

Huaku Development Co., Ltd. and Subsidiaries
Consolidated Financial Statements and Independent Auditors' Review Report
Q1 of 2026 and 2025
(Stock Code: 2548)

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Notice to Reader:

For the convenience of readers, this report has been translated into English from the original Chinese version, prepared and used in the Republic of China. The English version has not been audited or reviewed by independent auditors. If there are any discrepancies between the English version and the original Chinese version, or any difference in the interpretation of the two versions, the Chinese-language report shall prevail.

Huaku Development Co., Ltd. and Subsidiaries

Consolidated Financial Statements and CPA's Review Report in Q1 of 2026 and 2025

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CPA's Review Report

(2026) Cai-Shen-Bao-Zi No. 26000119

To Huaku Development Co., Ltd.,

Introduction

The auditors have audited the Consolidated Balance Sheets of Huaku Development Co., Ltd. and its subsidiaries (hereinafter referred to as "Huaku Group") as of March 31, 2026 and 2025, the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes for Consolidated Financial Statements (including Significant Accounting Policies and Summary Statements) for the period of January 1 to March 31, 2026 and 2025. Management is responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standards (IAS) No. 34, "Interim Financial Reporting" as endorsed and issued into effect by the Financial Supervisory Commission (FSC). Our responsibility is to express a conclusion on these interim Consolidated Financial Statements based on our review.

Scope

Except as stated in the section of basis for qualified conclusion, we conducted our review in accordance with the Standards on Review Engagements of the Republic of China No. 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of Consolidated Financial Statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As described in Notes 4 (3) and 6 (7) to the consolidated financial statements, the financial statements of certain insignificant subsidiaries, as well as investments accounted for under the equity method for the same periods as those of the consolidated financial statements, have not been reviewed by auditors. As of March 31, 2026 and 2025, the total assets

(including investments accounted for using the equity method) amounted to NT\$134,838 thousand and NT\$130,262 thousand, respectively, representing 0.25% and 0.23% of the consolidated total assets. Total liabilities were NT\$15,067 thousand and NT\$13,552 thousand, constituting 0.05% and 0.04% of the consolidated total liabilities as of March 31, 2026 and 2025, respectively. Comprehensive income (loss) amounted to NT\$2,110 thousand and NT\$3,770 thousand, constituting (0.29%) and (2.98%) of the consolidated comprehensive income (loss) for the periods from January 1 to March 31, 2026 and 2025, respectively.

Qualified Conclusion

Based on the results of our review, except for the potential adjustments to the financial statements of certain insignificant subsidiaries and investments accounted for using the equity method, as described in the Basis for Qualified Conclusion section, we have not identified any significant matters in the consolidated financial statements that have not been prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IAS 34 “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission, which would preclude a proper presentation of the consolidated financial position of the Huaku Group as of March 31 of 2026 and 2025, and the consolidated financial performance and cash flows for the periods from January 1 to March 31 of 2026 and 2025.

PwC Taiwan

Wang, Fang-Yu

CPA

Lin Chia-Hung

Financial Supervisory Commission

Approved Document, Reference No.:

Jin-Guan-Zheng-Shen Zi No. 1030027246

Jin-Guan-Zheng-Shen Zi No. 1080323093

April 25, 2026

Huaku Development Co., Ltd. and Subsidiaries
Consolidated Balance Sheet
March 31, 2026, and December 31 and March 31, 2025

Unit: NT\$ thousands

Assets	Notes	March 31, 2026		December 31, 2025		March 31, 2025		
		Amount	%	Amount	%	Amount	%	
Current assets								
1100	Cash and cash equivalents	6 (1)	\$ 7,619,259	14	\$ 7,668,970	14	\$ 1,590,712	3
1110	Financial assets at fair value through profit or loss - current	6 (2)	6,897	—	7,703	—	12,713	—
1136	Current financial assets measured at amortized cost		—	—	—	—	2,000,000	4
1150	Notes receivable, net	6 (3)	117,972	—	120,421	—	118,709	—
1170	Accounts receivable, net	6 (3) (13) and 8	185,830	—	191,381	—	129,338	—
1200	Other receivables	6 (13) and 8	62,908	—	173,279	—	46,180	—
130X	Inventories	6 (4)(5) and 8	38,388,611	72	39,843,079	74	45,341,772	82
1410	Prepayments		443,474	1	299,613	1	178,136	—
1470	Other current assets	6 (6) and 8	3,779,688	8	3,454,936	6	4,125,331	7
11XX	Total current assets		<u>50,604,639</u>	<u>95</u>	<u>51,759,382</u>	<u>95</u>	<u>53,542,891</u>	<u>96</u>
Non-current assets								
1550	Investment accounted for using the equity method	6 (7)	81,935	—	80,026	—	72,018	—
1600	Property, Plant, and Equipment		317,451	1	331,307	1	333,507	1
1755	Right-of-use assets		29,205	—	12,282	—	34,822	—
1760	Investment properties, net	6 (8) and 8	240,347	—	241,343	—	244,494	—
1840	Deferred income tax assets		23,106	—	24,076	—	24,016	—
1900	Other non-current assets	6 (3) (13) and 8	1,722,837	4	1,808,665	4	1,922,172	3
15XX	Total non-current assets		<u>2,414,881</u>	<u>5</u>	<u>2,497,699</u>	<u>5</u>	<u>2,631,029</u>	<u>4</u>
1XXX	Total assets		<u>\$ 53,019,520</u>	<u>100</u>	<u>\$ 54,257,081</u>	<u>100</u>	<u>\$ 56,173,920</u>	<u>100</u>

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Assets	Notes	March 31, 2026		December 31, 2025		March 31, 2025			
		Amount	%	Amount	%	Amount	%		
Current liabilities									
2100	Short-term loans	6 (9)		\$ 10,509,667	20	\$ 10,729,667	20	\$ 16,816,707	30
2110	Short-term notes and bills payable	6 (10)		—	—	—	—	348,850	1
2130	Contract liabilities - current	6 (19)		6,367,069	12	6,809,663	13	6,696,091	12
2150	Notes payable			8,169	—	13,949	—	13,906	—
2170	Accounts payable	7		1,754,448	3	2,644,106	5	1,340,944	2
2200	Other payables	6 (17) (28) (29)		2,904,768	5	630,259	1	1,846,344	3
2230	Current income tax liabilities			933,100	2	768,907	1	366,230	1
2280	Lease liabilities - current			13,916	—	9,815	—	17,864	—
2320	Long-term liabilities due within one year or one operating cycle	6 (13)		1,674,949	3	1,376,305	2	1,435,441	3
2399	Other current liabilities - others	6 (11)		164,466	1	414,514	1	108,081	—
21XX	Total current liabilities			<u>24,330,552</u>	<u>46</u>	<u>23,397,185</u>	<u>43</u>	<u>28,990,458</u>	<u>52</u>
Non-current liabilities									
2500	Financial liabilities measured at fair value through profit or loss			21,600	—	29,800	—	62,400	—
2530	Bonds payable	6 (12)		5,547,963	10	5,515,674	10	5,418,809	10
2540	Long-term loans	6 (13)		2,435,610	5	2,807,036	5	2,566,486	5
2570	Deferred income tax liabilities			9,514	—	9,354	—	9,467	—
2580	Lease liabilities - non-current			17,469	—	4,986	—	20,861	—
2600	Other non-current liabilities	6 (14)		62,053	—	70,461	—	53,356	—
25XX	Total non-current liabilities			<u>8,094,209</u>	<u>15</u>	<u>8,437,311</u>	<u>15</u>	<u>8,131,379</u>	<u>15</u>
2XXX	Total liabilities			<u>32,424,761</u>	<u>61</u>	<u>31,834,496</u>	<u>58</u>	<u>37,121,837</u>	<u>67</u>
Equity attributable to owners of the parent company									
3110	Share capital	6 (15)							
	Share capital from common stock			3,197,187	6	3,197,187	6	3,044,940	5
3200	Additional paid-in capital	6 (12) (16)							
	Additional paid-in capital			821,651	2	820,040	2	820,040	1
	Retained earnings	6 (17)							
3310	Legal reserves			4,793,936	9	4,793,936	9	4,655,875	8
3350	Unappropriated retained earnings			11,738,830	22	13,569,216	25	10,486,563	19
	Other equity interest	6 (18)							
3400	Other equity interest			36,438	—	35,743	—	36,577	—
3500	Treasury stocks	6 (15)		(850)	—	(850)	—	(850)	—
31XX	Total equity attributable to owners of the parent company			<u>20,587,192</u>	<u>39</u>	<u>22,415,272</u>	<u>42</u>	<u>19,043,145</u>	<u>33</u>
36XX	Non-controlling interests			<u>7,567</u>	<u>—</u>	<u>7,313</u>	<u>—</u>	<u>8,938</u>	<u>—</u>
3XXX	Total equity			<u>20,594,759</u>	<u>39</u>	<u>22,422,585</u>	<u>42</u>	<u>19,052,083</u>	<u>33</u>
	Material commitments or contingencies	9							
3X2X	Total liabilities and equity			<u>\$ 53,019,520</u>	<u>100</u>	<u>\$ 54,257,081</u>	<u>100</u>	<u>\$ 56,173,920</u>	<u>100</u>

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

Chairman: Chung Long-Chang

Manager: Hung Chia-Sheng

Accounting Supervisor: Liu Jo-Mei

Huaku Development Co., Ltd. and Subsidiaries
Consolidated Statement of Comprehensive Income
For the years ended March 31, 2026 and 2025

Unit: NT\$ thousands

(except for earnings (loss) per share in New Taiwan Dollars)

