

HIGHWEALTH CONSTRUCTION CORP.**Parent Company Only Financial Statements****With Independent Auditors' Report
For the Years Ended December 31, 2024 and 2023**

**Address: 10F., No.267, Lequn 2nd Rd., Zhongshan Dist., Taipei City 104, Taiwan
(R.O.C.)**
Telephone: (02)2755-5899

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

Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Report	3
4. Balance Sheets	4
5. Statements of Comprehensive Income	5
6. Statements of Changes in Equity	6
7. Statements of Cash Flows	7
8. Notes to the Parent Company only Financial Statements	
(1) Company history	8
(2) Approval date and procedures of the financial statements	8
(3) New standards, amendments and interpretations adopted	8~10
(4) Summary of material accounting policies	10~26
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	26~27
(6) Explanation of significant accounts	27~56
(7) Related-party transactions	56~60
(8) Pledged assets	61
(9) Commitments and contingencies	61
(10) Losses due to major disasters	61
(11) Subsequent events	61
(12) Other	62~63
(13) Other disclosures	
(a) Information on significant transactions	64~68
(b) Information on investees	68
(c) Information on investment in mainland China	69
(d) Major shareholders	69
(14) Segment information	69
9. List of major account titles	70~78



安侯建業聯合會計師事務所
KPMG

台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 6666
傳真 Fax + 886 2 8101 6667
網址 Web kpmg.com/tw

Independent Auditors' Report

To the Board of Directors of Highwealth Construction Corp.:

Opinion

We have audited the accompanying parent company only financial statements of Highwealth Construction Corp. ("the Company"), which comprise the parent company only balance sheets as of December 31, 2024 and 2023, the parent company only statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition on sales of properties and land

Please refer to note 4(n) and 6(v) of the parent company only financial statements for the account policies on revenue recognition and the details of revenue.

Description of key audit matter

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

Auditing procedures performed

Our principal audit procedures included:

- Testing the design and implementing the internal control system of sales revenue.
- Performing substantive tests on randomly selected samples of sales contracts, and real estate ownership transfer documents; as well as checking the sales data and general ledger to ensure consistency.
- Testing the samples of sales transaction before and after the end of the year to ensure the correctness of sales revenue.

2.Inventory valuation

Please refer to note 4(g) and 6(e) of the parent company only financial statements for the accounting policies on measuring inventory, assumption used and uncertainties considered in determining the net realizable value and the details of inventory.

Description of key audit matter

Inventories, which play a significant role in the Company's business operation, account for 69% of the Company's total assets, wherein the evaluation has to comply with the International Accounting Standards Bulletin No. 2. Moreover, if the net realizable value of inventories is inaccurately assessed, it will result in a negative impact on the financial report. Therefore, inventory evaluation has been recognized as one of our key audit matters.

Auditing procedures performed

- Understanding the Company's operating and accounting procedures for I and held for the subsequent measurement of inventories Obtain the Company management's data of land held for construction sites and construction in progress valuation, inspecting and recalculating the net realizable value of I and held for construction sites and construction in progress whether adequate. The net realizable value can be assessed in both ways: through reviewing the recent selling price of the premises, or by inquiring the selling price of premises nearby from the "Actual Selling Price of Real Estate" website.

Responsibilities of Management and Those Charged with Governance for the Parent Company only Financial Statements

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Parent Company only Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

KPMG

Taipei, Taiwan (Republic of China)
March 12, 2025

Notes to Readers

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

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

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
HIGHWEALTH CONSTRUCTION CORP.

Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

		December 31, 2024		December 31, 2023				December 31, 2024		December 31, 2023	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liabilities and Equity					
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (Note 6(a))	\$ 8,022,016	5	7,615,548	5	2100	Short-term borrowings (Note 6(l))	\$ 68,391,098	43	73,537,038	47
1110	Current financial assets at fair value through profit or loss (Notes 6(b) and 8)	-	-	327,895	-	2110	Short-term notes and bills payable (Note 6(m))	6,031,531	4	2,638,019	2
1150	Notes receivable, net (Notes 6(d) and 8)	620,341	-	1,389,448	1	2130	Current contract liabilities (Notes 6(v), 7 and 9(a))	10,488,233	7	8,829,452	6
1170	Accounts receivable, net (Notes 6(d) and 7)	65,310	-	14,798	-	2150	Notes payable	723	-	1,309	-
130X	Inventories (Notes 6(e), 7 and 8)	110,168,045	69	111,636,808	71	2170	Accounts payable	473,404	-	413,714	-
1410	Prepayments (Note 7)	824,948	1	621,498	-	2180	Accounts payable to related parties (Note 7)	1,515,864	1	1,822,337	1
1476	Other current financial assets (Notes 6(k), 7, 8 and 9(b))	10,087,974	6	8,655,432	6	2200	Other payables (Notes 6(r) and 7)	2,899,886	2	4,752,170	3
1479	Other current assets, others	17,591	-	47,327	-	2230	Current tax liabilities	797,363	-	153,927	-
1480	Current assets recognized as incremental costs to obtain contract with customers (Note 6(k))	2,618,910	2	1,891,752	1	2280	Lease liabilities-current (Note 6(p))	43,723	-	44,455	-
		132,425,135	83	132,200,506	84	2305	Other current financial liabilities (Note 7)	223,905	-	226,134	-
Non-current assets:						2321	Bonds payable, current portion (Note 6(o))	1,999,597	1	1,999,129	1
1517	Non-current financial assets at fair value through other comprehensive income (Notes 6(c) and 7)	5,000	-	5,000	-	2322	Long-term borrowings, current portion (Note 6(n))	409,021	-	2,298,119	1
1550	Investments accounted for using equity method, net (Notes 6(f), (g) and 8)	14,982,740	9	12,846,633	8	2399	Other current liabilities, others	469,345	-	246,890	-
1600	Property, plant and equipment (Notes 6(h) and 8)	399,414	-	444,454	-		Non-Current liabilities:	93,743,693	58	96,962,693	61
1755	Right-of-use assets (Note 6(i))	23,105	-	36,708	-	2530	Bonds payable (Note 6(o))	9,999,860	6	10,378,610	7
1760	Investment property, net (Notes 6(j) and 8)	9,272,961	6	8,704,350	6	2540	Long-term borrowings (Note 6(n))	4,138,994	3	3,414,413	2
1780	Intangible assets	5,354	-	5,888	-	2570	Deferred tax liabilities (Note 6(s))	340	-	340	-
1840	Deferred tax assets (Note 6(s))	14,544	-	14,544	-	2580	Non-current lease liabilities (Note 6(p))	37,298	-	76,814	-
1980	Other non-current financial assets (Notes 6(k) and 8)	2,574,569	2	3,048,970	2	2640	Net defined benefit liability, non-current (Note 6(r))	13,424	-	18,451	-
1990	Total other non-current assets, others	601,091	-	118,836	-		Total liabilities	14,189,916	9	13,888,628	9
		27,878,778	17	25,225,383	16			107,933,609	67	110,851,321	70
Total assets		\$ 160,303,913	100	157,425,889	100		Stockholders' Equity:				
						3100	Common stock (Note 6(t))	20,705,557	13	18,841,415	12
						3200	Capital surplus (Note 6(t))	9,267,169	6	8,836,578	6
							Retained earnings (Note 6(t)):				
						3310	Legal reserve	9,014,064	6	8,773,652	6
						3350	Unappropriated retained earnings	14,350,076	9	11,094,585	7
						3400	Other equity interest (Note 6(t))	-	-	214	-
						3500	Treasury stock (Note 6(t))	(966,562)	(1)	(971,876)	(1)
							Total equity	52,370,304	33	46,574,568	30
							Total liabilities and equity	\$ 160,303,913	100	157,425,889	100

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
HIGHWEALTH CONSTRUCTION CORP.

Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar , Except for Earnings Per Share)

		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (Notes 6(q) and (v))	\$ 24,940,798	100	13,241,365	100
5000	Operating costs (Note 6(e))	17,945,985	72	9,595,988	72
	Gross profit from operations	6,994,813	28	3,645,377	28
5920	Add:Realized profit (loss) on from sales	39,416	-	39,533	-
		7,034,229	28	3,684,910	28
	Operating expenses (Note 7):				
6100	Selling expenses	937,379	4	592,902	5
6200	Administrative expenses	821,156	3	794,884	6
		1,758,535	7	1,387,786	11
	Net operating income	5,275,694	21	2,297,124	17
	Non-operating income and expenses:				
7100	Total interest income (Note 6(x))	110,612	1	105,926	1
7010	Other income (Notes (x) and 7)	56,886	-	96,654	1
7020	Other gains and losses, net (Note 6(x))	523,838	2	137,975	1
7050	Finance costs, net (Note 6(x))	(447,654)	(2)	(842,113)	(6)
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method, net	1,751,033	7	842,311	6
	Total non-operating income and expenses	1,994,715	8	340,753	3
	Profit from continuing operations before tax	7,270,409	29	2,637,877	20
7950	Less: Income tax expenses(Note 6(s))	983,009	4	200,505	2
	Profit	6,287,400	25	2,437,372	18
8300	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains on remeasurements of defined benefit plans (Note 6(r))	4,538	-	5,294	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	178	-	473	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will not be reclassified to profit or loss	4,716	-	5,767	-
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	65	-	(54)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	65	-	(54)	-
8300	Other comprehensive income	4,781	-	5,713	-
	Total comprehensive income	\$ 6,292,181	25	2,443,085	18
	Earnings per share (Note 6(u))				
9750	Basic earnings per share	\$ 3.13		1.21	
9850	Diluted earnings per share	\$ 3.12		1.21	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

HIGHWEALTH CONSTRUCTION CORP.**Statements of Changes in Equity****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollar)**

