balance on December 31, 2024	**$ 73,618**	**76,935**	**99**	**2,676**	**-**	**153,328**
Carrying amounts:						
Balance on December 31, 2025	**$ 79,333**	**9,778**	**-**	**1,186**	**-**	**90,297**
Balance on January 1, 2024	**$ 114,751**	**21,951**	**12**	**595**	**-**	**137,309**
Balance on December 31, 2024	**$ 79,333**	**11,821**	**-**	**817**	**-**	**91,971**

In 2024, the Group assessed that the recoverable amount of the aforementioned property, plant, and equipment was lower than their carrying amount, and therefore recognized an impairment loss of $43,679 thousand, recorded under other gains and losses.

As of December 31, 2025 and 2024, the Group's property, plant and equipment had been pledged as collateral for bank borrowings, please refer to note 8.

(h) Right-of-use assets

The Group leases assets including land, buildings and transportation equipment. Information about leases for which the Group as a lessee is presented below:

	Land	Buildings and construction	Office equipment	Vehicles	Total
Cost:					
Balance on January 1, 2025	$ 768	1,393	2,010	7,822	11,993
Additions	-	1,833	-	-	1,833
Disposal	(468)	(1,394)	-	-	(1,862)
Balance on December 31, 2025	**$ 300**	**1,832**	**2,010**	**7,822**	**11,964**
Balance on January 1, 2024	$ 155,102	3,395	2,136	1,229	161,862
Additions	227	-	1,398	7,822	9,447
Lease modification	430	-	-	-	430
Disposal	(154,991)	(2,002)	(1,524)	(1,229)	(159,746)
Balance on December 31, 2024	**$ 768**	**1,393**	**2,010**	**7,822**	**11,993**

(Continued)

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	Land	Buildings and construction	Office equipment	Vehicles	Total
Depreciation and impairment losses:					
Balance on January 1, 2025	$ 391	900	386	719	2,396
Depreciation	297	965	402	2,271	3,935
Disposal	(468)	(1,394)	-	-	(1,862)
Balance on December 31, 2025	**$ 220**	**471**	**788**	**2,990**	**4,469**
Balance on January 1, 2024	$ 26,978	1,621	1,311	976	30,886
Depreciation	2,280	1,281	421	972	4,954
Impairment loss	24,445	-	-	-	24,445
Disposal	(53,312)	(2,002)	(1,346)	(1,229)	(57,889)
Balance on December 31, 2024	**$ 391**	**900**	**386**	**719**	**2,396**
Carrying amount:					
Balance on December 31, 2025	**$ 80**	**1,361**	**1,222**	**4,832**	**7,495**
Balance on January 1, 2024	**$ 128,124**	**1,774**	**825**	**253**	**130,976**
Balance on December 31, 2024	**$ 377**	**493**	**1,624**	**7,103**	**9,597**

The aforementioned land on right-of-use assets is recognized according to the superficies contract of the land in West Central District, Tainan City. The duration is until July 2063. Please refer to note 6(m) for more information.

In June 2024, the Company entered into a transfer agreement with a non-related party for a consideration of NT$74,286 thousand. The transfer was approved by the National Property Administration in July 2024, and the handover was completed in August of the same year. As a result, the right-of-use asset and lease liability were reduced by NT$105,113 thousand and NT$33,802 thousand, which was recorded gains on disposal of investments NT$2,975 thousand under other gains and losses.

In June 2024, the Group assessed that the recoverable amount of the above mentioned right-of-use assets was lower than the carrying amount, and recognized an impairment loss of $24,445 thousand, which was recorded under other gains and losses.

(i) Investment property

The movements in cost, depreciation, and impairment of investment property of the Group for the years ended December 31, 2025 and 2024 were as follows:

	Owned property		Right-of-use assets	
	Land	Buildings	Land	Total
Cost:				
Balance on January 1, 2025	$ 104,218	1,074,816	42,966	1,222,000
Lease modification	(980)	(400)	-	(1,380)
Balance on December 31, 2025	**$ 103,238**	**1,074,416**	**42,966**	**1,220,620**

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	Owned property		Right-of-use assets	
	Land	**Buildings**	**Land**	**Total**
Balance on January 1, 2024	$ 104,218	1,074,816	34,782	1,213,816
Lease modifications	-	-	8,184	8,184
Balance on December 31, 2024	**$ 104,218**	**1,074,816**	**42,966**	**1,222,000**
Accumulated depreciation and impairment losses:				
Balance on January 1, 2025	$ 6,291	280,681	4,820	291,792
Depreciation	-	22,020	1,037	23,057
Disposal	-	(215)	-	(215)
Balance on December 31, 2025	**$ 6,291**	**302,486**	**5,857**	**314,634**
Balance on January 1, 2024	$ 6,291	258,519	3,783	268,593
Depreciation	-	22,162	1,037	23,199
Balance on December 31, 2024	**$ 6,291**	**280,681**	**4,820**	**291,792**
Carrying amount:				
Balance on December 31, 2025	**$ 96,947**	**771,930**	**37,109**	**905,986**
Balance on January 1, 2024	**$ 97,927**	**816,297**	**30,999**	**945,223**
Balance on December 31, 2024	**$ 97,927**	**794,135**	**38,146**	**930,208**
Fair value:				
Balance on December 31, 2025				**$ 1,015,937**
Balance on December 31, 2024				**$ 1,037,873**

In August 2011, the Group signed a contract with the National Property Administration for the establishment of land development rights on the national land at No.5, Guanghuan Section, Banqiao District, New Taipei City. The lifetime of the land is until October 2061. The Group's project ”Sun-yang-you-see” is completed and promoted by the building lease transfer method and the land lease method. Please refer to note 6(m) for more information.

Measurement of the fair value of investment property is based on an independent evaluator (with professional qualifications) or the Group used income approach or sales comparison approach (checking the recent selling price of the premises, or by inquiring the selling price of premises nearby from the “Actual Selling Price of Real Estate” website). Under the valuation techniques for financial instruments measured at fair value, the inputs are categorized at level 3.

As of December 31, 2025 and 2024, the Group had pledged parts of its investment property as collaterals for its loans and financial guarantee; please refer to note 8.

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(j) Other financial assets and incremental costs of obtaining a contract

		December 31, 2025	December 31, 2024
Other financial assets－current	$	137,013	77,070
Incremental costs of obtaining a contract		155,483	120,327
Other financial assets－non-current		25,249	32,250
	$	**317,745**	**229,647**

(i) Other current and non-current financial assets

Other financial assets comprise the guarantee of the trust of pre-sale building and land, and the guarantee of joint construction, etc.