Item	Notes	January 1 to March 31, 2026		January 1 to March 31, 2025	
		Amount	%	Amount	%
4000 Operating revenue	6 (19) and 7	\$ 4,206,418	100	\$ 11,454	100
5000 Operating costs	6 (20) (21) and 7	(3,112,806)	(74)	(915)	(8)
5900 Gross profit		1,093,612	26	10,539	92
Operating expenses	6 (20) (21) and 7				
6100 Selling expenses		(57,750)	(1)	(37,773)	(330)
6200 Administrative expenses		(165,512)	(4)	(96,574)	(843)
6000 Total operational expenses		(223,262)	(5)	(134,347)	(1,173)
6900 Operating profit (loss)		870,350	21	(123,808)	(1,081)
Non-operating income and expenses					
7100 Interest income	6 (22)	27,538	1	25,336	221
7010 Other income	6 (23)	39,797	1	11,437	100
7020 Other gains and losses	6 (24)	8,230	—	(1,743)	(15)
7050 Financial cost	6 (25)	(39,256)	(1)	(38,559)	(337)
7060 Share of profit (loss) of associates and joint ventures accounted for using the equity method	6 (7)	1,923	—	3,558	31
7000 Total non-operating income and		38,232	1	29	—
7900 Net (loss) before tax		908,582	22	(123,779)	(1,081)
7950 Income tax expense	6 (26)	(181,180)	(4)	(3,539)	(31)
8200 Current net (loss)		\$ 727,402	18	\$ (127,318)	(1,112)
Other comprehensive income (net)					
Items that may be reclassified to profit or loss					
8361 Exchange differences on translation of foreign financial		1,084	—	927	8
8399 Income tax associated with items that may be reclassified	6 (18) (26)	(173)	—	(148)	(1)
8360 Total amount of items that may be reclassified to profit of loss		911	—	779	7
8300 Other comprehensive income (net)		\$ 911	—	\$ 779	7
8500 Total comprehensive income		\$ 728,313	18	\$ (126,539)	(1,105)
Profit (loss) attributable to:					
8610 Owners of parent company		\$ 727,364	18	\$ (127,359)	(1,112)
8620 Non-controlling interests		38	—	41	—
		\$ 727,402	18	\$ (127,318)	(1,112)
Total comprehensive income					
8710 Owners of parent company		\$ 728,059	18	\$ (126,766)	(1,107)
8720 Non-controlling interests		254	—	227	2
		\$ 728,313	18	\$ (126,539)	(1,105)
Basic earnings per share (loss)	6 (27)				
9750 Basic earnings per share (loss)		\$	2.28	\$	(0.4)
Diluted earnings per share (loss)	6 (27)				
9850 Diluted earnings per share (loss)		\$	1.97	\$	(0.4)

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

Chairman: Chung Long-Chang

Manager: Hung Chia-Sheng

Accounting Supervisor: Liu Jo-Mei

Huaku Development Co., Ltd. and Subsidiaries

Consolidated Statement of Changes in Equity

For the years ended March 31, 2026 and 2025

Unit: NT\$ thousands

Equity attributable to owners of the parent company													
Notes	Share capital from common stock	Additional paid-in capital				Retained earnings		Exchange differences on translation of foreign financial statements	Treasury stocks	Total	Non-controlling interests	Total equity	
		Premium of convertible corporate bonds	Stock warrants	Treasury stock transactions	Others	Legal reserves	Unappropriated retained earnings						
January 1 to March 31, 2025													
	Balance as of January 1	\$3,044,940	\$ 46,100	\$ 737,089	\$ 33,867	\$ 1,929	\$ 4,655,875	\$ 12,288,638	\$ 35,984	\$ (850)	\$ 20,843,572	\$ 8,711	\$ 20,852,283
	Consolidated net income	—	—	—	—	—	—	(127,359)	—	—	(127,359)	41	(127,318)
6 (18)	Other comprehensive income	—	—	—	—	—	—	—	593	—	593	186	779
	Total comprehensive income	—	—	—	—	—	—	(127,359)	593	—	(126,766)	227	(126,539)
6 (17)	Appropriation and distribution of retained earnings	—	—	—	—	—	—	—	—	—	—	—	—
	Cash dividends	—	—	—	—	—	—	(1,674,716)	—	—	(1,674,716)	—	(1,674,716)
	Cash dividends received by subsidiaries from the parent company	—	—	—	1,055	—	—	—	—	—	1,055	—	1,055
	Balance as of March 31	\$3,044,940	\$ 46,100	\$ 737,089	\$ 34,922	\$ 1,929	\$ 4,655,875	\$ 10,486,563	\$ 36,577	\$ (850)	\$ 19,043,145	\$ 8,938	\$ 19,052,083
January 1 to March 31, 2026													
	Balance as of January 1	\$3,197,187	\$ 46,100	\$ 737,089	\$ 34,922	\$ 1,929	\$ 4,793,936	\$ 13,569,216	\$ 35,743	\$ (850)	\$ 22,415,272	\$ 7,313	\$ 22,422,585
	Consolidated net income	—	—	—	—	—	—	727,364	—	—	727,364	38	727,402
6 (18)	Other comprehensive income	—	—	—	—	—	—	—	695	—	695	216	911
	Total comprehensive income	—	—	—	—	—	—	727,364	695	—	728,059	254	728,313
6 (17)	Appropriation and distribution of retained earnings	—	—	—	—	—	—	—	—	—	—	—	—
	Cash dividends	—	—	—	—	—	—	(2,557,750)	—	—	(2,557,750)	—	(2,557,750)
	Cash dividends received by subsidiaries from the parent company	—	—	—	1,611	—	—	—	—	—	1,611	—	1,611
	Balance as of March 31	\$3,197,187	\$ 46,100	\$ 737,089	\$ 36,533	\$ 1,929	\$ 4,793,936	\$ 11,738,830	\$ 36,438	\$ (850)	\$ 20,587,192	\$ 7,567	\$ 20,594,759

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

Chairman: Chung Long-Chang

Manager: Hung Chia-Sheng

Accounting Supervisor: Liu Jo-Mei

Huaku Development Co., Ltd. and Subsidiaries
Consolidated Statement of Cash Flows
For the years ended March 31, 2026 and 2025

Unit: NT\$ thousands

	Notes	January 1 to March 31, 2026	January 1 to March 31, 2025
Cash flow from operating activities			
Current net profit (loss) before tax		\$ 908,582	\$ (123,779)
Adjusted items			
Income and expense items			
Share of profit (loss) of associates and joint ventures accounted for using the equity method	6 (7)	(1,923)	(3,558)
Amortization	6 (20)	639	718
Depreciation expenses	6 (20)	17,994	11,234
Interest expense	6 (25)	39,256	38,559
Interest income	6 (22)	(27,538)	(25,336)
Loss on disposal of property, plant, and equipment	6 (24)	—	3
Gains on financial assets at fair value through profit or loss	6 (24)	(30)	(60)
Losses on financial liabilities measured at fair value through profit or loss	6 (24)	(8,200)	1,800
Changes in assets and liabilities relating to operating activities			
Net change in assets relating to operating activities			
Financial assets measured at fair value through profit or loss		806	672
Notes and accounts receivable, net		5,061	(25,310)
Other receivables		110,371	(33,614)
Inventories		1,547,633	(1,234,067)
Prepayments		(143,861)	26,214
Restricted deposits		(476,700)	99,690
Other current assets		(42,691)	(108,329)
Deferred income tax assets		970	433
Long-term installment accounts receivable		73,265	54,288
Net change in liabilities relating to operating activities			
Notes payable		(5,780)	(3,113)
Accounts payable		(889,658)	(510,628)
Other payables		(283,241)	(213,690)
Contract liabilities		(442,593)	684,226
Advance receipts		(5,254)	891
Other current liabilities		(244,791)	(5,526)
Other non-current liabilities		(8)	(3,946)
Deferred income tax liabilities—current		160	47
Cash inflow generated from operations		132,469	(1,372,181)
Interest received	6 (22)	27,538	25,336
Interest paid		(100,134)	(125,451)
Income tax paid		(16,029)	(1,108)
Cash inflow (outflow) from operating activities, net		43,844	(1,473,404)
Cash flow from investment activities			
Proceeds from acquisition of property, plant, and equipment		—	(57,159)
Decrease in other non-current assets		549	666
Increase in refundable deposits		(504,242)	(449,634)
Decrease in refundable deposits		713,195	921
Cash (outflow) inflow from investment activities, net		209,502	(505,206)
Cash flow from financing activities			
Borrowing of short-term loans	6 (28)	—	1,338,380
Short-term loans repaid	6 (28)	(220,000)	(1,300,000)
Increase in short-term bills payable	6 (28)	—	700,000
Decrease in short-term bills payable	6 (28)	—	(700,000)
Long-term loans borrowed	6 (28)	6,150	6,200
Long-term loans repaid	6 (28)	(78,932)	(220,603)
Redemption of lease principal	6 (28)	(3,434)	(4,857)
Increase in guarantee deposits received	6 (28)	5,400	200
Decrease in guarantee deposits received	6 (28)	(13,800)	(6,200)
Cash outflow from financing activities, net		(304,616)	(186,880)
Impacts on cash and cash equivalents from changes in exchange rates		1,559	1,591
Increase in cash and cash equivalents for the period		(49,711)	(2,163,899)
Cash and cash equivalents at the beginning of the period		7,668,970	3,754,611
Cash and cash equivalents at the end of the period		\$ 7,619,259	\$ 1,590,712

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

Chairman: Chung Long-Chang

Manager: Hung Chia-Sheng

Accounting Supervisor: Liu Jo-Mei

Huaku Development Co., Ltd. and Subsidiaries
Notes for Consolidated Financial Statements
Q1 of 2026 and 2025

Unit: NT\$ thousands
(Unless specified otherwise)

I. Company History

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

II. Date and Procedure for Approval of Financial Statements

The consolidated financial statements were approved and issued on April 29, 2026 by the Board of Directors.

III. Application of New and Amended Standards and Interpretations

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

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

<u>New/amended/revised standards and interpretations</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 9 and IFRS 7: “Amendments to the Classification and Measurement of Financial Instruments.”	January 1, 2026
Amendments to IFRS 9 and IFRS 7: “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendment to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 — Comparative Information”	January 1, 2023
Annual Improvements to International Financial Reporting Standards – Volume 11	January 1, 2026

The Group assessed the effects of adopting the aforementioned standards and interpretations and found no significant effects on the Group’s financial position and financial performance.

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

None.

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

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

<u>New/amended/revised standards and interpretations</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by International Accounting Standards Board
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note)
International Financial Reporting Standard No. 19 “Disclosure of Subsidiaries with No Public Accountability”	January 1, 2027
Amendments to International Accounting Standard 21 “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

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

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

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

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

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

2. IFRS 18 “Presentation and Disclosure in Financial Statements”

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

3. International Financial Reporting Standard No. 19 “Disclosure of Subsidiaries with No Public Accountability”

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

IV. Significant Accounting Policies and Summary Statements

Significant accounting policies, except for the Statement of Compliance, Preparation Basis, Basis of Consolidation, and the following new additions, remain the same as Note 4 to the 2025 consolidated financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(I) Statement of Compliance

1. The consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standards (IAS) No. 34, “Interim Financial Reporting” endorsed and issued into effect by the FSC.
2. This consolidated financial report should be read in conjunction with the 2025 consolidated financial report.