	Share capital		Retained earnings			Total other equity interest		
	Common stock	Capital surplus	Legal reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Treasury stock	Total equity
Balance on January 1, 2023	\$ 17,146,741	8,408,194	8,363,751	11,642,373	20,006,124	268	(977,220)	44,584,107
Profit	-	-	-	2,437,372	2,437,372	-	-	2,437,372
Other comprehensive income	-	-	-	5,767	5,767	(54)	-	5,713
Total comprehensive income	-	-	-	2,443,139	2,443,139	(54)	-	2,443,085
Appropriation and distribution of retained earnings in 2022:								
Legal reserve appropriated	-	-	409,901	(409,901)	-	-	-	-
Cash dividends of ordinary share	-	-	-	(847,337)	(847,337)	-	-	(847,337)
Stock dividends of ordinary share	1,694,674	-	-	(1,694,674)	(1,694,674)	-	-	-
Acquisition of company's share by subsidiaries recognized as treasury share	-	-	-	-	-	-	(942)	(942)
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	10,070	-	-	-	-	-	10,070
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	419,416	-	(39,015)	(39,015)	-	-	380,401
Changes in ownership interests in subsidiaries	-	(1,102)	-	-	-	-	6,286	5,184
Balance on December 31, 2023	18,841,415	8,836,578	8,773,652	11,094,585	19,868,237	214	(971,876)	46,574,568
Profit	-	-	-	6,287,400	6,287,400	-	-	6,287,400
Other comprehensive income	-	-	-	4,716	4,716	65	-	4,781
Total comprehensive income	-	-	-	6,292,116	6,292,116	65	-	6,292,181
Appropriation and distribution of retained earnings in 2023:								
Legal reserve appropriated	-	-	240,412	(240,412)	-	-	-	-
Cash dividends of ordinary share	-	-	-	(932,071)	(932,071)	-	-	(932,071)
Stock dividends of ordinary share	1,864,142	-	-	(1,864,142)	(1,864,142)	-	-	-
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	10,996	-	-	-	-	-	10,996
Disposal of Subsidiaries	-	-	-	-	-	(279)	-	(279)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	418,093	-	-	-	-	-	418,093
Changes in ownership interests in subsidiaries	-	211	-	-	-	-	5,314	5,525
Other changes in capital surplus	-	1,291	-	-	-	-	-	1,291
Balance at December 31, 2024	\$ 20,705,557	9,267,169	9,014,064	14,350,076	23,364,140	-	(966,562)	52,370,304

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
HIGHWEALTH CONSTRUCTION CORP.

Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

	2024	2023
Cash flows from (used in) operating activities:		
Profit before tax	\$ 7,270,409	2,637,877
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	147,916	112,303
Amortization expense	8,736	7,780
Expected credit gain	-	(1,672)
Net gain on financial assets or liabilities at fair value through profit or loss	(274,499)	(62,658)
Interest expense	447,654	842,113
Interest income	(110,612)	(105,926)
Dividend income	-	(9,961)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(1,751,033)	(842,311)
Gain on disposal of property, plant and equipment	(17,046)	-
Gain on disposal of investment properties	(245,961)	(77,992)
Gain on disposal of investments	(300)	-
Realized profit on from sales	(39,416)	(39,533)
Gain on lease modifications	(6)	-
Total adjustments to reconcile profit (loss)	(1,834,567)	(177,857)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in notes receivable	769,107	642,378
(Increase) decrease in accounts receivable	(50,512)	20,953
Decrease (increase) in inventories	3,327,202	(3,318,054)
(Increase) decrease in other non-current assets	(482,255)	15,185
Increase in prepayments	(183,132)	(337,873)
Decrease (increase) in other current assets	28,136	(27,926)
Increase in other financial assets	(271,469)	(139,217)
Increase in incremental costs to obtaining a contract	(727,158)	(250,638)
Total changes in operating assets	2,409,919	(3,395,192)
Changes in operating liabilities:		
Increase in contract liabilities	1,658,781	1,805,746
Decrease in notes payable	(586)	(1,143)
(Decrease) increase in accounts payable (include related parties)	(246,783)	423,973
Increase (decrease) in other payable	1,149,782	(359,617)
Decrease in other financial liabilities	(2,229)	(157)
Increase in other current liabilities	222,455	20,416
Decrease in net defined benefit liability	(489)	(226)
Total changes in operating liabilities	2,780,931	1,888,992
Total changes in operating assets and liabilities	5,190,850	(1,506,200)
Total adjustments	3,356,283	(1,684,057)
Cash inflow generated from operations	10,626,692	953,820
Income taxes paid	(363,016)	(761,580)
Net cash flows from (used in) operating activities	10,263,676	192,240

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
HIGHWEALTH CONSTRUCTION CORP.

Statements of Cash Flows (CONT'D)

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

	2024	2023
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets designated at fair value through profit or loss	602,394	-
Acquisition of investments accounted for using equity method	(838,028)	-
Proceeds from disposal of investments accounted for using equity method	-	282,734
Proceeds from capital reduction of investments accounted for using equity method	2,764	-
Acquisition of property, plant and equipment	(3,100)	(2,938)
Proceeds from disposal of property, plant and equipment	53,552	-
Acquisition of intangible assets	(8,202)	(8,620)
Acquisition of investment properties	(984,623)	(746,702)
Proceeds from disposal of investment properties	618,459	120,715
Increase in other non-current assets	-	(1,146)
Interest received	107,749	105,967
Dividends received	924,463	58,477
Net cash flows from (used in) investing activities	<u>475,428</u>	<u>(191,513)</u>
Cash flows from (used in) financing activities:		
Increase in short-term loans	13,608,099	11,209,330
Decrease in short-term loans	(18,685,314)	(10,944,269)
Increase (decrease) in short-term notes and bills payable	3,393,512	(372,170)
Proceeds from issuing bonds	1,600,000	1,450,000
Repayments of bonds	(5,000,000)	(2,500,000)
Proceeds from long-term debt	45,000	2,048,000
Repayments of long-term debt	(1,278,530)	(120,970)
Payment of lease liabilities	(44,212)	(41,229)
Cash dividends paid	(932,071)	(847,337)
Interest paid	(2,378,964)	(2,270,962)
Other financing activities	(660,156)	1,555,464
Net cash flows from (used in) financing activities	<u>(10,332,636)</u>	<u>(834,143)</u>
Net increase in cash and cash equivalents	406,468	(833,416)
Cash and cash equivalents at beginning of the year	<u>7,615,548</u>	<u>8,448,964</u>
Cash and cash equivalents at end of the year	<u><u>\$ 8,022,016</u></u>	<u><u>7,615,548</u></u>

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
HIGHWEALTH CONSTRUCTION CORP.