(ii) Current incremental costs of obtaining a contract

The Group expects that the service fees paid to intermediaries, and the bonus for the internal sales department are recoverable. Therefore, the Group capitalized them as contract assets. For the years ended December 31, 2025 and 2024, the Group recognized the amounts of $43,804 thousand and $927 thousand, respectively, as incremental costs of obtaining a contract. Capitalized service fees are amortized when the related revenues are recognized. For the years ended December 31, 2025 and 2024 the Group recognized $8,648 thousand and $220,227 thousand of amortized expense, respectively.

(iii) Collateral

As of December 31, 2025 and 2024, the other financial assets were pledged as collateral, please refer to note 8.

(k) Short-term borrowings

The short-term borrowings were summarized as follows:

		December 31, 2025	December 31, 2024
Unsecured bank loans	$	2,113,000	1,189,000
Secured bank loans		2,010,000	2,010,000
Total	**$**	**4,123,000**	**3,199,000**
Unused short-term credit lines	**$**	**6,827,000**	**6,652,344**
Range of interest rates		**2.31%~3.14%**	**2.28%~2.96%**

(i) The Group borrowed $1,355,000 thousand and $1,044,000 thousand of short-term loans, for the years ended December 31, 2025 and 2024, respectively. In addition, the Group repaid $431,000 thousand and $1,630,000 thousand for the years ended December 31, 2025 and 2024, respectively.

(ii) Please refer to note 8 for a description of the Group's assets pledged as collateral to secure the bank loans and note 6(w) for the information of liquidity risk exposure.

(Continued)

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(l) Long-term borrowings

The Group's long-term borrowings details, conditions and provisions were as follows:

	December 31, 2025			
	Currency	**Rate**	**Maturity year**	**Amount**
Secured bank loans	NTD	3.03%	2032	$ 189,000
Less: current portion				(30,000)
				$ 159,000
Unused long-term credit lines				**$ -**

	December 31, 2024			
	Currency	**Rate**	**Maturity year**	**Amount**
Secured bank loans	NTD	3.03%	2025	$ 219,000
Less: current portion				(30,000)
				$ 189,000
Unused long-term credit lines				**$ -**

(i) As of December 31, 2025 and 2024, the repayment amount were both $30,000 thousand and $32,500 thousand.

(ii) Please refer to note 8 and 6(w) for descriptions of the Group's assets pledged as collateral for bank loans, and for disclosure of liquidity risk.

(m) Lease liabilities

Lease liabilities of the Group were as follows:

	December 31, 2025	**December 31, 2024**
Current	**$ 4,468**	**4,081**
Non-current	**$ 53,898**	**55,755**

For the maturity analysis, please refer to note 6(w) Financial instruments.

The amounts recognized in profit or loss were as follows:

	For the years ended December 31	
	2025	**2024**
Interest on lease liabilities	**$ 1,094**	**1,398**
Expenses relating to short-term leases	**$ 15,723**	**10,084**

The amounts recognized in the statement of cash flows for the Group were as follows:

	For the years ended December 31	
	2025	**2024**
Total cash outflow for leases	**$ 20,120**	**14,262**

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The Group leases vehicles, office equipment and land with lease terms of one to five years. The aforementioned leases are short-term or leases of low-value items which the Group has elected not to recognize right-of-use assets and lease liabilities for these leases. In addition, the rent is calculated based on the declaration of land value for the current period of 50 years. The above future rent payable is evaluated in accordance with the present obligation at the reporting date and calculated at the declared of the land value for the year ended December 31, 2024. The Group has not considered the increase of the declaration of land value in the future.

(n) Provisions

	December 31, 2025	December 31, 2024
Current	$ 11,782	9,686
Non-current	60,772	64,454
Balance on December 31	**$ 72,554**	**74,140**

For the years ended December 31, 2025 and 2024, the details of warranty were as follows:

	For the years ended December 31			
	2025		2024	
	Current	**Non-current**	**Current**	**Non-current**
Balance on January 1	$ 9,686	64,454	5,722	47,424
Transfer in (out)	7,122	(7,122)	3,964	(3,964)
Warranty made during the year	-	6,650	-	24,850
Warranty used during the year	(5,026)	(3,210)	-	(3,856)
Balance on December 31	**$ 11,782**	**60,772**	**9,686**	**64,454**

The provision for warranties mainly relates to property sales and construction contract for the years ended December 31, 2025 and 2024. The warranties are estimated based on the historical data, the Group expects that most of the liability occur within 1 year after sales.

(o) Operating lease

The Group leases out its investment property. The Group has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to note 6(i) for the information of investment property.

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A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date is as follows:

	December 31, 2025	December 31, 2024
Less than one year	$ 27,049	29,585
One to two years	26,522	27,457
Two to three years	26,519	27,085
Three to four years	26,519	25,860
Four to five years	26,227	25,860
More than five years	452,504	473,912
Total undiscounted lease payments	**$ 585,340**	**609,759**

For the years ended December 31, 2025 and 2024, rental income from investment properties amounted to $30,790 thousand and $30,010 thousand, respectively.

(p) Employee benefits

(i) short-term Employee benefit

The Group's employee benefit liabilities were as follows:

	December 31, 2025	December 31, 2024
Compensated absences liabilities (were recognized as other payables)	**$ 3,890**	**5,524**

(i) Defined benefit plans

The reconciliation of defined benefit obligation at present value and plan asset at fair value were as follows:

	December 31, 2025	December 31, 2024
Fair value of plan asset	$ 15,261	14,073
Net defined benefit assets	**$ 15,261**	**14,073**

The Group makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pension benefits for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Group's contributions to the pension funds were deposited with Bank of Taiwan, which amounted to $15,261 thousand as of December 31, 2025. For information on the utilization of the labor pension fund assets including the assets allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in the fair value of the plan assets

The changes in the present value of the defined benefit plan assets for the Group were as follows:

	For the years ended December 31	
	2025	**2024**
Fair value of plan assets on January 1	$ 14,073	12,012
Remeasurements loss (gain):		
－Return on plan assets excluding interest income	1,188	2,061
Fair value of plan assets on December 31	**$ 15,261**	**14,073**

3) Expenses recognized in profit or loss

The expenses recognized in the consolidated income statement were as follows:

	For the years ended December 31	
	2025	**2024**
Actual return on plan assets	**$ 1,188**	**2,061**

(ii) Defined contribution plans

The Group allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

For the years ended December 31, 2025 and 2024, the Group's pension costs under the defined contribution method were $7,521 thousand and $6,874 thousand, respectively. Contributions to the Bureau of Labor Insurance were $7,154 thousand and $6,663 thousand, respectively.