(II) Preparation Basis

1. Except for the following significant items, these consolidated financial statements have been prepared under the historical cost convention:
 - (1) Financial assets and liabilities measured at fair value through profit or loss.
 - (2) Defined benefit liability is derived from retirement plan assets less the present value of net defined benefit obligation.
2. Critical accounting estimates are required when preparing financial statements in compliance with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC interpretations and SIC interpretations (collectively referred to as “IFRSs” hereinafter). For the items involving a high degree of judgment or complexity, or the items involving significant assumptions and estimates in the consolidated financial statements, please refer to Note 5 for details.

(III) Basis of Consolidation

1. Basis for preparation of consolidated financial statements

The basis of preparation for this consolidated financial report is the same as that of the 2025 consolidated financial report.

2. Subsidiaries included in the consolidated financial statements:

Investor Company	Name of subsidiaries	Business activities	Percentage owned by the Company			Details
			March 31, 2026	December 31, 2025	March 31, 2025	
The Company	Pin Shing Construction Co., Ltd.	Civil engineering and hydraulic engineering contractors	100	100	100	
The Company	Chengdu Wanda Real Estate Co., Ltd.	Property development	80	80	80	

Note: Except for the financial statements of the aforementioned subsidiary Pin Shing Construction Co., Ltd., which have been reviewed by an accountant, the remaining subsidiaries do not meet the definition of significant subsidiaries. Therefore, their financial statements for the periods from January 1 to March 31, 2026 and 2025, have not been reviewed by an accountant.

3. Subsidiaries that are not included into the consolidated financial statements: None.

4. Adjustments and treatment methods for different accounting periods of subsidiaries: None.

5. Significant limitation: None.

6. Information about subsidiaries of non-controlling interest that are material to the Group: None.

(IV) Pensions

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year. It is adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. The related information is disclosed in accordance with the aforementioned policies.

(V) Income tax

The interim period income tax expense is recognized based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of

the interim period, and the related information is disclosed in accordance with the aforementioned policies.

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

When preparing the consolidated financial statements, management of the Group had determined its accounting policies based on its judgments and made accounting estimates and assumptions based on a rational expectation of future events depending on the circumstances at the balance sheet date. If there is any difference between any significant accounting estimates and assumption made and actual results, the historical experience and other factors will be taken into account in order to continue assessment and adjustment. The Group does not have an important judgment on the adoption of accounting policies, and significant accounting estimates and assumptions, which are at risk of significant changes in the carrying amount of assets and carrying amount of liabilities in the next financial year.

VI. Descriptions of Material Accounting Items

(I) Cash and cash equivalents

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Cash on hand and revolving fund	\$ 420	\$ 350	\$ 345
Checking deposits and demand deposits	1,158,905	4,168,620	1,590,367
Cash Equivalents			
— Time Deposits	6,400,000	3,500,000	—
— Bonds with repurchase agreement	59,934	—	—
	<u>\$ 7,619,259</u>	<u>\$ 7,668,970</u>	<u>\$ 1,590,712</u>

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

(II) Financial assets at fair value through profit or loss - current

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Financial assets mandatorily measured at FVTPL			
— Financial products	\$ 6,897	\$ 7,703	\$ 12,713

The Group's financial assets measured at fair value through profit and loss were recognized as gains and losses in the amount of \$30 and \$60 in the periods between January 1 and March 31 of 2026 and 2025, respectively.

(III) Notes and accounts receivable

	<u>March 31, 2026</u>	<u>Amount of receivables guaranteed</u>	<u>Guaranteed loan amount</u>
Notes receivable			
Within 1 year	\$ 117,972	\$ —	\$ —
Accounts receivable			
Within 1 year	185,830	104,841	104,841
Over 1 year (Note)	1,597,510	1,597,510	1,597,510
	<u>\$ 1,901,312</u>	<u>\$ 1,702,351</u>	<u>\$ 1,702,351</u>

	<u>December 31, 2025</u>	<u>Amount of receivables guaranteed</u>	<u>Guaranteed loan amount</u>
Notes receivable			
Within 1 year	\$ 120,421	\$ —	\$ —
Accounts receivable			
Within 1 year	191,381	107,742	107,742
Over 1 year (Note)	1,667,836	1,667,836	1,667,836
	<u>\$ 1,979,638</u>	<u>\$ 1,775,578</u>	<u>\$ 1,775,578</u>

	<u>March 31, 2025</u>	<u>Amount of receivables guaranteed</u>	<u>Guaranteed loan amount</u>
Notes receivable			
Within 1 year	\$ 118,709	\$ —	\$ —
Accounts receivable			
Within 1 year	129,338	112,374	112,374
Over 1 year (Note)	1,841,486	1,841,486	1,841,486
	<u>\$ 2,089,533</u>	<u>\$ 1,953,860</u>	<u>\$ 1,953,860</u>

Note: The Group's long-term installment accounts receivables over one year are listed under the item "Other non-current assets".

1. The Group signed a credit agreement with Mega International Commercial Bank secured with the installment accounts receivables arising from the partial sale of “Huaku New World” in installments as collateral. Please refer to Notes 6 (13) and 8 for details. The Group’s information on secured borrowings with accounts receivable as collateral is as above.
2. The balances of receivables (including notes receivables) contracted by the Group and clients as of March 31, 2026, December 31, 2025, March 31, 2025 and January 1, 2025 were \$1,778,426, \$1,858,657, \$1,952,433 and \$1,980,571, respectively.
3. Interest income recognized by the Group in profit or loss in the period between January 1 and March 31, 2026 and 2025, was \$12,402 and \$14,037, respectively.
4. The above notes and accounts receivable are non-overdue notes and accounts.
5. Without considering the collateral or other credit enhancements held, the exposure amount that best represents the maximum credit risk of the Group’s notes and accounts receivable as of March 31, 2026 and 2025 is the carrying amount of notes and accounts receivable and long-term installment accounts receivable in each period.
6. For credit risk of accounts receivables and notes receivables, please refer to Note 12 (2).

(IV) Inventories

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Buildings and land held for sale</u>			
Casa Blanca	\$ 1,167,173	\$ 4,285,346	\$ —
Huaku National Landmark	628,550	628,550	628,550
Central Landmark	414,883	414,883	414,883
Sand River Bay	122,732	119,205	121,247
	<u>2,333,338</u>	<u>5,447,984</u>	<u>1,164,680</u>
Less: Allowance for valuation loss	(78,615)	(76,357)	(77,664)
	<u>2,254,723</u>	<u>5,371,627</u>	<u>1,087,016</u>

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	March 31, 2026	December 31, 2025	March 31, 2025
<u>Construction in progress</u>			
Huaku Vision Park	\$ 5,185,199	\$ 4,978,082	\$ —
UPPER MANSION	4,986,073	4,833,180	4,227,848
FORTUNE ONE	4,850,513	4,759,576	3,975,041
Sky tower	2,350,012	2,279,367	1,768,389
Huaku Mansion de Lotus (formerly Wenlin North Road Project III)	2,248,717	2,236,886	—
Mout River	1,878,210	1,836,630	1,634,887
Huaku Grand Seasons	1,808,526	1,792,746	—
Ultimate Luxury	1,715,377	1,695,211	1,220,693
FLOURISH MANSION	1,701,267	1,650,911	1,435,479
THE WEAVEN	1,204,887	1,158,287	1,002,082
Huaku Yu Cheng	51,473	37,698	—
ASIA ONE	—	—	6,551,523
Casa Blanca	—	—	3,646,652
Huaku Deyue	—	—	2,448,408
DA'AN TOWER	—	—	1,904,314
	<u>27,980,254</u>	<u>27,258,574</u>	<u>29,815,316</u>

Land held for construction

Guangpu Hsinchu Project, Second Phase	2,305,740	2,305,740	2,098,282
Taichung Jingmao Fifth Road Project	1,672,152	1,672,152	1,672,152
Taichung Fengle Road Project II	1,516,235	1,509,680	1,490,907
Zhengda Xindian Project	706,930	702,825	695,590
Fuxing S. Road Urban Renewal Project	241,061	241,061	241,061
Dunnan Project	198,834	198,834	198,834
Anhe Road Urban Renewal Project	10,785	—	—
Huaku Vision Park	—	—	4,249,939

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	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Huaku Mansion de Lotus (formerly Wenlin North Road Project III)	—	—	1,885,116
Huaku Grand Seasons	—	—	1,368,652
Huaku Yu Cheng	—	—	14,355
Others	489,470	488,157	517,305
	<u>7,141,207</u>	<u>7,118,449</u>	<u>14,432,193</u>

Advances for land and others

Songyong Road Project	\$ 918,000	\$ —	\$ —
Floor area and road land	111,136	111,138	23,956
	<u>1,029,136</u>	<u>111,138</u>	<u>23,956</u>
Less: Allowance for valuation loss	(16,709)	(16,709)	(16,709)
	<u>1,012,427</u>	<u>94,429</u>	<u>7,247</u>
	<u>\$ 38,388,611</u>	<u>\$ 39,843,079</u>	<u>\$ 45,341,772</u>

1. Huaku New World

(1) In 2013, the Company signed the “Financial Personnel Training Institute and Its Surrounding State-Owned Land Cooperative Development Contract” with the National Property Administration, MOF, obtaining the land rights and paid royalties of \$1.388 billion, and the lease period was 70 years. This project recognized revenue when transferring land and house use rights to customers.

(2) Please refer to 6 (13) for details of the information on the property of this project provided as a guarantee.

2. The cost of inventories recognized as an expense for the periods between January 1 and March 31, 2026 and 2025, was \$3,112,242 and \$0, respectively, which included the cost of goods sold \$2,258 and \$1,613, respectively, recognized from cost adjustments to net realizable value.