Notes to the Parent Company only Financial Statements

For the years ended December 31, 2024 and 2023

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

(1) Company history

HIGHWEALTH CONSTRUCTION CORP. (the “Company”) was incorporated in January 1980 as a company limited by shares under the company Act of the Republic of China. The Company registered address is 10F, No.267, Lequn 2nd Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.) The Company primarily engages in the business of construction, sales, and leasing of residual and commercial buildings. Please refer to the financial statements for the Company’s main business activities.

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

The parent company only financial statements were authorized for issuance by the Board of Directors on March 12, 2025.

(3) New standards, amendments and interpretations adopted:

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

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2024:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

- (b) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its financial statements:

- Amendments to IAS21 “Lack of Exchangeability”

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

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

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	January 1, 2027

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

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(4) Summary of material accounting policies:

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

(a) Statement of measurement

These parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”).(altogether referred to “IFRS Accounting Standards” endorsed by the “FSC”) ,

(b) Basis of preparation

(i) Basis of measurement

The accompanying parent company only financial statements have been prepared on the historical cost basis except for the following significant accounts.

- 1) Financial asset measured at fair value through profit or loss are measured at fair value;
- 2) Financial instruments measured at fair value through other comprehensive income are measured at fair value;
- 3) The defined benefit liability (asset) is recognized as the fair value of the plan asset less the present value of defined benefit obligation and the upper limit impact mentioned in note 4(o).

(ii) Functional and presentation currency

The functional currency of each Company entities is determined based on the primary economic environment in which the entities operate. The parent company only financial statements are presented in New Taiwan Dollars (NTD), which is the Company’s functional currency. All the financial information presented in New Taiwan Dollar has been rounded to the nearest thousands.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(c) Foreign currencies

(i) Currencies transaction

Transactions in foreign currencies are translated to the respective functional currencies of Company entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

- 1) Fair value through other comprehensive income equity investment;
- 2) A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- 3) Qualifying cash flow hedges to the extent that the hedge is effective.

(ii) Foreign operation

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

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

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

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

The Company classifies the asset as current under one of the following criteria, and all other assets are classified as non current.

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

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

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

- (i) It is expected to be settled in the normal operating cycle;
 - (ii) It is held primarily for the purpose of trading;
 - (iii) It is due to be settled within twelve months after the reporting period; or
 - (iv) It does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.
- (e) Cash and cash equivalents

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

(f) Financial instruments

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

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost, fair value through other comprehensive income (FVOCI) – equity investment, or fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

1) Financial assets measured at amortized cost

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

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

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

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established., which in the case of quoted securities is normally company the ex-dividend date.

3) Fair value through profit or loss (FVTPL)

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

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

Financial assets in this category are measured at fair value at initial recognition. Attributable transaction costs are recognized in profit or loss as incurred. Subsequent changes that are measured at fair value, consider account any dividend and interest income, are recognized in profit or loss.

4) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses ("ECL") on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and accounts receivable, other receivable, guarantee deposit paid and other financial assets), debt investments measured at FVOCI, accounts receivable measured at FVOCI and contract assets.

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

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade which is considered to be BBB- or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

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

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

- Significant financial difficulty of the borrower or issuer ;
- A breach of contract such as a default or being more than 90 days past due ;
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider ;
- It is probable that the borrower will enter bankruptcy or other financial reorganization ; or
- The disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and its recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off either partially or in full to the extent that there is no realistic prospect of recovery. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedure for recovery of amounts due.

5) **Derecognition of financial assets**

Financial assets are derecognized when the contractual rights to the cash flows from the assets expire, or when the Company transfers substantially all the risks and rewards of ownership of the financial assets, or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity instruments

Debt and or equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual agreement arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instruments

An equity instrument is any contract that evidences the residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

4) Compound financial instruments

Compound financial instruments issued by the Company comprise convertible bonds denominated in NTD that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

5) Financial liabilities

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

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

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

6) Derecognition of financial liabilities

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

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

7) Offsetting of financial assets and liabilities

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

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition, and capitalization of interest.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realizable value is estimated as follows:

1) Construction site

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses, or estimated by recent market value (development analytical method or comparison method).

2) Construction in progress

Net realizable value is the estimated selling price (prevailing market condition) in the ordinary course of business, less the estimated costs and selling expenses needed to complete.

3) Real estate for sales

Net realizable value is the estimated selling price (refer to the market condition estimated by authority) in the ordinary course of business, less the estimated selling cost and expenses need to sell the real estate.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(h) Investing subsidiaries

In preparing the parent company only financial statements of the Company, investee company that controlled by the Company is accounted for under the equity method. Under equity method, profit for the year and other comprehensive income for the year reported in an entity's Parent Company only financial statement of comprehensive income, shall equal to profit for the year and other comprehensive income' attributable to owners of the parent reported in that entity's consolidated statement of comprehensive income. Total equity reported in an entity's Parent Company only financial statements shall equal to equity attributable to owners of parent reported in that entity's consolidated financial statements.