(Continued)

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(q) Income taxes

(i) The components of income tax in the years 2025 and 2024 were as follows:

		For the years ended December 31	
		2025	**2024**
Current tax expense			
Current period	$	21,885	205,932
Additional tax on undistributed earnings		17,481	19,849
Land value increment tax		1,937	475
Adjustment for prior years		(8,809)	13,401
		32,494	239,657
Deferred tax expense			
Recognition of previously unrecognized taxable losses		-	(1,302)
Origination and reversal of temporary differences		545	(13,759)
		545	(15,061)
Income tax expense	**$**	**33,039**	**224,596**

(ii) The amount of income tax recognized in other comprehensive income for 2025 and 2024 was as follows:

		For the years ended December 31	
		2025	**2024**
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign financial statements	**$**	**160**	**(223)**

(iii) The reconciliation of income tax and profit before tax for 2025 and 2024 is as follows:

		For the years ended December 31	
		2025	**2024**
Income before tax	$	241,922	911,139
Income tax expense at domestic statutory tax rate	$	48,384	182,228
Additional tax on undistributed earnings		17,481	19,849
Difference between financial and tax recognition method		(1,558)	14,989
Investment losses		(28,058)	-
Valuation gains relating to financial assets		(5,367)	(1,681)
Income from tax exemption on land		(91)	-
Reclassification of previously unrecognized tax losses		-	(1,302)
Current-year losses for which no deferred tax asset was recognized		20	4,811
Adjustment for prior periods		(8,809)	13,401
Land value increment tax		1,937	475
Others		9,100	(8,174)
Total	**$**	**33,039**	**224,596**

(Continued)

(iv) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2025	December 31, 2024
The carryforward of unused tax losses	$ 19,684	20,765

The R.O.C Income Tax Act allows tax losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

As of December 31, 2025, the information of the Group's unused tax losses for which no deferred tax assets were recognized are as follows:

Year of occurrence	Unused balance	Expiry year
2016	$ 7,240	2026
2017	10,551	2027
2018	7,041	2028
2019	7,542	2029
2020	4,225	2030
2021	4,110	2031
2022	4,225	2032
2023	4,427	2033
2024	48,961	2034
2025	98	2035
	$ 98,420	

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2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2025 and 2024 were as follows:

	Provisions	Exchange differences on translation of foreign financial statements	Others	Total
Deferred tax asset:				
Balance on January 1, 2025	$ 14,829	-	23,855	38,684
Recognized in profit or loss	(318)	-	(159)	(477)
Balance on December 31, 2025	**$ 14,511**	**-**	**23,696**	**38,207**
Balance on January 1, 2024	$ 10,630	63	14,295	24,988
Recognized in profit or loss	4,199	-	9,560	13,759
Recognized in other comprehensive income	-	(63)	-	(63)
Balance on December 31, 2024	**$ 14,829**	**-**	**23,855**	**38,684**

	Exchange differences on translation of foreign financial statements	Others	Total
Deferred tax liabilities:			
Balance on January 1, 2025	$ 160	-	160
Recognized in profit or loss	60	8	68
Recognized in other comprehensive income	(220)	-	(220)
Balance at December 31, 2025	**$ -**	**8**	**8**
Balance on January 1, 2024	$ -	-	-
Recognized in other comprehensive income	160	-	160
Balance on December 31, 2024	**$ 160**	**-**	**160**

(v) The Group’s business income tax declaration has been approved by the collection authority until 2023.

(r) Capital and other Equity

(i) Ordinary shares

As of December 31, 2025 and 2024, the Group’s government registered total authorized share capital and issued capital stock amounted to $5,000,000 thousand, comprising 50,000 thousand shares and 352,314 thousand shares, respectively, with the par value of $10 per share.

(ii) Capital surplus

The components of the capital surplus were as follows:

		December 31, 2025	December 31, 2024
Share capital	$	750,000	750,000
Cash capital increase reserved for employees		2,983	2,983
Difference arising from subsidiary’s share price and its carrying value		49,688	49,688
	$	**802,671**	**802,671**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the ordinary shares or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the capital increases by transferring of capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(iii) Retained earnings

The Company’s Articles of Incorporation stipulates that if the Company has earnings for the year, the earnings should first be used to strengthen its financial structure and improve its profitability. The remainder, if any, shall be decided by the board for distribution. Company’s net profit should first be used to offset the deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders’ meeting for approval. The Company considered appropriating its earnings by distributing cash or by issuing new shares according to its business and investment plans. The cash dividends shall not be less than 10% of the total shareholders' dividends.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders’ meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

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2) Special reserve

In accordance with Ruling No. 1010012865 issued by the FSC on April 6, 2012, a portion of current period earnings and undistributed prior period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current period total net reduction of other shareholders' equity. Similarly, a portion of unappropriated prior-period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

The 2024 and 2023 distribution of earnings were resolved at the shareholders' meetings on May 27, 2025 and May 31, 2024, respectively. The amount of dividends distributed for 2024 and 2023 was as follows:

	For the years ended December 31			
	2024		2023	
	Amount per share (dollars)	Amount	Amount per share (dollars)	Amount
Dividends distributed to ordinary shareholders:				
Cash	$ 0.75	264,236	0.75	264,236

The amounts of cash dividends on the appropriations of earnings for 2025 had been approved and proposed during the board meeting on March 10, 2026, and the amount of dividends distributed was as follows:

	For the year ended December 31, 2025	
	Amount per share (dollars)	Amount
Dividends distributed to ordinary shareholders		
Cash	$ 0.50	176,157

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(iv) Other comprehensive income accumulated in reserves, net of tax

	Exchange differences on translation of foreign financial statements
Balance on January 1, 2025	$ 639
Exchange differences on translation of net assets of foreign operations	(879)
Profit reclassified to profit or loss on disposal of foreign operations	240
Balance on December 31, 2025	**$ -**
Balance on January 1, 2024	$ (252)
Exchange differences on translation of net assets of foreign operations	891
Balance on December 31, 2024	**$ 639**

(s) Earnings per share

The basic and diluted earnings per share were calculated as follows:

	For the years ended December 31	
	2025	**2024**
Basic earnings per share		
Profit attributable to ordinary shareholders of the Company	**$ 203,437**	**679,506**
Weighted average number of ordinary shares outstanding (shares in thousands)	352,314	352,314
Basic earnings per share	**$ 0.58**	**1.93**
Diluted earnings per share		
Profit attributable to ordinary shareholders	**$ 203,437**	**679,506**
Weighted-average number of ordinary shares outstanding (shares in thousands)	352,314	352,314
Effect of employee share bonus	752	1,504
Weighted average number of ordinary shares outstanding (diluted)	**353,066**	**353,818**
Diluted earnings per share	**$ 0.58**	**1.92**