3. The amount of interest capitalized in the Group's inventories for the periods between January 1 and March 31, 2026 and 2025, is \$93,167 and \$118,324, respectively, and the net interest rate margin range within the capitalized interest is 1.74%~2.53% and 2.04%~2.16%, respectively.
4. In the cases of "Huaku National Landmark" and "Huaku Central Landmark" developed and constructed by the Group, agreements were signed with the Economic Development Department of the New Taipei City Government, which stipulates that the transfer of the property rights of certain floors will be processed five years from the date of obtaining the license to use these floors.
5. Please refer to Note 8 for details of the pledge of inventories by the Group.

(V) Joint Operations

1. Certain development projects of the Group are conducted through joint operations. The Group recognizes its direct interest (and its proportionate share) in the assets, liabilities, revenues, and expenses of the joint operations, which are included in the relevant items of the consolidated financial statements.
2. The information on the joint operation development projects held by the Group is as follows:

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

3. The information on the joint operation development projects held by the Group is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Balance sheet</u>			
Current assets			
Accounts Receivables and Notes Receivables	\$ 17,632	\$ 402	\$ 30,091
Inventories	1,715,377	1,695,211	1,220,693
Other current assets	153,096	69,635	305,683
	<u>1,886,105</u>	<u>1,765,248</u>	<u>1,556,467</u>
Non-current assets	1,089	1,089	55,970
Total assets	<u>\$ 1,887,194</u>	<u>\$ 1,766,337</u>	<u>\$ 1,612,437</u>

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	March 31, 2026	December 31, 2025	March 31, 2025
Current liabilities			
Accounts payables and notes payables	104,406	41,593	44,606
Contract liabilities	703,330	633,819	309,774
Other current liabilities	30,710	27,445	28,448
Total liabilities	<u>\$ 838,446</u>	<u>\$ 702,857</u>	<u>\$ 382,828</u>
<u>Consolidated statement of comprehensive income</u>			
Revenue	<u>\$ 1,384</u>	<u>\$ 8,787</u>	<u>\$ 1,405</u>
Cost	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Expenses	<u>\$ 1,278</u>	<u>\$ 13,062</u>	<u>\$ 4,797</u>
(VI) <u>Other current assets</u>			
	March 31, 2026	December 31, 2025	March 31, 2025
Restricted bank deposits	<u>\$ 2,498,994</u>	<u>\$ 2,022,294</u>	<u>\$ 2,574,706</u>
Construction refundable deposits	509,670	703,670	783,870
Incremental costs for obtaining contracts	694,641	636,950	580,086
Other current assets	76,383	92,022	186,669
	<u>\$ 3,779,688</u>	<u>\$ 3,454,936</u>	<u>\$ 4,125,331</u>

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

(VII) Investment accounted for using the equity method

	<u>March 31, 2026</u>	<u>Shareholding percentage</u>	<u>December 31, 2025</u>	<u>Shareholding percentage</u>	<u>March 31, 2025</u>	<u>Shareholding percentage</u>
Associates:						
Taiwan Digit Automated	\$ 33,879	40.00	\$ 33,084	40.00	\$ 33,793	40.00
Full Come Foundation	42,935	38.05	41,789	38.05	33,099	38.05
Joint ventures:						
Huapu Construction	5,121	50.00	5,153	50.00	5,126	50.00
	<u>\$ 81,935</u>		<u>\$ 80,026</u>		<u>\$ 72,018</u>	

1. For the basic information of the Group's associates and joint ventures, please refer to Note 13 (2) for details.
2. For the carrying amounts of the Group's non-significant associates and joint ventures as of March 31, 2026, December 31, 2025, and March 31, 2025, please refer to the table above; the operating results are as follows:

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Current net profit from units of continuing operations	\$ 1,923	\$ 3,558
Other comprehensive income	—	—
Total comprehensive income	<u>\$ 1,923</u>	<u>\$ 3,558</u>

3. There are no public quotations for the investment targets of the Group. For the periods between January 1 and March 31, 2026 and 2025, the share of profits and losses of associates recognized under the equity method was evaluated and disclosed on the basis of the unaudited financial statements of each such investee for the same period.

(VIII) Investment property

	2026		
	Land	House and land use rights	Total
January 1	\$ 4,360	\$ 236,983	\$ 241,343
Depreciation expenses	—	(1,042)	(1,042)
Net exchange differences	—	46	46
March 31	<u>\$ 4,360</u>	<u>\$ 235,987</u>	<u>\$ 240,347</u>

	2025		
	Land	House and land use rights	Total
January 1	\$ 4,360	\$ 241,141	\$ 245,501
Depreciation expenses	—	(1,041)	(1,041)
Net exchange differences	—	34	34
March 31	<u>\$ 4,360</u>	<u>\$ 240,134</u>	<u>\$ 244,494</u>

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

	January 1 to March 31, 2026	January 1 to March 31, 2025
Rental revenue from investment property	<u>\$ 2,776</u>	<u>\$ 2,743</u>
Direct operating expenses incurred by investment property generating rental revenue in the current period	<u>\$ 2,120</u>	<u>\$ 2,119</u>

2. The fair values of investment properties held by the Group as of March 31, 2026, December 31, 2025, and March 31, 2025, were \$626,261, \$613,494 and \$602,010, respectively, which were classified as Level 3 fair values by reference to recent transaction prices of the construction of each investment property or the recent transaction prices of similar targets in the region.

3. The maturity analysis of the lease payments for the investment properties leased out by the Group under operating leases is as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Within 1 year	\$ 11,229	\$ 11,199	\$ 10,931
2 to 5 years	20,925	23,500	29,607
Over 5 years	1,405	1,627	3,611
	<u>\$ 33,559</u>	<u>\$ 36,326</u>	<u>\$ 44,149</u>

4. For information on guarantees provided by the Group for investment property, please refer to Note 8 for details.

(IX) Short-term loans

<u>Nature of borrowings</u>	<u>March 31, 2026</u>	<u>Interest rate range</u>	<u>Collateral</u>
<u>Bank loans</u>			
Secured bank loans	<u>\$ 10,509,667</u>	2.68%~2.98%	Inventories— buildings and land
<u>Nature of borrowings</u>	<u>December 31, 2025</u>	<u>Interest rate range</u>	<u>Collateral</u>
<u>Bank loans</u>			
Secured bank loans	<u>\$ 10,729,667</u>	1.98%~2.95%	Inventories— buildings and land
<u>Nature of borrowings</u>	<u>March 31, 2025</u>	<u>Interest rate range</u>	<u>Collateral</u>
<u>Bank loans</u>			
Secured bank loans	\$ 15,440,707	1.98%~2.85%	Inventories— buildings and land
Credit loans	1,376,000	1.87%~2.19%	None
	<u>\$ 16,816,707</u>		

(X) Short-term bills payable (As of March 31, 2026 and December 31, 2025: None)

<u>Nature of borrowings</u>	<u>March 31, 2025</u>
Short-term notes and bills payable	\$ 350,000
Less: Discount on short-term bills payable	(1,150)
Net	<u>\$ 348,850</u>
Interest rate range	<u>2.23%~2.36%</u>

(XI) Other current liabilities - others

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Warranty provisions	\$ 76,802	\$ 78,660	\$ 66,178
Payment collection	48,370	278,378	6,139
Others	39,294	57,476	35,764
	<u>\$ 164,466</u>	<u>\$ 414,514</u>	<u>\$ 108,081</u>

(XII) Bonds payable

<u>Nature of borrowings</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Bonds payable	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000
Less: Discount on bonds payable	(452,037)	(484,326)	(581,191)
Net	<u>\$ 5,547,963</u>	<u>\$ 5,515,674</u>	<u>\$ 5,418,809</u>

1. Domestic third unsecured convertible bonds

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

- A. The total issuance amount is NT\$4 billion, issued at 101% of the face value, with a coupon rate of 0%. The term of the issuance is 5 years, and the circulation period is from October 2, 2024 to October 2, 2029.
- B. From the day following the expiration of three months after the issuance of this convertible corporate bond (January 3, 2025), until the maturity date (October 2, 2029), the bondholders may request to convert their bonds into common stock of the Company at any time, except during periods when transfer is required to be suspended in accordance with regulations or laws. The rights and obligations of the common stock after conversion shall be the same as those of the common stock already issued.
- C. The conversion price of these convertible bonds is determined based on the reference date of September 24, 2024. The base price is selected as the simple arithmetic average of the closing prices of the Company's common shares on the trading days immediately preceding the reference date (not including the reference date) for one, three, or five business days, whichever is chosen. The conversion price is then calculated by multiplying the base price by a conversion premium rate of 103.24%. This will be the conversion price for the convertible bonds. If the reference date is preceded by a stock split or dividend distribution, the closing price used to calculate the conversion price shall be adjusted to reflect the ex-rights or ex-dividend price. If, after the conversion price has been determined and before the actual issuance date, there is a stock

split or dividend distribution, the conversion price will be adjusted in accordance with the adjustment formula specified in the conversion terms. Calculated in accordance with the aforementioned method, the conversion price of the convertible bonds at the time of issuance is NT\$138 per share. Thereafter, if any anti-dilution events occur, the conversion price shall be adjusted in accordance with the pricing formula stipulated in the conversion terms. As of March 31, 2026, the Company's conversion price was NT\$125 per share.

- D. The convertible bonds may be redeemed early at the discretion of the Company starting from the day following the third month of issuance (January 3, 2025), and continuing until the fortieth day prior to the maturity date (August 23, 2029). If, during this period, the closing price of the Company's common stock exceeds the conversion price by 30% or more for 30 consecutive trading days, or if the outstanding balance of the convertible bonds is less than 10% of the original total issuance amount, the Company has the right to exercise its early redemption option and redeem all outstanding convertible bonds at face value in cash.
- E. The Company shall set the third anniversary of the issuance date of the convertible bonds (October 2, 2027) as the redemption reference date for the convertible bondholders to sell back the convertible bonds. Convertible bondholders have the right to exercise the put option, requesting the Company to redeem the convertible bonds held by them in cash at face value.

- (2) Upon the issuance of the convertible bonds, the Company, in accordance with IAS No. 32 "Financial Instruments: Presentation," separated the equity component of the conversion option from the liability components. The equity component was recorded under "Additional Paid-in Capital – Warrants" amounting to \$442,035.