The Company's changes in equity interests in subsidiaries that did not lead to loss of control, deemed as equity transactions between owners.

(i) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is initially recognized at cost and then subsequently measured at cost again. The depreciation expense is appropriated in accordance with the depreciable amount after the initial recognition. The depreciation methods, useful lives, and residual values of investment property are same as the practice of the property, plant, and equipment.

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

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

(j) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent expenditure

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

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(iii) Depreciation

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

Land is not depreciated.

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

1) Buildings	3 ~ 50 years
2) Transportation equipment	5 years
3) Office equipment	3 years
4) Other equipment and leasehold improvements	3 ~ 10 years

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

(iv) Reclassification to investment property

A property is reclassified to investment property at its carrying amount when the use of the property changes from owner-occupied to investment property.

(k) Lease

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

(i) As a lessee

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

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

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

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

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

- 1) Fixed payments;
- 2) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- 3) Amounts expected to be payable under a residual value guarantee; and
- 4) Payments for purchase or termination options that are reasonably certain to be exercised.

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

- 1) There is a change in future lease payments arising from the change in an index or rate; or
- 2) There is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- 3) There is a change of its assessment on whether it will exercise a purchase, extension or termination option; or
- 4) There is a change of its assessment on lease period on whether it will exercise an extension or termination option; or
- 5) There are any lease modifications

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

If an arrangement contains lease and non-lease components, the Company allocates the consideration in the contract to each lease component basis on their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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

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

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of office equipment and lease of low-value assets, The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

For sale-and-leaseback transactions, the Company applies the requirements for determining when a performance obligation is satisfied in IFRS15 to determine whether the transfer of an asset is accounted for as a sale of the asset. If the transfer of an asset satisfies the requirement of IFRS15 to be accounted for as a sale of the asset, the Company derecognizes the transferred asset, then measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained. Accordingly, the Company recognizes only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. For leaseback transaction, the Company applies the lessee accounting policy. If the transfer of an asset does not satisfy the requirement of IFRS15 to be accounted for as a sale of the asset, the Company continues to recognize the transferred asset and recognizes the financial liability equal to the transfer proceeds.

(ii) As a lessor

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

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies IFRS15 to allocate the consideration in the contract.

The Company recognizes a finance lease receivable at an amount equal to its net investment in the lease. Initial direct costs incurred in negotiating and arranging on operating lease is added to the net investment of the lease asset. The lessor recognizes the interest income over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

(l) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Expenditure on research activities is recognized in profit or loss as incurred.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

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

(ii) Subsequent expenditure

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

(iii) Amortization

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

The estimated useful lives for current and comparative periods are as follows:

Computer software	1 ~ 3 years
-------------------	-------------

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

(m) Impairment of non-financial assets

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

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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

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

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

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(n) Revenue

(i) Revenue from contracts with customers

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

1) Land development and sale of real estate

The Company develops and sells residential properties and usually sales properties in advance during construction . Revenue is recognized when control over the properties has been transferred to the customer. The properties have generally no alternative use for the Company due to contractual restrictions. However, an enforceable right to payment does not arise until legal title of a property has passed to the customer. Therefore, revenue is recognized at a point in time when the legal title has passed to the customer.

The revenue is measured at the transaction price agreed under the contract. For sale of readily available house, in most cases, the consideration is due when legal title of a property has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months. The transaction price is therefore not adjusted for the effects of a significant financing component. For pre-selling properties, the consideration is usually received by installment during the period from contract inception until the transfer of properties to the customer. If the contract includes a significant financing component, the transaction price will be adjusted for the effects of the time value of money during the period, using the specific borrowing rate of the construction project.

2) Financing components

The Company assesses whether the financial factors are significant at the contract level in accordance with IFRS15 Application Guidance - The Real Estate Industry, wherein the calculation can be made on a case-by-case basis. After the Company has taken into account the industry characteristics and market borrowing rates, it determines that the financial factors are considered material when they account for more than 5% of the total contract price.

The Company expects that (i) the financing components are not substantive to individual contract or (ii) the period between the transfer of the promised goods or services to the customer and payment by the customer does not exceed one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(ii) Contract costs-incremental costs of obtaining a contract

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

(o) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided in the periods during which services are rendered by employees.

(ii) Defined benefit plans

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

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

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

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

(iii) Short-term employee benefits

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

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(p) Income Taxes

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

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

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are not recognized for the following:

- (i) Temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences
- (ii) Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) Taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognized for unused tax losses available for carry-forward, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the unused tax losses, unused tax credits and deductible temporary differences can be utilized. Such unused tax losses, unused tax credits and deductible temporary differences are also re-evaluated every year on the financial reporting date, and adjusted based on the probability that future taxable profit will be available against which the unused tax losses, unused tax credits and deductible temporary differences can be utilized.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

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

- (i) If the entity has the legal right to settle tax assets and liabilities on a net basis; and
- (ii) The taxing of deferred tax assets and liabilities fulfill one of the below scenarios:
 - 1) Levied by the same taxing authority; or
 - 2) Levied by different taxing authorities, but where each such authority intend to settle tax assets and liabilities (where such amounts are significant) on a net basis every year of the period of expected asset realization or debt liquidation; or where the timing of asset realization and debt liquidation is matched.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(q) Earnings per share

The Company disclose the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. The basic earnings per share is calculated based on the profit attributable to the ordinary shareholders of the Company divided by weighted average number of ordinary shares outstanding. The diluted earnings per share is calculated based on the profit attributable to ordinary shareholders of the Company, divided by weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as remuneration of employees and employee stock options.