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(t) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the year ended December 31, 2025		
	Sales of real estate department	Engineering department	Total
Primary geographical markets:			
Asia	**$ 858,549**	**574,940**	**1,433,489**
Major products/services lines:			
Sales of real estates	$ 733,666	-	733,666
Construction contractors	-	573,841	573,841
Others	124,883	1,099	125,982
	$ 858,549	**574,940**	**1,433,489**
Timing of revenue recognition:			
Gradually transferred construction over time	$ -	573,841	573,841
Gradually transferred revenue over time	124,883	1,099	125,982
Transfer of products upon a point in time	733,666	-	733,666
	$ 858,549	**574,940**	**1,433,489**

	For the year ended December 31, 2024		
	Sales of real estate department	Engineering department	Total
Primary geographical markets:			
Asia	**$ 4,242,430**	**437,128**	**4,679,558**
Major products/services lines:			
Sales of real estates	$ 4,198,455	-	4,198,455
Construction contractors	-	435,496	435,496
Others	43,975	1,632	45,607
	$ 4,242,430	**437,128**	**4,679,558**
Timing of revenue recognition:			
Gradually transferred construction over time	$ -	435,496	435,496
Gradually transferred revenue over time	43,975	1,632	45,607
Transfer of products upon a point in time	4,198,455	-	4,198,455
	$ 4,242,430	**437,128**	**4,679,558**

(Continued)

(ii) Contract balances

		December 31, 2025	December 31, 2024	January 1, 2024
Contract assets- construction	$	5,779	9,200	26,448
Contract assets- other		5,743	-	-
Total	$	**11,522**	**9,200**	**26,448**
Contract liabilities- construction	$	74,927	123,607	81,631
Contract liabilities- sales of real estate		976,145	748,724	1,534,034
Contract liabilities- unearned revenue		581,599	607,524	626,819
Contract liabilities- installments claim receivables		1,689	1,810	1,736
Contract liabilities- other		2,430	-	-
Total	$	**1,636,790**	**1,481,665**	**2,244,220**

For details on accounts receivable, notes receivable and allowance for impairment, please refer to note 6(c).

The beginning balance of contract liability on January 1, 2025 and 2024, were $49,282 thousand and $873,517 thousand, respectively.

The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received. There is no significant changes for the years ended December 31, 2025 and 2024. Please refer to note 9 for details of building lease and land lease contract of installments claim receivables transferred to financial institutions.

(u) Employee compensation and directors’ and supervisors’ remuneration

The Company resolved at the board meeting to amend its articles of incorporation at June 17,2025. Under the revised articles, if the Company incurs profit for the year, the profit should first be used to offset against any accumulated deficits. Thereafter, a minimum rate of 2% to a maximum rate of 10% of the income before tax as shall be appropriated as employee remuneration (of which, 10% shall be reserved specifically for frontline employees), as well as a maximum rate of 3% of the income before tax as directors' remuneration.

For the years ended December 31, 2025 and 2024, the Company estimated its remuneration to employees amounting to $6,946 thousand and $23,086 thousand, respectively, and the remuneration to directors amounting to $2,315 thousand and $9,234 thousand, respectively. The abovementioned estimated amounts are calculated based on the net profits before tax of each period (excluding the remuneration to employees and directors), multiplied by a certain percentage of the remuneration to employees and directors. These remunerations were expensed under operating costs or operating expenses during 2025 and 2024. There is no discrepancy under the circumstances of actual distribution. The information is available on the Market Observation Post System website.

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(v) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	For the years ended December 31	
	2025	2024
Interest income from bank deposits	$ 12,944	23,292
Other interest income	19	49
Total interest income	**$ 12,963**	**23,341**

(ii) Other income

For the years ended December 31, 2025 and 2024

	For the years ended December 31	
	2025	2024
Rent income	**$ 5,385**	**-**

(iii) Other gains and losses

The details of other gains and losses were as follows:

	For the years ended December 31	
	2025	2024
Losses on disposals of property, plant and equipment	$ -	(5)
Losses on disposals of investment property	905	-
Gain on disposals of right-or-use assets	-	2,975
Gains on modification of leases	-	8
Foreign exchange gain	87	23,783
Gains on financial assets at fair value through profit or loss	26,836	8,407
Gain on disposal of invesmernts	2,858	-
Impairment losses	-	(68,124)
Dividend income	3,617	3,899
Others	884	(334)
Other gains and losses, net	**$ 35,187**	**(29,391)**

(iv) Finance costs

The details of finance costs were as follows:

	For the years ended December 31	
	2025	2024
Interest expenses	**$ 1,216**	**3,090**

(Continued)

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(w) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amounts of financial assets and contract assets represented the maximum amount exposed to credit risk.

2) Concentration of credit risk

The Group has a large and unconnected customer base and is therefore not at risk of significant concentration of credit risk, and the Group is connected with a good credit counterparty in the open market and expects that the counterparty will not breach the contract. Therefore, there is little possibility of credit risk.

3) Receivables and debt securities

For credit risk exposure of notes and trade receivables, please refer to note 6(c).

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(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including the estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
December 31, 2025							
Non-derivative financial liabilities							
Secured bank loans	$ 2,199,000	2,303,851	569,786	284,719	64,214	1,345,314	39,818
Unsecured bank loans	2,113,000	2,157,446	1,299,474	139,653	613,697	104,622	-
Trade payables	807,359	807,359	807,344	15	-	-	-
Lease liabilities	58,366	93,069	2,263	2,263	2,870	3,184	82,489
Guarantee deposits received	1,908	1,908	1,792	100	16	-	-
	$ 5,179,633	**5,363,633**	**2,680,659**	**426,750**	**680,797**	**1,453,120**	**122,307**
December 31, 2024							
Non-derivative financial liabilities							
Secured bank loans	$ 2,229,000	2,341,443	579,881	36,366	987,909	665,795	71,492
Unsecured bank loans	1,189,000	1,207,180	704,362	325,920	90,285	86,613	-
Trade payables	866,137	866,137	829,474	32,353	4,310	-	-
Lease liabilities	59,836	95,833	2,184	1,948	3,435	5,217	83,049
Guarantee deposits received	5,011	5,011	-	-	5,011	-	-
	$ 4,348,984	**4,515,604**	**2,115,901**	**396,587**	**1,090,950**	**757,625**	**154,541**

(Continued)

The Group does not expect that the cash flows included in the maturity analysis would occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure to foreign currency risk

The Group's significant exposures to foreign currency risk were as follow:

	December 31, 2025			December 31, 2024		
	Foreign Currency	**Average Exchange Rate**	**NTD**	**Foreign Currency**	**Average Exchange Rate**	**NTD**
Financial assets						
Monetary items						
USD:NTD	$ 181	31.4200	5,673	22	32.7850	734

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents that are denominated in foreign currency. As of December 31, 2025 and 2024, a strengthening (weakening) of 1% of the exchange rate of the functional currency of the Group and the Group against the main foreign currencies would increased (decreased) profit after tax by $57 thousand and $7 thousand. The analysis of the two periods was conducted using the same basis, assuming all other variables held constant.