2. Domestic fourth unsecured convertible bonds

- (1) The terms of the Company's issuance of the fourth domestic unsecured convertible bonds on October 18, 2024 are as follows:
 - A. The total issuance amount is NT\$2 billion. The convertible bonds were publicly offered through a competitive auction method, with the actual issuance price set at 104.83% of the face value. The actual issuance amount was NT\$2,096,689,000, with a coupon rate of 0%. The term of the issuance is 5 years, and the circulation period is from October 18, 2024 to October 18, 2029.

- B. From the day following the expiration of three months after the issuance of this convertible corporate bond (January 19, 2025), until the maturity date (October 2, 2029), the bondholders may request to convert their bonds into common stock of the Company at any time, except during periods when transfer is required to be suspended in accordance with regulations or laws. The rights and obligations of the common stock after conversion shall be the same as those of the common stock already issued.
- C. The conversion price of these convertible bonds is determined based on the reference date of September 24, 2024. The base price is selected as the simple arithmetic average of the closing prices of the Company's common shares on the trading days immediately preceding the reference date (not including the reference date) for one, three, or five business days, whichever is chosen. The conversion price is then calculated by multiplying the base price by a conversion premium rate of 102%. This will be the conversion price for the convertible bonds. If the reference date is preceded by a stock split or dividend distribution, the closing price used to calculate the conversion price shall be adjusted to reflect the ex-rights or ex-dividend price. If, after the conversion price has been determined and before the actual issuance date, there is a stock split or dividend distribution, the conversion price will be adjusted in accordance with the adjustment formula specified in the conversion terms. Calculated in accordance with the aforementioned method, the conversion price of the convertible bonds at the time of issuance is NT\$136.3 per share. Thereafter, if any anti-dilution events occur, the conversion price shall be adjusted in accordance with the pricing formula stipulated in the conversion terms. As of March 31, 2026, the Company's conversion price was NT\$123.5 per share.
- D. The convertible bonds may be redeemed early at the discretion of the Company starting from the day following the third month of issuance (January 19, 2025), and continuing until the fortieth day prior to the maturity date (August 23, 2029). If, during this period, the closing price of the Company's common stock exceeds the conversion price by 30% or more for 30 consecutive trading days, or if the outstanding balance of the convertible bonds is less than 10% of the original total issuance amount, the Company has the right to exercise its early redemption option and redeem all outstanding convertible bonds at face value in cash.

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

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

(XIII) Long-term loans

Nature of borrowings	Loan period and repayment method	Interest rate range	Collateral	March 31, 2026
<u>Long-term bank loans</u>				
Credit loans	From July 2024 to July 2026; the interest is paid on a monthly basis	1.97%~2.10%	None	\$ 400,000
"	From July 2024 to July 2026; the interest is paid on a monthly basis	"	"	325,000
"	From August 2025 to August 2027, and the interest is paid on a monthly basis	"	"	1,000,000
"	From August 2025 to August 2027, and the interest is paid on a monthly basis	"	"	674,000
Loans secured by accounts receivable	From June 2017 to September 2039; the loan and the accrued interest is repaid on a monthly basis	2.82%	Read Note for details	1,711,559
				<u>4,110,559</u>
Less: Long-term loans due within one year or one operating cycle				<u>(1,674,949)</u>
				<u>\$ 2,435,610</u>

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

Nature of borrowings	Loan period and repayment method	Interest rate range	Collateral	March 31, 2025
<u>Long-term bank loans</u>				
Credit loans	From June 2023 to June 2025; the interest is paid on a monthly basis	1.97%~2.10%	None	\$ 538,000
"	From July 2024 to July 2026; the interest is paid on a monthly basis	"	"	1,000,000
"	From July 2024 to July 2026; the interest is paid on a monthly basis	"	"	500,000
Loans secured by accounts receivable	From June 2017 to September 2039; the loan and the accrued interest is repaid on a monthly basis	2.82%	Read Note for details	1,963,927
				4,001,927
Less: Long-term loans due within one year or one operating cycle				(1,435,441)
				<u>\$ 2,566,486</u>

The Group's unused balance of loan limit as of March 31, 2026, December 31, 2025, and March 31, 2025, were \$5,382,520, \$5,997,520 and \$6,907,520, respectively.

Accounts receivable/Loans secured by other receivables

The Company signed the secured loans agreement to use Accounts Receivable as collateral with the Mega International Commercial Bank. The Company utilized the Installment Accounts Receivable from the Company's sale of Huaku New World Project, the rights of the building site, and the construction and its subsidiaries as collateral to obtain a loan amount of NT\$6 billion originally, and the loan limit was adjusted to NT\$4 billion on May 9, 2022, and further adjusted to NT\$3.5 billion on July 11, 2024, with loan term of 20 years. Please refer to Note 6 (3) for details. The main terms of the agreement are as follows:

1. The loan period of each account receivable shall not exceed 20 years from the date when the funds are used.
2. The used amount mentioned above shall be circulated from the date of first use to the date of expiration of five years, and the unspent balance of loans shall be automatically canceled at that time.
3. During the duration of the secured loans using account receivable as collateral, the Group shall maintain all the following financial ratios on the basis of the consolidated annual financial statements audited by the accountant, which shall be checked once a year:
 - (1) Current ratio: not less than 100%.
 - (2) Debt ratio (total liabilities/tangible net worth): not greater than 230%.

(XIV) Pensions

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

make a lump sum contribution to make up the shortfall before the end of March of the following year.

- (1) For the periods between January 1 and March 31, 2026 and 2025, the net pension costs recognized under the defined contribution plan aforementioned were \$219 and \$558, respectively.
 - (2) The Group expects to make a contribution of \$1,169 to the pension plans for the year ended December 31, 2026.
2. Starting from July 1, 2005, the Company and subsidiaries have set up a defined contribution plan for all employees with R.O.C. citizenship in accordance with the Labor Pension Act. For part of employees of the Company and its domestic subsidiaries who choose to apply the labor pension system as defined in the Labor Pension Act, the Company has made monthly contributions equal to 6% of each employee's monthly salary to employees' pension accounts. The benefits accrued are paid monthly or in a lump sum upon termination of employment.
- (1) According to the elderly insurance system stipulated by the Government of the People's Republic of China, the Group contributes pensions monthly at a fixed rate of the total salaries of the employees of the Group's subsidiaries in mainland China. For the periods between January 1 and March 31, 2026 and 2025, the contribution ratio was both 20%. The pension for each employee is managed by the government, hence the Group does not have further obligation except for making a monthly contribution.
 - (2) For the periods between January 1 and March 31, 2026 and 2025, the net pension costs recognized under the defined contribution plan aforementioned were \$2,155 and \$2,075, respectively.

(XV) Share capital

1. As of December 31, 2026, the Company's authorized capital was \$5,000,000, and the paid-in capital was \$3,197, 187 with a par value of NT\$10 per share. Share payments for the Company's issued stocks have been collected in full. The number of outstanding shares of the Company at the beginning and the end of the period is 319,718,697 shares.
2. Treasury stock
 - (1) The Company had no treasury stock transactions for the periods between January 1 and March 31, 2026 and 2025.
 - (2) As of March 31, 2026, December 31, 2025, and March 31, 2025, the Company's subsidiary Pin Shing Construction Co., Ltd., held the Company's shares for the purpose of investment profit; the details are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Number of shares (thousand shares)	201	201	192
Carrying amounts	\$ 850	\$ 850	\$ 850

(XVI) Additional paid-in capital

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

(XVII) Retained earnings

1. According to the Company's Articles of Incorporation, after offsetting any loss of prior years and paying all taxes and dues, 10% of the annual net income shall be set aside as legal reserves, but there is no requirement when legal reserves reach the paid-in capital. The remaining balance, together with the accumulated undistributed profits from the previous year, constitutes the accumulated distributable earnings. The aforementioned distributable earnings shall be distributed as a dividend by the Board of Directors and then submitted to the shareholders' meeting for report.
2. Legal reserves may only be used for offsetting deficits and issuing new shares or distributing cash in proportion to shareholders' original holdings. However, when new shares are issued or cash is distributed, the amount shall be limited to 25% of the reserves in excess of the paid-in capital.
3. The Company may allocate earnings only after providing special reserve for debt balance in other equity on the date of balance sheet, and the reversal of debit balance in other equity, if any, may be stated into allocable earnings.
4. The Company has proposed and resolved the distribution of profits for 2025 and 2024 at the Board meeting on March 18, 2026 and the general shareholders' meeting on May 28, 2025, respectively, as follows:

	2025		2024	
	Amount	Dividends per share (NT\$)	Amount	Dividends per share (NT\$)
Legal reserves	\$ 324,560		\$ 138,061	
Cash dividends	2,557,750	\$ 8.0	1,674,716	\$ 5.5
Stock Dividends	159,859	0.5	152,247	0.5

5. The appropriation of the Company's 2025 earnings has not yet been submitted to the shareholders' meeting as of the date of the audit report. The above information on the appropriation of earnings proposed by the Board of Directors and resolved by the shareholders in the shareholders' meeting can be accessed through Market Observation Post System (MOPS).