(r) Operating segments

Please refer to the consolidated financial report of Highwealth Construction Corp. for the years ended December 31, 2024 and 2023 for operating segments information.

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

In preparing these Notes to the Parent Company only Financial Statements, management has made judgments and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

There are no critical judgments in applying accounting policies that have significant effect on the amounts recognized in the Notes to the Parent Company only Financial Statements.

Information for the assumptions of uncertainty and the estimation having significant risks that will result in significant adjustments in the following year is as follows:

(a) Valuation of inventories

Inventories are measured at the lower of cost and net realizable value. The Company's evaluate the selling price in the market is below the cost, and write off the cost of inventory to net realizable value. The estimation of net realizable value is based on current market conditions. Please refer note 6(e) for inventory valuation.

Valuation process

The Company's accounting policies and disclosures included financial and non-financial assets and liabilities measured at fair value. The Company's financial instrument valuation group conducts independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. This financial instrument valuation group also periodically adjusts valuation models, conducts back testing, renews input data for valuation models, and makes all other necessary fair value adjustments to assure the rationality of fair value. The fair value measurement of investment property is based on the website of Department of Land Administration and estate agency's website or the close deal in similar district.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

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

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

- (a) Note 6(j) Investment property.
- (b) Note 6(y) Financial instruments.

(6) Explanation of significant accounts:

- (a) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Bank overdrafts used for cash management purposes	\$ 2,344	3,766
Demand and time deposits	7,924,672	7,611,782
Time deposit	95,000	-
Cash and cash equivalents	<u><u>\$ 8,022,016</u></u>	<u><u>7,615,548</u></u>

Please refer Note 6(y) for the disclosure of the Company's financial assets and liabilities interest risk and sensitivity analysis.

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

	December 31, 2024	December 31, 2023
Mandatorily measured at fair value through profit or loss:		
Stocks listed on domestic markets	<u><u>\$ -</u></u>	<u><u>327,895</u></u>

- (i) For the net gain or loss on fair value on financial instruments at FVTPL, please refer to note 6(x).
- (ii) Disposal of the above financial assets at fair value through profit or loss totaled \$602,394 thousand and \$0 ,in 2024 and 2023, respectively.
- (iii) For credit risk and market risk, please refer to note 6(y).
- (iv) Please refer to note 8 for the financial asset that had been pledged as collateral for bank borrowings for the years ended December 31, 2024 and 2023.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

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

	December 31, 2024	December 31, 2023
Equity investments at fair value through other comprehensive income:		
Unlisted Common Share	\$ 5,000	5,000

(i) Equity investments at fair value through other comprehensive income

The Company designated the investments shown above as equity investment at fair value through other comprehensive income because these equity securities represent those investments that the Company intends to hold for long-term for strategic purposes and not hold for sale.

During the years ended December 31, 2024 and 2023, the dividends of \$0 and \$1,000 thousand, respectively, related to equity investments at fair value through other comprehensive income held on the years then ended, were recognized

(ii) For credit risk and market risk, please refer to note 6(y).

(iii) As of December 31, 2024, and 2023, the financial assets at fair value through other comprehensive income of the Company had not been pledged as collateral for long-term borrowings.

(d) Notes and account receivable

	December 31, 2024	December 31, 2023
Note receivables	\$ 620,341	1,389,448
Accounts receivables	71,310	20,798
Less: loss allowance	6,000	6,000
	\$ 685,651	1,404,246

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information. The expected credit losses of the note receivables and trade receivables were as followed:

	December 31, 2024		
	Gross carrying amount	Weighted- average loss rate	Loss allowance Provision
Current	\$ 685,651	-	-
More than 365 days past due	6,000	100%	6,000
	\$ 691,651		6,000

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

	December 31, 2023		
	Gross carrying amount	Weighted- average loss rate	Loss allowance Provision
Current	\$ 1,404,246	-	-
More than 365 days past due	6,000	100%	6,000
	\$ 1,410,246		6,000

The movement in the allowance for notes and accounts receivable was as follows :

	For the years ended December 31	
	2024	2023
Balance on January 1	\$ 6,000	7,672
Impairment losses reversed	-	(1,672)
Balance on December 31	\$ 6,000	6,000

As of December 31, 2024 and 2023, note receivables had been pledged as collateral, please refer to note 8.

(e) Inventories

	December 31, 2024	December 31, 2023
Properties and Land held for sale	\$ 6,417,449	7,401,379
Land held for construction sites	211,378	11,620,906
Construction in progress	103,539,218	92,614,523
Total	\$ 110,168,045	111,636,808

For the years ended December 31, 2024 and 2023, the inventory costs recognized as cost of goods sold were \$17,864,453 thousand and \$9,513,791 thousand, respectively, and there were no inventory impairment losses or reversals of inventory write-downs recognized for the years ended December 31, 2024 and 2023.

For the years ended December 31, 2024 and 2023, the Company has changed the usage of partial assets, and reclassified properties and land held for sale to construction in progress and investment property and property, plant and equipment according to definition, please refer to note 6(h) and 6(j).