3) Foreign exchange gain and loss on monetary items

The amounts of conversion gains and losses (including realized and unrealized) of monetary items of the Group which were converted into NTD, and the exchange rate information converted to the Group's functional currency, NTD, are as follows:

	For the years ended December 31			
	2025		**2024**	
	Exchange gain (loss)	**Average exchange rate**	**Exchange gain (loss)**	**Average exchange rate**
NTD	$ 87	-	23,783	-

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial instruments.

The following sensitivity analysis is based on the risk exposure to the interest rates risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Group management' s assessment of the reasonably possible interest rate change.

(Continued)

If the interest rate increases/decreases by 1%, the Group's net income will decrease/increase by $569 thousand and $1,113 thousand for the years ended December 31, 2025 and 2024, respectively, with all other variable factors remaining constant.

(v) Other price risk

For the years ended December 31, 2025 and 2024, the sensitivity analyses for the changes in the securities price and fund beneficiary certificate at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	For the years ended December 31	
	2025	**2024**
	Net Income	**Net Income**
Increase 3%	$ **6,566**	**5,639**
Decrease 3%	$ **(6,566)**	**(5,639)**

(vi) Fair value information

1) Type and fair value of financial instruments

The fair value of financial assets at fair value through profit or loss is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2025				
		Fair Value			
	Book Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	$ 273,566	273,566	-	-	273,566
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 933,129	-	-	-	-
Notes receivable, trade receivables and other receivables	52,340	-	-	-	-
Other financial assets-current	137,013	-	-	-	-
Other financial assets-non-current	25,249	-	-	-	-
Subtotal	$ 1,147,731	-	-	-	-
Financial liabilities measured at amortized cost					
Short-term loans	$ 4,123,000	-	-	-	-
Notes payable, trade payables and other payables	807,359	-	-	-	-
Long-term loans (including current portion)	189,000	-	-	-	-
Lease liabilities	58,366	-	-	-	-
Guarantee deposits received	1,908	-	-	-	-
Subtotal	$ 5,179,633	-	-	-	-

(Continued)

SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES
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	December 31, 2024				
		Fair Value			
	Book Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	$ 234,950	234,950	-	-	234,950
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 1,926,083	-	-	-	-
Notes receivable, trade receivables (include related parties) and other receivables	57,019	-	-	-	-
Other financial assets-current	77,070	-	-	-	-
Other financial assets-non-current	32,250	-	-	-	-
Subtotal	$ 2,092,422	-	-	-	-
Financial liabilities measured at amortized cost					
Short-term loans	$ 3,199,000	-	-	-	-
Notes payable, trade payables and other payables	866,137	-	-	-	-
Long-term loans (including current portion)	219,000	-	-	-	-
Lease liabilities	59,836	-	-	-	-
Guarantee deposits received	5,011	-	-	-	-
Subtotal	$ 4,348,984	-	-	-	-

2) Valuation techniques for financial instruments not measured at fair value

The Group's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

a) Financial assets measured at amortized cost (debt investment that has no active markets) and financial liabilities measured at amortized cost.

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

3) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis.

If a quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have a quoted price in an active market. The market for the said financial instrument shall be seen as inactive should the aforementioned requirements have not been met. In general, a market with low trading volume or high bid-ask spreads is an indication of a nonactive market.

If the financial instruments possessed by the Group has quoted market prices in active markets, the fair value was as follows:

Financial assets and liabilities with standard terms and conditions and traded in an active market, for example, investment in stock of listed companies and corporate bonds: the fair value is based on the market quoted price.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market date at the reporting date. (Such as yield curve of Taipei Exchange and Reuter's fixing rates for stocks)

b) Derivative financial instruments

Measurement of structured derivatives is based on option pricing models (i.e Black-Scholes model) and other valuation methods.

Fair value is measured by using the discounted cash flow method to calculate the probability of occurrence of the pre-tax, pre-depreciation and pre-amortization earnings and readjust the estimated cash flow using the discount rate that reflects the adjustments after risk.

4) Transfers between levels

Stock and fund held by the Group quoted in an active market is sorted to Level 1. There is no difference regarding valuation techniques between 2025 and 2024. There is no transfer between levels measured at fair value in 2025 and 2024.

(Continued)

(x) Financial risk management

(i) Overview

The Group has exposure to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Group’s exposure information, objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risk exposures, please refer to the respective notes in the accompanying consolidated financial statements.

(ii) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring the Group’s risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group’s risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group’s activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group’s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by the Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group’s receivables from customers and investments in debt securities.

1) Accounts receivable and other receivables

The Group’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, there is no risk of significant concentration; and the merger is conducted through open markets with a credit-good counterparty, which is expected to not result in a breach of contract by the counterparty, so there is little possibility of credit risk.

(Continued)

The Group' s accounts receivable and other receivables were mainly due from the customer. Customers rated as high risk were classified as restricted customers and monitored, and those customers will transact with the Group only on a prepayment basis in the future.

The majority of the Group's customers are mostly those in the construction industry. In order to reduce accounts receivable credit risk, the Group continuously assesses the financial condition of its customers. If it is necessary, the Group will ask for guarantees or warranties. However, there is no other significant concentration of credit risk. Furthermore, the Group monitors and reviews the recoverable amount of the accounts receivables to ensure the uncollectible amount is recognized appropriately as impairment loss.

The Group establishes an allowance for doubtful accounts that represents its estimate on incurred losses in respect of trade receivables and other receivables. This allowance mainly comprises a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. This allowance for the loss component is determined based on historical payment statistics of similar financial assets.

2) Investments

The credit risk exposure in the bank deposits, investments with fixed income and other financial instruments are measured and monitored by the Group's finance department. As the Group deals with the banks and other external parties with good credit standing and financial institutions, corporate organization and government agencies which are graded above investment level, management believes that the Group do not have compliance issues and no significant credit risk.