(XVIII) Other equity items

	2026	2025
January 1	\$ 35,743	\$ 35,984
Currency translation differences:		
- The Group	868	741
- Tax amount of the Group	(173)	(148)
March 31	\$ 36,438	\$ 36,577

(XIX) Operating revenue

	January 1 to March 31, 2026	January 1 to March 31, 2025
Revenue from contract with customers	\$ 4,196,226	\$ —
Rental income	10,192	11,454
	\$ 4,206,418	\$ 11,454

1. Segments of revenue from contracts with customers

The Group's income is derived from goods transferred at a point in time. The related revenue generated by each reportable department can be further subdivided as follows:

	Sales of construction		
	Taiwan	China	Total
<u>January 1 to March 31, 2026</u>			
Timing of revenue recognition			
— Revenue recognized at a specific timing	\$ 4,196,226	\$ —	\$ 4,196,226

<u>January 1 to March 31, 2025</u>	<u>Sales of construction</u>		
	<u>Taiwan</u>	<u>China</u>	<u>Total</u>
Timing of revenue recognition			
— Revenue recognized at a specific timing	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

2. The aggregate amount of the transaction price and the estimated recognized revenue year of the sales contract signed by the Group as of March 31, 2026, which had not yet satisfied its performance obligations, are as follows:

	<u>Estimated recognized revenue year</u>	<u>Amount of contracts signed</u>
March 31, 2026	2026 - 2029	<u>\$ 42,742,179</u>
December 31, 2025	2026 - 2029	<u>\$ 43,717,680</u>
March 31, 2025	2025 - 2029	<u>\$ 39,252,740</u>

3. Contract liabilities

The Group recognized contract revenues related to contract liabilities as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>	<u>January 1 to</u>
Contract liabilities - current:				
— Advance land receipts	\$ 4,515,842	\$ 4,712,012	\$ 4,540,582	\$ 4,096,463
— Advance building receipts	<u>1,851,227</u>	<u>2,097,651</u>	<u>2,155,509</u>	<u>1,915,402</u>
	<u>\$ 6,367,069</u>	<u>\$ 6,809,663</u>	<u>\$ 6,696,091</u>	<u>\$ 6,011,865</u>

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

- (1) Provision for opening contract liabilities:

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Balance of initial contract liability recognized as revenue in the current period		
— Pre-sale contract for a construction project	<u>\$ 1,395,800</u>	<u>\$ —</u>

(XX) Additional information regarding the nature of expense

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Construction costs	\$ 3,111,781	\$ (110)
Employee benefit expenses	128,929	66,905
Advertising expenses	57,750	37,773
Taxation	12,965	15,244
Depreciation and amortization	18,633	11,952
Other costs and expenses	6,010	3,498
Operating cost and operating expenses	<u>\$ 3,336,068</u>	<u>\$ 135,262</u>

(XXI) Employee benefit expenses

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Salary and bonuses	\$ 98,674	\$ 51,220
Director Compensation	13,495	1,184
Labor and health insurance expenses	9,444	8,986
Pension expenses	2,374	2,633
Other personnel cost	4,942	2,882
	<u>\$ 128,929</u>	<u>\$ 66,905</u>

1. As stated in the Articles of Incorporation, if there are any remaining profits after deducting the accumulated deficits from the profits of the year, the Company shall allocate 3%-5% of the remaining profits as compensation to employees, and remuneration to directors cannot exceed 2% of the remaining profits.
2. For the periods between January 1 and March 31, 2026 and 2025, the Company recognized compensation to employees amounted to \$28,374 and \$0, respectively, and remuneration to directors amounted to \$12,295 and \$0, respectively, all presented under payroll expense.
3. Based on the profitability of the three months ended March 31, 2026, it is estimated to allocate 3% and 1.3%, respectively.
4. The Company's 2025 employee remuneration and directors' remuneration are consistent with the amounts recognized in the financial statements for the year ended December 31, 2025.

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

(XXII) Interest income

	January 1 to March 31, 2026	January 1 to March 31, 2025
Interests on bank deposits	\$ 14,651	\$ 3,499
Financial assets measured at amortized cost		
Interest income	12,402	21,837
Other interest income	485	—
	<u>\$ 27,538</u>	<u>\$ 25,336</u>

(XXIII) Other income

	January 1 to March 31, 2026	January 1 to March 31, 2025
Advertising service income	\$ 26,912	\$ —
Transferred income from accounts payable	123	180
Contract default income from the buyers	4,714	5,407
Other income	8,048	5,850
	<u>\$ 39,797</u>	<u>\$ 11,437</u>

(XXIV) Other gains and losses

	January 1 to March 31, 2026	January 1 to March 31, 2025
Gains on financial assets at fair value through profit or loss	\$ 30	\$ 60
Losses on financial liabilities measured at fair value through profit or loss	8,200	(1,800)
Loss on disposal of property, plant, and equipment	—	(3)
	<u>\$ 8,230</u>	<u>\$ (1,743)</u>

(XXV) Financial cost

	January 1 to March 31, 2026	January 1 to March 31, 2025
Interest expense		
— Bank loans	\$ 87,270	\$ 109,277
— Loans secured by accounts receivable	12,384	14,053
— Amortization of convertible bonds discount	32,289	32,288
— Lease liabilities	170	187
Financial expenses	310	1,078
	<u>132,423</u>	<u>156,883</u>
Less: Amount capitalized of qualified assets	<u>(93,167)</u>	<u>(118,324)</u>
	<u>\$ 39,256</u>	<u>\$ 38,559</u>

(XXVI) Income tax

1. Income tax expense

(1) Components of income tax expense:

	January 1 to March 31, 2026	January 1 to March 31, 2025
Current income tax:		
Income tax incurred in the current period	\$ 165,584	\$ 4,994
Land value increment tax recognized in income tax in the current period	14,747	—
Total current income	<u>180,331</u>	<u>4,994</u>
Deferred income tax:		
Recognition and reversal of temporary differences	849	(1,455)
Income tax expense	<u>\$ 181,180</u>	<u>\$ 3,539</u>

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

	January 1 to March 31, 2026	January 1 to March 31, 2025
Currency translation differences	<u>\$ (173)</u>	<u>\$ (148)</u>

2. The tax authorities have examined income tax returns of the Company through the year ended December 31, 2024.

(XXVII) Earnings per share

	January 1 to March 31, 2026		
	Amount after tax	Weighted average number of shares outstanding (shares in thousands)	Earnings per share (NT\$)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent company	\$ 727,364	319,517	\$ 2.28
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
— Convertible corporate bonds	—	48,194	
— Employee remuneration	—	897	
Profit attributable to common stock shareholders plus assumed conversion of all dilutive potential common stocks	\$ 727,364	368,608	\$ 1.97

	January 1 to March 31, 2025		
	Amount after tax	Weighted average number of shares outstanding (shares in thousands)	Loss per share (NT\$)
<u>Basic loss per share</u>			
Loss attributable to ordinary shareholders of the parent company	\$ (127,359)	319,517	\$ (0.40)
<u>Diluted loss per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
— Employee remuneration	—	—	
Loss attributable to common stock shareholders plus assumed conversion of all dilutive potential common stocks	\$ (127,359)	319,517	\$ (0.40)

For the periods from January 1, 2025 to March 31, 2025 potential common shares were included but are expected to have an anti-dilutive effect; therefore, they have been excluded from the calculation of diluted earnings per share.

(blanks below)

(XXVIII) Changes in liabilities from financing activities

	2026							
	Short-term loans	Short-term notes and bills payable	Bonds payable	Long-term loans (Note 2)	Guarantee deposits received	Lease liabilities	Dividends payable	Total liabilities from financing activities
January 1	\$10,729,667	\$ —	\$5,515,674	\$ 4,183,341	\$ 27,611	\$ 14,801	\$ —	\$ 20,471,094
Increase	—	—	—	6,150	5,400	—	—	11,550
Decrease	(220,000)	—	—	(78,932)	(13,800)	(3,434)	—	(316,166)
Amortization of convertible bonds discount	—	—	32,289	—	—	—	—	32,289
Payment of interest expense (Note 1)	—	—	—	—	—	(170)	—	(170)
Other non-cash changes	—	—	—	—	—	20,188	2,557,750	2,577,938
March 31	<u>\$10,509,667</u>	<u>\$ —</u>	<u>\$5,547,963</u>	<u>\$ 4,110,559</u>	<u>\$ 19,211</u>	<u>\$ 31,385</u>	<u>\$2,557,750</u>	<u>\$ 22,776,535</u>
	2025							
	Short-term loans	Short-term notes and bills payable	Bonds payable	Long-term loans (Note 3)	Guarantee deposits received	Lease liabilities	Dividends payable	Total liabilities from financing activities
January 1	\$16,778,327	\$ 349,706	\$5,386,521	\$ 4,216,330	\$ 11,211	\$ 43,582	\$ —	\$ 26,785,677
Increase	1,338,380	700,000	—	6,200	200	—	—	2,044,780
Decrease	(1,300,000)	(700,000)	—	(220,603)	(6,200)	(4,857)	—	(2,231,660)
Amortization of convertible bonds discount	—	—	32,288	—	—	—	—	32,288
Payment of interest expense (Note 1)	—	(1,628)	—	—	—	(187)	—	(1,815)
Other non-cash changes	—	772	—	—	—	187	1,674,716	1,675,675
March 31	<u>\$16,816,707</u>	<u>\$ 348,850</u>	<u>\$5,418,809</u>	<u>\$ 4,001,927</u>	<u>\$ 5,211</u>	<u>\$ 38,725</u>	<u>\$1,674,716</u>	<u>\$ 28,304,945</u>

Note 1: Statement of cash flows from operating activities.

Note 2: It includes \$1,674,949 long-term loans due within one year or one operating cycle, accounted for under the item “Long-term liabilities due within one year or one operating cycle”.

Note 3: It includes \$1,435,441 long-term loans due within one year or one operating cycle, accounted for under the item “Long-term liabilities due within one year or one operating cycle”.

(XXIX) Supplemental cash flow information

Fundraising activities that do not affect cash flow:

	January 1 to March 31, 2026	January 1 to March 31, 2025
Unpaid cash dividends declared	\$ 2,557,750	\$ 1,674,716

VII. Related-Party Transactions

(I) Name and relationship of related parties

Name of related party	Relationship with the Group
Taiwan Digit Automated Control Co., Ltd. (TDAC)	Associates
Full-Come Foundation Engineering Co., Ltd. (Full-Come Foundation Engineering)	Associates
Huapu Construction Co., Ltd. (Huapu Construction)	Associates
Wan-Chien Chung	Relatives of key management within the second degree of kinship

(II) Significant transactions with related parties

1. Sales

For the period from January 1 to March 31, 2026 and 2025, the Board of Directors of the Group resolved to sell the projects developed and constructed by the Company to the related parties, and the total transaction amounts including tax were \$0 and \$72,160, respectively.

2. Purchase

	January 1 to March 31, 2026	January 1 to March 31, 2025
Associates	\$ 81,615	\$ 36,995

(1) The above transactions with associates are entrusted with contracting monitoring projects. The price is based on the contract. The payment period is the same as that of non-related persons, and both are within one month or 45 days.

(2) As of March 31, 2026, the total price of the uncompleted project contracts signed between the Group and associates was \$879,914, and the amount of unrecognized construction payments was \$314,693.

3. Accounts payable

	March 31, 2026	December 31, 2025	March 31, 2025
Associates	\$ 108,510	\$ 151,097	\$ 46,340

The accounts payable to related parties are mainly from the purchase transaction. The said accounts payable are non-interest bearing.