For the years ended December 31, 2024 and 2023, construction in progress of the company is calculated using a capitalization rate 2.55% and 2.37%, respectively. For capitalized interest, please refer to note 6(x).

As of December 31, 2024 and 2023, the inventories of the Company had been pledged as collateral for bank borrowings, please refer to note 8.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(f) Investments accounted for using equity method

The components of investments accounted for using the equity method at the reporting date were as follows:

	December 31, 2024	December 31, 2023
Subsidiaries	<u>\$ 14,982,740</u>	<u>12,846,633</u>

(i) Subsidiaries

Please refer to consolidated financial statement of 2024.

On February 22, 2024, the Board of Directors resolved to acquire 100% equity stake in "Da De Construction Co., Ltd." (subsequently renamed Heng Yue Construction Co., Ltd.) in cash. The acquisition involved 2,293 thousand shares, and the payment of proceeds and transfer of shares were completed within the same year.

In 2024, the Company invested in Heng Yue Construction Co., Ltd., WELL RICH INTERNATIONAL CO., LTD., and YEH KEE ENTERPRISE CO., LTD. by cash, with 40,000 thousand shares, 20,000 thousand shares, and 20,000 thousand shares, respectively. The price per share is \$10. Resolution was passed during the general meeting of shareholders and the Board of Directors meeting held in 2024 that Run Long Construction Co., Ltd. should issue new shares at \$12.00 per share using retained earnings, with an amount totaling 28,438 thousand shares. The price per share is \$10 ; Resolution was passed during the general meeting of shareholders held in 2024 that CHYI YUH CONSTRUCTION CO., LTD. for the issuance at \$1.31 per share using retained earnings, respectively, with an amount totaling 50,700 thousand shares. The price per share is \$10 ; Bi Jiang Enterprise Co., Ltd. made a capital reduction in 2024 to offset a loss of \$265,251 thousand.

(ii) Guarantees

As of December 31, 2024 and 2023, the investments accounted for using equity method had been pledged as collateral for bank borrowings, please refer to note 8.

(g) Changes in a parent's ownership interest in a subsidiary

For the years ended December 31, 2024 and 2023, the Company's subsidiaries disposed 5,221 thousand and 6,914 thousand shares of RUN LONG CONSTRUCTION CO., LTD., at the amounts of \$604,783 thousand and \$556,931 thousand, respectively. For the years ended December 31, 2023, the Group acquired 651 thousand shares of RUN LONG CONSTRUCTION CO., LTD., at the amounts of \$48,580 thousand.

The effects of the changes in shareholdings were as follows:

	For the years ended December 31	
	2024	2023
Carrying amount of non-controlling interest on acquisition	\$ -	9,565
Consideration paid to non-controlling interests	-	(48,580)
Retained earnings	<u>\$ -</u>	<u>(39,015)</u>

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

	For the years ended December 31	
	2024	2023
Book value of the non-controlling interests	\$ (186,690)	(137,515)
Consideration transferred from non-controlling interests	604,783	556,931
Capital surplus-differences between the consideration and the carrying amounts of subsidiaries acquired or disposal	<u>\$ 418,093</u>	<u>419,416</u>

(h) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Company for the years ended December 31, 2024 and 2023, were as follows:

	Land	Buildings and construction	Other equipment	Total
Cost or deemed cost:				
Balance on January 1, 2024	\$ 267,760	235,468	55,843	559,071
Additions	-	-	3,100	3,100
Disposals	(19,026)	(18,287)	(9,855)	(47,168)
Reclassifications	-	-	(45)	(45)
Balance on December 31, 2024	<u>\$ 248,734</u>	<u>217,181</u>	<u>49,043</u>	<u>514,958</u>
Balance on January 1, 2023	\$ 267,760	235,468	55,513	558,741
Additions	-	-	2,938	2,938
Disposals	-	-	(2,608)	(2,608)
Balance on December 31, 2023	<u>\$ 267,760</u>	<u>235,468</u>	<u>55,843</u>	<u>559,071</u>
Depreciation and impairments loss:				
Balance on January 1, 2024	\$ -	75,989	38,628	114,617
Depreciation	-	3,993	7,596	11,589
Disposals	-	(807)	(9,855)	(10,662)
Balance on December 31, 2024	<u>\$ -</u>	<u>79,175</u>	<u>36,369</u>	<u>115,544</u>
Balance on January 1, 2023	\$ -	71,713	31,626	103,339
Depreciation	-	4,276	9,610	13,886
Disposals	-	-	(2,608)	(2,608)
Balance on December 31, 2023	<u>\$ -</u>	<u>75,989</u>	<u>38,628</u>	<u>114,617</u>
Carrying amounts:				
Balance on December 31, 2024	<u>\$ 248,734</u>	<u>138,006</u>	<u>12,674</u>	<u>399,414</u>
Balance on December 31, 2023	<u>\$ 267,760</u>	<u>163,755</u>	<u>23,887</u>	<u>455,402</u>
Balance on January 1, 2023	<u>\$ 267,760</u>	<u>159,479</u>	<u>17,215</u>	<u>444,454</u>

As of December 31, 2024 and 2023, the property, plant and equipment of the Company had been pledged as collateral for bank borrowings, please refer to note 8.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(i) Right-of-use assets