3) Guarantees

The Group' s policy is to provide financial guarantees to the companies that have business relationship and the subsidiaries that the Group directly and indirectly hold more than 50% voting shares. As of December 31, 2025 and 2024, there is no guarantee outstanding.

(iv) Liquidity risk

The Group manages and maintains sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group's management supervises the banking facilities and ensures in compliance with the terms of the loan agreements.

Bank borrowing is an essential liquidity source for the Group. As of December 31, 2025 and 2024, the Group's unused credit line were amounted to $7,249,771 thousand and $7,100,526 thousand, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rate, and equity prices which will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group did not buy and sell derivatives for manage market risks.

1) Currency risk

The interest was denominated in the currency used in the borrowings. Borrowings were generally denominated in currencies that match with the cash flows generated by the underlying operations of the Group, primarily NTD. This provided an economic hedge without derivatives being entered into, and therefore, hedge accounting was not applied in these circumstances.

2) Interest rate risk

The Group ensures that the most cost-effective strategy is adopted by maintaining an appropriate fixed and floating interest rate mix and evaluating it regularly.

3) Other market price risk

The Group is not exposed to equity price risk due to passive investment strategy on trading listed equity securities.

(y) Capital management

The objectives of the Board's policy are to maintain an optimal capital structure to keep the investors, creditors, the market faith, and the future operation. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt. The Board of Directors monitors the return on capital, as well as the level of dividends to ordinary shareholders.

The Group's debt to equity ratio at the reporting date was as follows:

	December 31, 2025	December 31, 2024
Total liabilities	$ 6,913,606	6,101,019
Less: cash and cash equivalents	(933,129)	(1,926,083)
Net debt	5,980,477	4,174,936
Total Equity	6,394,468	6,450,807
Adjusted equity	**$ 12,374,945**	**10,625,743**
Debt-to-equity ratio on December 31	**48.33%**	**39.29%**

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(z) Investing and financing activities not affecting current cash flow

The Company's non-cash investing and financing activities for the years ended December 31, 2025 and 2024, are as follows:

(i) By the lease to get the right-of-use asset, please refer to note 6(h).

(ii) Reconciliation of liabilities arising from financing activities are as follows:

			Non-cash changes		
	January 1, 2025	Cash flows	Acquisition	Foreign exchange movement	December 31, 2025
Long-term loans (including current portion)	$ 219,000	(30,000)	-	-	189,000
Short-term loans	3,199,000	924,000	-	-	4,123,000
Lease liabilities	59,836	(3,303)	1,833	-	58,366
Total liabilities from financing activities	**$ 3,477,836**	**890,697**	**1,833**	**-**	**4,370,366**

			Non-cash changes			
	January 1, 2024	Cash flows	Acquisition	Disposal	Foreign exchange movement	December 31, 2024
Long-term loans (including current portion)	$ 251,500	(32,500)	-	-	-	219,000
Short-term loans	3,785,000	(586,000)	-	-	-	3,199,000
Lease liabilities	78,542	(2,780)	9,447	(33,987)	8,614	59,836
Total liabilities from financing activities	**$ 4,115,042**	**(621,280)**	**9,447**	**(33,987)**	**8,614**	**3,477,836**

(7) Related-party transactions:

(a) Names and relationship with the Group

The followings are entities that have had transactions with the Group during the periods covered in the consolidated financial statements:

Name of related party	Relationship with the Group
Great Harbor Limited (G.H.)	Associate (Note)
Hsing Yang Engineering Co., Ltd. (Hsing Yang Engineering)	Other related party
Shi Yang Construction Co., Ltd. (Shi Yang Construction)	Other related party
Hsin Tung Yang Real Estate Agent Co., Ltd. (Hsin Tung Yang Real Estate Agent)	Other related party
Hsin Tung Yang Co., Ltd.	Other related party
LEE, ○-WAN	Other related party
LIU,○-HUI	Other related party(Note)

(Continued)

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Note : G.H. and Mr. Liu were previously classified as significant associates of the Group. However, on October 31, 2025, G.H. reduced its capital, with its board approval on October 21, 2025, resulting in the Group to lose significant influence over G.H. .

(b) Significant transactions with related parties

(i) Sales revenue

	For the years ended December 31	
	2025	**2024**
Other related party	$ -	6,571

There is no material difference between the above prices and sales terms of lands and roads to other related parties and the non-related parties.

(ii) The amounts of contract out and design by the Group from related parties were as follows:

For the year ended December 31, 2025	**Principal activity**	**Total contract price**	**The amount of the current period**	**Priced amount**
Other related party	Construction work	$ 514,290	124,379	218,919
For the year ended December 31, 2024				
Other related party	Construction work	$ 510,490	58,513	94,540

The terms and pricing of purchase transactions with related parties and other vendors are based on contract. The payment terms ranged from one to two months.

(iii) Creditor debt situation

The Group's significant claims and liabilities with related parties were as follows:

Account title	**Category of related party**	**December 31, 2025**	**December 31, 2024**
Accounts receivable	Associates	$ -	632
current contract assets	Other related parties-Shi Yang	$ 5,743	-
Other payables	Other related parties	$ -	18
Unearned receipts	Other related parties	$ -	2
Accounts payable	Other related parties	$ 42,069	22,414

(iv) Leases between the Group and the related parties as of December 31, 2025 and 2024 were as follows:

For the year ended December 31, 2025	Assets	Period	Payment method	Rent income (expense)
Other related parties	Partial office of Zhongxiao East Road, Taipei	2025.01.01~2025.12.31	One-time payment	$ (1,550)
〃	11F, No.289, Section 4, Zhongxiao East Road, Taipei	〃	〃	$ (2,770)
〃	Partial office of Zhongxiao East Road, Taipei	2025.01.11~2025.12.31	One-time receivable	$ 1,104

For the year ended December 31, 2024	Assets	Period	Payment method	Rent income (expense)
Other related parties	Partial office of Zhongxiao East Road, Taipei	2024.01.01~2024.12.31	One-time payment	$ (1,469)
〃	11F, No.289, Section 4, Zhongxiao East Road, Taipei	〃	〃	$ (2,731)
〃	Partial office of Zhongxiao East Road, Taipei	〃	One time receivable	$ 1,066

(v) The Group signed a lease agreement on the fixed-term use rights of the building and land rights leases with the key management personnel in September 2018. In 2025 and 2024, the rental income was $114 thousand $137 thousand respectively.