(III) Information on the remunerations of the key management

	January 1 to March 31, 2026	January 1 to March 31, 2025
Short-term employee benefits	\$ 30,450	\$ 6,573

VIII. Pledged Assets

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

Asset items	Carrying amounts			Purpose of the guarantees
	March 31, 2026	December 31, 2025	March 31, 2025	
Installment accounts receivable				Loans secured by accounts receivable
— Accounts receivable	\$ 104,841	\$ 107,742	\$ 112,374	
— Long-term notes and accounts receivable	1,475,695	1,548,540	1,705,413	
Other installments receivable				Loans secured by accounts receivable
— Other receivables	9,208	8,763	10,067	
— Long-term notes and accounts receivable	121,815	119,296	136,073	
Other current assets				Pre-sale construction project trust fund
— Restricted bank deposits	2,498,994	2,022,294	2,574,706	Short-term loans and commercial papers payable
Inventories	31,072,896	32,708,447	42,580,362	Loans secured by accounts receivable
Investment property	234,391	235,416	238,491	
	<u>\$ 35,517,840</u>	<u>\$ 36,750,498</u>	<u>\$ 47,357,486</u>	

IX. Significant Contingent Liabilities and Unrecognized Contractual Commitments

- (I) As of March 31, 2026, the total value of the engineering contract signed between the Group and non-related parties amounted to \$16,185,928 and the amount not yet estimated is \$11,992,093.
- (II) As of March 31, 2026, the unrecognized amount for the contracts of land purchase signed by the Group is \$2,142,000.

- (III) As of March 31, 2026, the Group had signed letters of trust deed with the trustee financial institution for the project of construction in progress, and the relevant project names and trust banks were as follows:

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

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

X. Significant Disaster Losses

None.

XI. Significant Subsequent Events

None.

XII. Others

(I) Capital risk management

The objective of the Group's capital management is to ensure that the Group can continue as a going concern, that an optimal capital structure is maintained to lower the cost of capital, and that rewards are provided to shareholders. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. The Group regulates the borrowing amount of the company based on the progress of the project and the funds required for the operation.

(II) Financial instruments

1. Categories of financial instruments

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
<u>Financial assets</u>			
Financial assets measured at fair value through profit or loss			
Financial assets mandatorily measured at FVTPL	<u>\$ 6,897</u>	<u>\$ 7,703</u>	<u>\$ 12,713</u>
Financial assets/loans and receivables measured at amortized cost			
Cash and cash equivalents	7,619,259	7,668,970	1,590,712
Time Deposits	—	—	2,000,000
Notes receivable	117,972	120,421	118,709
Accounts receivable (including long-term installment accounts receivable over one year)	1,783,340	1,859,217	1,970,824
Other receivables	62,908	173,279	46,180
Refundable deposits	631,170	840,123	858,522
Other financial assets	<u>2,498,994</u>	<u>2,022,294</u>	<u>2,574,706</u>
	<u>\$ 12,713,643</u>	<u>\$ 12,684,304</u>	<u>\$ 9,159,653</u>
<u>Financial liabilities</u>			
Financial liabilities measured at amortized costs			
Short-term loans	\$ 10,509,667	\$ 10,729,667	\$ 16,816,707
Short-term notes and bills payable	—	—	348,850
Notes payable	8,169	13,949	13,906
Accounts payable	1,754,448	2,644,106	1,340,944
Other accounts payable	2,904,768	630,259	1,846,344
Bonds payable	5,547,963	5,515,674	5,418,809
Long-term loans (including due within one year or one operating cycle)	4,110,559	4,183,341	4,001,927
Guarantee deposits received	19,211	27,611	5,211
	<u>\$ 24,854,785</u>	<u>\$ 23,744,607</u>	<u>\$ 29,792,698</u>
Lease liabilities	<u>\$ 31,385</u>	<u>\$ 14,801</u>	<u>\$ 38,725</u>

2. Risk management policy

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

3. Nature and degree of significant financial risks

(1) Market risk

Foreign currency risk

The Group operates internationally. The main currencies are NTD and RMB. Foreign currency risk arises from recognized assets and liabilities and net investments in foreign operations. The management of the Group has established policies to manage the foreign currency risk of functional currencies. The Group manages its overall foreign currency risk through the Finance Department. The Group had no foreign currency assets or liabilities as of March 31, 2026, December 31, 2025, and March 31, 2025.

Price risk

The price of wealth management commodities held by the Group is subject to the uncertainty of the price risk of the investment target's future value, so there exists a price risk exposure.

Cash flow interest rate risk and fair value interest rate risk

- A. The Group's interest rate risks come from short- and long-term loans. Loans with floating interest rates expose the Group to cash flow interest rate risks, of which a portion is offset by the cash held with floating interest rates. For the periods between January 1 and March 31, 2026 and 2025, the Group's borrowings at floating interest rate were denominated in NTD.
- B. The Group simulates a number of scenarios and analyzes interest rate risk, including consideration of refinancing, extending contracts of existing positions, and other available financings to calculate the impact of changes in specific interest rates on profit or loss.

C. When all other factors remain unchanged, the maximum impact of a 1% change in interest rate on the financial costs of periods between January 1 and March 31, 2026 and 2025, is to increase or decrease of \$146,202 and \$211,686, respectively. The two payments of \$17,116 and \$19,639 in the periods between January 1 and March, 2026 and 2025, respectively, were due to the Group's contract of the loan secured by account receivable with the bank. As the interest income generated by the installment sales will be directly deposited by the purchaser into the bank loan account of the Group to repay the interest expenses arising from the above-mentioned factoring contract. Therefore, there was no need for the Group to undertake the risk of interest rate changes arising from this transaction. The simulation is done on a quarterly basis to verify that the maximum loss potential is within the limit given by the management.

(2) Credit risk

- A. Credit risk of the Group refers to the risk of financial loss of the Group caused by the client or counterparties of financial instruments fail to fulfill their contractual obligations. The risk is mainly from the counterparty unable to pay off the accounts payable according to the collection conditions.
- B. The Group establishes credit risk management from the group perspective. Only banks and financial institutions with an independent credit rating of at least "A" are accepted as counterparties for transactions.
- C. The Group mainly engages in the lease and sale of public housings, plants as well as the sale of premises. Revenue is recognized when the full contract payments are collected, and the transfer of ownership and the actual delivery of the house are completed. Therefore, the amount of accounts receivable arising from the sale of real estate should be petty proportion, and no much chance of non-recovery. The Company also implements individual management and regular tracking of receivables arising from special trading. In addition, the Group classifies customers' accounts receivable and installment accounts receivable based on customer characteristics, and use the simplified preparation matrix, the company estimates the expected credit loss and adjusts the loss rate established by historical and current information during a specific period to assess the allowance loss of installments receivable. The Group's assessed credit impairment losses as of March 31, 2026, December 31, 2025, and March 31, 2025, were not significant.

D. No written-off debts with recourse existed as of March 31, 2026, December 31, 2025, and March 31, 2025.

E. The Company does not have any accounts receivable on sale.

(3) Liquidity risk

A. The cash flow forecast is performed by each operating entity of the Group and compiled by the Group's finance department. The Group's finance division monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

B. The Group's non-derivative financial liabilities are analyzed based on the remaining period from the date of balance sheet to the contract expiration date; the derivative financial liabilities are analyzed based on the fair value at the date of balance sheet.

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

March 31, 2026

<u>Non-derivative financial liabilities:</u>	<u>Within 1 Year</u>	<u>1-3 years</u>	<u>Over 3 years</u>
Short-term loans	\$ 1,984,728	\$ 3,111,209	\$ 6,256,532
Accounts payable	982,074	138,423	633,951
Other payables	2,861,127	21,021	22,620
Lease liabilities	14,413	11,177	6,854
Long-term loans (including due within one year or one operating cycle)	1,591,208	843,026	—
Loans secured by accounts receivable	144,576	288,454	1,857,125
Bonds payable	—	—	6,000,000

December 31, 2025

Non-derivative

financial liabilities:

	<u>Within 1 Year</u>	<u>1-3 years</u>	<u>Over 3 years</u>
Short-term loans	\$ 2,108,339	\$ 1,497,057	\$ 8,021,320
Accounts payable	1,776,492	156,468	711,146
Other payables	580,786	15,189	34,284
Lease liabilities	10,016	5,008	—
Long-term loans (including due within one year or one operating cycle)	1,296,996	1,149,046	—
Loans secured by accounts receivable	149,625	137,086	2,100,831
Bonds payable	—	—	6,000,000

March 31, 2025

Non-derivative

financial liabilities:

	<u>Within 1 Year</u>	<u>1-3 years</u>	<u>Over 3 years</u>
Short-term loans	\$ 5,028,635	\$ 7,285,744	\$ 5,351,552
Short-term notes and bills payable	350,000	—	—
Accounts payable	614,718	192,975	533,251
Other payables	1,804,708	1,870	39,766
Lease liabilities	18,428	18,862	2,378
Long-term loans (including due within one year or one operating cycle)	1,339,017	727,939	—
Loans secured by accounts receivable	158,191	310,094	2,214,877
Bonds payable	—	—	6,000,000

C. The Group did not expect a maturity analysis of which the cash flows timing would be significantly earlier, or the actual amount would be significantly different.

(III) Fair value information

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

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

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

Level 3: Unobservable inputs for the asset or liability. The financial products invested by the Group belong to this level.

2. For fair value information of investment property measured at cost, please refer to Note 6 (8) for details.
3. Financial instruments not measured at fair value, including cash and cash equivalents, notes and accounts receivable, other receivables, refundable deposits, restricted bank deposits, short-term loans, short term bills payable, notes payable, accounts payable, other payables, long-term borrowings, guarantee deposit received, are reasonable approximations of fair values.
4. The Group categorizes financial and non-financial instruments measured at fair value on the basis of the nature, characteristics, and risks of the assets and liabilities. The related information is as follows:

(1) Classified by nature of assets:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
March 31, 2026				
Assets				
<u>Recurring fair value</u>				
Financial assets measured at fair value through profit or loss	\$ —	\$ —	\$ 6,897	\$ 6,897
Liabilities				
<u>Recurring fair value</u>				
Financial liabilities measured at fair value through profit or loss	\$ —	\$ —	\$ 21,600	\$ 21,600

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
December 31, 2025				
Assets				
<u>Recurring fair value</u>				
Financial assets measured at fair value through profit or loss	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 7,703</u>	<u>\$ 7,703</u>
Liabilities				
<u>Recurring fair value</u>				
Financial liabilities measured at fair value through profit or loss	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 29,800</u>	<u>\$ 29,800</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
March 31, 2025				
Assets				
<u>Recurring fair value</u>				
Financial assets measured at fair value through profit or loss	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 12,713</u>	<u>\$ 12,713</u>
Liabilities				
<u>Recurring fair value</u>				
Financial liabilities measured at fair value through profit or loss	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 62,400</u>	<u>\$ 62,400</u>

- (2) Methods and assumptions adopted by the Group for measurement of fair value are stated as follows:

The Group has not held any financial assets with quoted market prices and the fair value of the remaining financial instruments is obtained from valuation techniques or reference to quotes from counterparties.

5. For the periods between January 1 and March 31, 2026 and 2025, there were no transfer between Level 1 and Level 2 for the Group.

6. The changes in Level 3 for the periods between January 1 and March 31, 2026 and 2025, were as follows:

	2026	2025
January 1	\$ 7,703	\$ 13,385
Current acquisition	—	2,433
Disposal in the current period	(1,034)	(3,389)
Currency translation differences	228	284
March 31	\$ 6,897	\$ 12,713

7. The finance department of the Group is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to confirm the resource of information is independent, reliable and represented as the exercisable price.

XIII. Matters Disclosed in Notes

(I) Related Information on Significant Transactions

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

(II) Related Information on Investees

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

(III) Information on Investments in Mainland China

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

XIV. Information on Operating Segments

(I) General information

The Group operates business only in a single industry. The Group's operating decision-makers, who allocate resources and assesses the performance of the Group as a whole, has identified that the Group is a single reportable operating segment.

The Group's company organization, basis of department segmentation and principles for measuring segment information for the period were not significantly changed.

(II) Segment information on profit or loss and assets

The financial information of reportable segments provided to chief operating decision makers is as follows:

	January 1 to March 31, 2026			
	Taiwan	China	Adjustment	Total
Net external	\$ 4,206,016	\$ 402	\$ —	\$ 4,206,418
Internal	575,874	—	(575,874)	—
Segment	<u>\$ 4,781,890</u>	<u>\$ 402</u>	<u>\$ (575,874)</u>	<u>\$ 4,206,418</u>
Segment	<u>\$ 745,143</u>	<u>\$ 187</u>	<u>\$ (17,928)</u>	<u>\$ 727,402</u>
Segment assets	<u><u>\$ 52,966,617</u></u>	<u><u>\$ 52,903</u></u>	<u><u>\$ —</u></u>	<u><u>\$ 53,019,520</u></u>

	January 1 to March 31, 2025			
	Taiwan	China	Adjustment	Total
Net external	\$ 11,045	\$ 409	\$ —	\$ 11,454
Internal	877,125	—	(877,125)	—
Segment	<u>\$ 888,170</u>	<u>\$ 409</u>	<u>\$ (877,125)</u>	<u>\$ 11,454</u>
Segment	<u>\$ (107,095)</u>	<u>\$ 212</u>	<u>\$ (20,435)</u>	<u>\$ (127,318)</u>
Segment assets	<u><u>\$ 56,115,676</u></u>	<u><u>\$ 58,244</u></u>	<u><u>\$ —</u></u>	<u><u>\$ 56,173,920</u></u>

(III) Reconciliation for segment profit or loss and assets

The revenue from external parties, segment income and segment assets reported to the Chief Operating Decision Maker are measured in a manner consistent with the revenue, net profit after taxes, and total assets in the financial statements; therefore, there is no need to adjust.

(blanks below)

Huaku Development Co., Ltd. and Subsidiaries
Purchases or sales of goods from or to related parties amounting to at least NT\$100 million or 20% of the paid-in capital
January 1 to March 31, 2026

Table 1

Unit: NT\$ thousands
(Unless specified otherwise)

Supplier (Buyer)	Counterparty	Relationship	Transaction Details				Reasons for and Status of Differences in Transaction Terms Compared to Arms-Length Transaction		Notes and Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	Ratio to the Total Purchase/Sale Amount	Credit period	Unit Price	Credit period	Balance	Ratio to the Total Notes/Accounts Receivable (Payable)	
Huaku Development Co., Ltd.	Pin Shing Construction Co., Ltd.	Subsidiary	Purchase	\$ 783,809	78	Within 120 days	Contract-based pricing	Typically, suppliers are paid within one month or 45 days	\$ (1,541,656)	72	
Pin Shing Construction Co., Ltd.	Huaku Development Co., Ltd.	Parent company	Sales	(783,809)	100	Within 120 days	Contract-based pricing	Typically, customers are provided with a 30-day monthly credit term	1,541,656	100	

Huaku Development Co., Ltd. and Subsidiaries
 Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital
 March 31, 2026

Table 2

Unit: NT\$ thousands
 (Unless specified otherwise)

Companies with receivables	Counterparty	Relationship	Balance of receivable from related parties	Turnover Rate	Overdue		Amount collected after the period for receivable from related parties	Allowance for Doubtful Accounts
					Amount	Action Taken		
Pin Shing Construction Co., Ltd.	Huaku Development Co., Ltd.	Parent company	\$ 1,541,656	Note	\$ —	—	\$ 606,445	\$ —

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

Huaku Development Co., Ltd. and Subsidiaries
Parent-subsidiary and subsidiary-subsidiary business relations and significant transactions thereof
January 1 to March 31, 2026

Table 3

Unit: NT\$ thousands
(Unless specified otherwise)

No. (Note)	Name of counterparty	Counterparty	Relationship with the Counterparty	Transaction Details			Ratio as A Percentage of Total Consolidated Revenue or Total Assets
				Account	Amount	Terms	
0	Huaku Development Co., Ltd.	Pin Shing Construction Co., Ltd.	Parent company to subsidiary	Purchase	\$ 783,809	Contract-based pricing within 120 days	19
0	Huaku Development Co., Ltd.	Pin Shing Construction Co., Ltd.	Parent company to subsidiary	Accounts payable	1,541,656	Contract-based pricing within 120 days	3
1	Pin Shing Construction Co., Ltd.	Huaku Development Co., Ltd.	Subsidiary to parent company	Sales	783,809	Contract-based pricing within 120 days	19
1	Pin Shing Construction Co., Ltd.	Huaku Development Co., Ltd.	Subsidiary to parent company	Accounts receivable	1,541,656	Contract-based pricing within 120 days	3

Note: The information of intercompany transactions between the parent company and subsidiaries should be indicated in the number column separately, and the number should be filled in as follows:

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

Huaku Development Co., Ltd. and Subsidiaries
Name, location, and information on investee companies (not including investee companies in Mainland China)
January 1 to March 31, 2026

Table 4

Unit: NT\$ thousands
(Unless specified otherwise)

Investor Company	Investee company	Location	Main Businesses	Initial Investment Amount		Shares Held as at the End of the Period			Current Profit or Loss of the Investee Company	Investment Gain (Loss) Recognized in the Current Period	Note
				End of the Current Period	End of Last Period	Shares	Ratio	Carrying Amount			
Huaku Development Co., Ltd.	Pin Shing Construction Co., Ltd.	Taiwan	Contracting civil engineering and hydraulic engineering projects	\$ 614,184	\$ 614,184	70,000,000	100	\$ 676,108	\$ 17,778	\$ 22,555	Subsidiary
Huaku Development Co., Ltd.	Taiwan Digit Automated Control Co., Ltd.	Taiwan	Engineering monitoring	8,000	8,000	800,000	40	33,879	1,989	795	An investee accounted for using the equity method
Huaku Development Co., Ltd.	Huapu Construction Co., Ltd.	Taiwan	Leasing, selling and development of residential and commercial buildings	5,000	5,000	500,000	50	5,121	(36)	(18)	An investee accounted for using the equity method
Pin Shing Construction Co., Ltd.	Full-Come Foundation Engineering Co., Ltd.	Taiwan	Professional construction industry of foundation engineering	25,925	25,925	2,469,576	38.05	42,935	2,502	1,146	An investee company of subsidiary accounted for using equity method

Huaku Development Co., Ltd. and Subsidiaries
Basic Information on Investments in Mainland China
January 1 to March 31, 2026

Table 5

Unit: NT\$ thousands
(Unless specified otherwise)

Investee company in Mainland China	Main Businesses	Paid-in Capital	Investment Method	Accumulated Investment Amount of Remittance from Taiwan - Beginning of the Current Period	Remitted or Recovered Investment Amount of the Current Period		Accumulated Investment Amount of Remittance from Taiwan - End of the Current Period	Current Profit or Loss of the Investee Company	The Company's Shareholding Percentage from Direct or Indirect Investment	Investment profit or loss recognized in the current period (Note 2)	Book Value of Investment at the End of the Current Period	Accumulated Repatriation of Investment Income as of the End of the Period	Note
					Remitted	Recovered							
Chengdu Wanda Real Estate Co., Ltd.	Property development	\$ 2,315	Note 1	\$ —	\$ —	\$ —	\$ —	\$ 187	80	\$ 149	\$ 30,269	\$ 350,614	Note 3
Company Name	Accumulated Remitted Investment Amount from Taiwan to Mainland China - End of the Current Period	Investment Amounts Authorized by Investment Commission, MOEA	Ceiling on Investment in Mainland China Imposed by the Investment Commission, MOEA										
Huaku Development Co., Ltd.	\$ —	\$ 895,247	\$ 12,356,855										

Note 1: Direct investment in a Mainland China company.

Note 2: Based on the valuation and disclosure of the Company's financial statements for the same period, which have not been reviewed by a CPA.

Note 3: On August 29, 2014, the company was approved by the Chengdu Investment Promotion Committee to reduce the capital by RMB\$ 115 million. In October 2017, all the Company's holdings of RMB\$ 92 million had been fully remitted back. In addition, on April 20, 2018, with the approval of the Chengdu Investment Promotion Commission, the company reduced its capital by RMB 110 million. In February 2019, all the company's holdings of RMB 88 million had been fully remitted back. In addition, on April 29, 2022, with the approval of the Administration For Market Regulation of Chengdu, the company reduced its capital by RMB\$ 4.5 million. In May 2022, all the Company's holdings of RMB\$ 3.6 million had been fully remitted back.