(vi) Others

1) In December 2013, the Group signed a joint-construction agreement with other related parties to cover for the urban renewal costs. Both parties agreed to share the costs in proportion to 40% and 60%, respectively. As of December 2024, the guarantee interest income amounted to $2 thousand. The joint-construction project was completed in December 2018.The aforementioned guarantee was returned in July 2024.

2) The Group Signed a business commission management contract with affiliate company to receive remuneration. For the years ended December 31, 2025 and 2024 the amounts were $2,025 thousand and $2,509 thousand, respectively.

3) In 2025 and 2024, the operation and construction expenses paid by the Group to other related parties and major management groups amounted to $1,591 thousand and $1,213 thousand, respectively.

4) The Group’ business transactions with other related parties amounted to $13 and $40 thousand in 2025 and 2024.

5) In May 2022, the Group signed the cost-sharing agreement with other related parties amounted to $13 thousand per month. The Group has received $59 thousand in 2024, and the agreement was ended in April 2024.

6) As of December 31, 2025 and 2024, the Group collected the note received from construction work from other related parties amounting to $56,534 thousand and $60,469 thousand, respectively.

7) The Group paid our subsidiary and other related parties amounts of $97 thousand and $73 thousand, respectively, in the year 2025 and 2024 due to the need for minor projects.

8) The Group entered into a the "Business Commission Contract" with another related party on November 20, 2024, priced at 4% of the total project. As of December 31, 2025, the service revenue amounted to NT$92,760 thousand, with both cumulative and currentperiod amounting to NT$87,017 thousand.

(c) Key management personnel compensation

	For the years ended December 31	
	2025	**2024**
Short-term employee benefits	$ 30,125	66,193
Post-employment benefits	3,075	492
	$ 33,200	**66,685**

(8) Pledged assets:

The information on pledged assets' carrying value is as follows:

Pledged assets	**Object**	**December 31, 2025**	**December 31, 2024**
Property, plant and equipment	Bank loan	$ 88,896	90,692
Investment property	〃	795,502	817,253
Inventories-construction	〃	4,514,324	4,898,547
Other financial assets-current and non-current	The trust of pre-sale building and land, etc.	85,883	21,182
		$ 5,484,605	**5,827,674**

(9) Significant contingent liabilities and unrecognized commitments:

(a) The Group's unrecognized contractual commitments are as follows:

(i) The Group entered into sales of presold and finished property. The amount of fixed property usage right and the contract of the land lease are as follows:

	December 31, 2025	**December 31, 2024**
Signed contract price	**$ 4,470,907**	**3,656,542**
Received	**$ 1,557,744**	**1,356,248**

(ii) The amounts of the construction and service contracts of the Group and the amounts received through the contract are as follows:

	December 31, 2025	December 31, 2024
Signed contract price for works	$ 3,614,038	2,389,103
Amount received under contracts	$ 1,845,954	1,233,822

(iii) Unrecognized commitments generated by signing contracts for purchasing land for construction, development project of the MRT and urban renewal right are as follows:

	December 31, 2025	December 31, 2024
Inventory - construction industry	$ 662,662	904,822

1) The Group made an agreement with the executor of the urban renewal of Wuxing, Sec. 3, Xinyi District, Taipei, for the abovementioned urban renewal right, and was approved by the Taipei City Government on December 21, 2021.

2) After a successful bid on the “Development Project on the Entrance and Exit of Sanxia MRT Station (Sanying Line) in New Taipei City” on November 3, 2023, the Group entered into an agreement on the said project with the New Taipei Department of Rapid Transit Systems on December 1, 2023.

(iv) The Group has issued bank guarantee letters for its performance as follows:

	December 31, 2025	December 31, 2024
Issued guarantee letters	$ 126,270	162,991

(v) The Group issued refundable notes for construction projects and the detailes are as follows:

	December 31, 2025	December 31, 2024
Refundable notes	$ 176,901	188,170

(vi) The Group issued a guaranteed note for the purchase of land on December 31, 2025 and 2024 both amounting to $5,200 thousand

(b) Contingencies

The subsidiary of the Group signed two separate engineering contracts with Chailease Construction and United Construction on March 25, 2020. Due to the disputes with both parties over the additional time for completion of the construction, the Group is currently and actively negotiating with the two parties. According to the assessment made by the Group’ s external lawyer, the application for additional time is reasonable. Moreover, all parties submitted the necessary documents to the Taipei Architects Association for time appraisal for trial. In July, 2024, and without any latest progress as of December 31, 2025.

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(10) Losses due to major disasters: None

(11) Subsequent events: None

(12) Other:

(a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

	For the years ended December 31					
	2025			2024		
By function / By item	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	$ 39,739	149,611	189,350	35,668	224,267	259,935
Labor and health insurance	4,285	15,331	19,616	3,643	9,923	13,566
Pension	2,124	7,967	10,091	1,893	4,981	6,874
Others	1,465	6,580	8,045	1,248	9,903	11,151
Depreciation	23,887	5,547	29,434	24,660	6,149	30,809
Depletion	-	-	-	-	-	-
Amortization	-	1,044	1,044	-	365	365

(b) Seasonality of Operations

The operation of the Group is not affected by seasonal or cyclical factors.

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(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group:

(i) Fund financing to other parties: None

(ii) Guarantees and endorsements for other parties: None

(iii) Securities held as of December 31, 2025 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest percentage of ownership (%)	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value		
Hsin Tung Yang Construction Co., Ltd.	Stocks - Yushan Financial Holdings Co., Ltd.	-	Financial assets at fair value through profit and loss - current	3,044	$ 102,741	- %	102,741	- %	
"	Beneficiary certificate -Taishin 1699 Money Market Fund	-	"	3,513	50,478	- %	50,478	- %	
"	Beneficiary certificate - PGIM Money Market Fund	-	"	1,235	20,013	- %	20,013	- %	
"	Beneficiary certificate - James Bond Money Market Fund	-	"	2,837	50,108	- %	50,108	- %	
"	Taishin Ta-Chong Money Market Fund	-	"	3,338	50,226	- %	50,226	- %	

(iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Sunty Development Co., Ltd.	Hsin Tung Yang Construction Co., Ltd.	Subsidiary of the Company	Purchase	$ 750,818	34.73 %		Equivalent	Normal equivalents	(242,736)	(41.33)%	Note 1
Sunty Development Co., Ltd.	Shi Yang Construction Co., Ltd.	other related party	Purchase	121,126	5.60 %		〃	〃	(42,069)	(7.16)%	Note 1
Hsin Tung Yang Construction Co., Ltd.	Sunty Development Co., Ltd.	Parent company	Sales	(690,167)	(54.60) %		〃	〃	242,736	82.43%	Note 2

Note 1: The purchase price is the same as the amount priced of each period.

Note 2: The amount of sales revenue is recognized by using the percentage of completion method.

Note 3: The aforementioned transactions are reconciliated in the preparation of consolidated report.

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(v) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
Hsin Tung Yang Construction Co., Ltd.	Sunty Development Co., Ltd.	Parent company	$ 242,736	3.12	-		185,807	-

Note: The above transaction was eliminated when compiling the consolidated financial statements.

(vi) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	Sunty Development Co., Ltd.	Hsin Tung Yang Construction Co., Ltd.	1	Investment property	$ 10,933	-	0.08%
0	"	"	1	Rental income	4,513	-	0.31%
0	"	Sunty Land Development Co., Ltd	1	Leasing income	21	-	-%
0	"	Sunty International Land Development Co., Ltd.	1	Leasing income	21	-	-%
1	Hsin Tung Yang Construction Co., Ltd.	Sunty Development Co., Ltd.	2	Operating income	690,167	-	48.15%
1	"	"	2	Operating costs	618,214	-	43.13%
1	"	"	2	Accounts receivable	242,736	-	1.82%
1	"	"	2	Contract liabilities	86,305		0.65%
1	"	"	2	Contract assets	3,627		0.03%

Note 1: Description of number are as follows:
1. Parent company labeled 0.
2. Subsidiaries labeled in number sequence from 1.

Note 2: Relationship is classified into three types:
1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2025 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Highest Percentage of ownership	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value				
Sunty Development Co., Ltd.	Hsin Tung Yang Construction Co., Ltd.	Taiwan	Civil engineering contractors, etc.	$ 124,940	123,405	16,970	77.14 %	138,239	77.14 %	84,407	15,732	
"	Sunty Land Development Co., Ltd.	Taiwan	Construction, sales, and leasing of residential and commercial buildings	1,200	1,200	120	100.00 %	1,791	100.00 %	(32)	(32)	
"	Sunty International Land Development Co., Ltd.	Taiwan	Construction, sales, and leasing of residential and commercial buildings	48,800	48,800	4,880	100.00 %	437	100.00 %	(66)	(66)	
"	Great Harbor Limited	Samoa	Investment holding	-	34,559	-	- %	-	17.98 %	20,128	6,442	Associate Notes2

Note 1: Except for G.H., the above transactions were eliminated when compiling the consolidated financial statements.

Note 2: The Company resolved a capital reduction of Great Harbor Limited. by the Board of Directors on October 21, 2025, please refer to notes 6(d).

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(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2025	Net income (losses) of the investee	Percentage of ownership	Highest percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow							
Cheng Du Sheng Yang Real Estate Development Limited Company	Real estate development	$ 663,685 (US(21,123))	(Note 1)	596,666 (US(18,990))	-	39,244 (US(1,249))	557,422 (US17,741)	-	-%	17.98%	6,704 (CNY1,552)	-	-

Note 1: It is the Company's third-region investment business through the Great Harbor Limited.

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment in Mainland China set by Investment Commission Ministry
$ 557,422 (US17,741)	639,271 (US20,346)	3,836,681

Note: US Dollar exchange rate on December 31, 2025 closing rate: NT$31.4200, CNY$0.1433.

(iii) Significant transactions: None

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(14) Segment information:

(a) General information

The Group consist of two department, real estate sales department and engineering contracting department. Each business group has different marketing attributes and marketing strategies, which are described as follows:

Real estate sales department: Commissioning contractor to construct residential buildings for sales.

Engineering contracting department: Comprehensively organizes all works involved in constructions, including building and management, as a general contractor.

(b) Information about reportable segments and their measurement and reconciliations

The Group uses the internal management report that the chief operating decision maker reviews as the basis to determine resource allocation and make a performance evaluation. The internal management report includes profit before taxation, excluding any extraordinary activity and foreign exchange gains or losses, because taxation, extraordinary activity and foreign exchange gains or losses are managed on a group basis, and hence they are not able to be allocated to each reportable segment. In addition, not all reportable segments include depreciation and amortization of significant non-cash items. The reportable amount is the same as the report used by the chief operating decision maker. The operating segment accounting policies are similar to the ones described in note 4 “Significant accounting policies” except for the recognition and measurement of pension cost, which is on a cash basis. The Group treated intersegment sales and transfers as third party transactions. They are measured at market price.

For the year ended December 31, 2025		**Sales of real estate department**	**Construction contractor department**	**Reconciliation and elimination**	**Total**
Revenue:					
Revenue from external customers	$	858,549	574,940	-	1,433,489
Intersegment sales		4,513	690,167	(694,680)	-
Total revenue	**$**	**863,062**	**1,265,107**	**(694,680)**	**1,433,489**
Interest expense	$	1,119	97	-	1,216
Depreciation and amortization		28,348	2,130	-	30,478
Reportable segment profit or loss	**$**	**211,500**	**30,422**	**-**	**241,922**
Assets:					
Non-current asset capital expenditure	$	931,392	66,482	-	997,874
Reportable segment assets	**$**	**12,681,829**	**626,245**	**-**	**13,308,074**
Reportable segment liabilities	**$**	**6,498,955**	**414,651**	**-**	**6,913,606**

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For the year ended December 31, 2024	Sales of real estate department	Construction contractor department	Reconciliation and elimination	Total
Revenue:				
Revenue from external customers	$ 4,242,430	437,128	-	4,679,558
Intersegment sales	4,331	749,215	(753,546)	-
Interest income	22,339	1,002	-	23,341
Total revenue	**$ 4,269,100**	**1,187,345**	**(753,546)**	**4,702,899**
Interest expense	$ (3,015)	(75)	-	(3,090)
Depreciation and amortization	28,980	2,194	-	31,174
Reportable segment profit or loss	**$ 903,083**	**8,057**	**-**	**911,140**
Assets:				
Non-current asset capital expenditure	$ 956,176	67,517	-	1,023,693
Reportable segment assets	**$ 12,031,530**	**520,295**	**-**	**12,551,825**
Reportable segment liabilities	**$ 5,692,152**	**408,867**	**-**	**6,101,019**

(c) Product and service information

For information of revenue from external customers of the Group, please refer to 6(t).

(d) Geographic information

There is no export transaction in the Group, and therefore information by geographical distributiuon will not be disclosed

(e) Major customer information

The Group does not generate the income from a single customer that exceed 10% of the consolidated income statement. Thus, the group does not disclose any major customer information.