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

	Land	Buildings and construction	Transportation equipment	Total
Cost:				
Balance on January 1, 2024	\$ 3,008	73,856	-	76,864
Additions	-	-	4,472	4,472
Disposals	(3,008)	(5,889)	-	(8,897)
Balance on December 31, 2024	<u>\$ -</u>	<u>67,967</u>	<u>4,472</u>	<u>72,439</u>
Balance on January 1, 2023	\$ -	64,951	-	64,951
Additions	3,008	8,905	-	11,913
Balance on December 31, 2023	<u>\$ 3,008</u>	<u>73,856</u>	<u>-</u>	<u>76,864</u>
Depreciation and impairment losses:				
Balance on January 1, 2024	\$ 2,005	38,151	-	40,156
Depreciation	501	15,830	1,242	17,573
Disposals	(2,506)	(5,889)	-	(8,395)
Balance on December 31, 2024	<u>\$ -</u>	<u>48,092</u>	<u>1,242</u>	<u>49,334</u>
Balance on January 1, 2023	\$ -	23,440	-	23,440
Depreciation	2,005	14,711	-	16,716
Balance on December 31, 2023	<u>\$ 2,005</u>	<u>38,151</u>	<u>-</u>	<u>40,156</u>
Carrying amounts:				
Balance on December 31, 2024	<u>\$ -</u>	<u>19,875</u>	<u>3,230</u>	<u>23,105</u>
Balance on January 1, 2023	<u>\$ -</u>	<u>41,511</u>	<u>-</u>	<u>41,511</u>
Balance on December 31, 2023	<u>\$ 1,003</u>	<u>35,705</u>	<u>-</u>	<u>36,708</u>

(j) Investment Property

	Self-owned property					
	Land and improvement	Buildings and construction	Other equipment	Investment property constructed in progress	Right-of-use assets	Total
Cost or deemed cost:						
Balance on January 1, 2024	\$ 3,465,556	3,162,106	50,066	2,474,957	21,439	9,174,124
Additions	-	-	2,853	1,015,052	-	1,017,905
Transfer from inventory	22,867	19,230	-	-	-	42,097
Disposals	(182,679)	(202,460)	-	-	-	(385,139)
Reclassifications	(139)	3,453,676	1,166	(3,454,842)	-	(139)
Balance on December 31, 2024	<u>\$ 3,305,605</u>	<u>6,432,552</u>	<u>54,085</u>	<u>35,167</u>	<u>21,439</u>	<u>9,848,848</u>
Balance on January 1, 2023	\$ 3,452,885	3,147,651	50,066	1,664,112	21,439	8,336,153
Additions	-	-	-	810,845	-	810,845
Transfer from inventory	35,383	35,602	-	-	-	70,985
Disposals	(22,712)	(21,147)	-	-	-	(43,859)
Balance on December 31, 2023	<u>\$ 3,465,556</u>	<u>3,162,106</u>	<u>50,066</u>	<u>2,474,957</u>	<u>21,439</u>	<u>9,174,124</u>

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

	Self-owned property			Investment property constructed in progress	Right-of-use assets	Total
	Land and improvement	Buildings and construction	Other equipment			
Depreciation and impairments loss:						
Balance on January 1, 2024	\$ 40,818	388,171	33,383	-	7,402	469,774
Depreciation	-	98,784	16,907	-	3,063	118,754
Disposals	-	(12,641)	-	-	-	(12,641)
Balance on December 31, 2024	<u>\$ 40,818</u>	<u>474,314</u>	<u>50,290</u>	<u>-</u>	<u>10,465</u>	<u>575,887</u>
Balance on January 1, 2023	\$ 40,818	327,358	16,694	-	4,339	389,209
Depreciation	-	61,949	16,689	-	3,063	81,701
Disposals	-	(1,136)	-	-	-	(1,136)
Balance on December 31, 2023	<u>\$ 40,818</u>	<u>388,171</u>	<u>33,383</u>	<u>-</u>	<u>7,402</u>	<u>469,774</u>
Carrying amounts:						
Balance on December 31, 2024	<u>\$ 3,264,787</u>	<u>5,958,238</u>	<u>3,795</u>	<u>35,167</u>	<u>10,974</u>	<u>9,272,961</u>
Balance on January 1, 2023	<u>\$ 3,412,067</u>	<u>2,820,293</u>	<u>33,372</u>	<u>1,664,112</u>	<u>17,100</u>	<u>7,946,944</u>
Balance on December 31, 2023	<u>\$ 3,424,738</u>	<u>2,773,935</u>	<u>16,683</u>	<u>2,474,957</u>	<u>14,037</u>	<u>8,704,350</u>
Fair value:						
Balance on December 31, 2024						<u>\$ 10,756,798</u>
Balance on December 31, 2023						<u>\$ 11,578,318</u>

The investment property includes the Company's own assets, assets under construction and right-of-use assets held in recognized of lease rights that leased to third parties under operating leases. Please refer to note 6 (q) and 6(v) for more information.

The fair value measurement of investment property is based on the website of Department of Land Administration and estate agency's website or the close deal in similar district. The fair value measurement for investment property has been categorized as a level 3 fair value based on the inputs to the valuation technique used.

The investment property under construction included the real estate property constructed by the Company and the real estate property constructed together with its subsidiary BO-YUAN CONSTRUCTION Corp., which is expected to be leased out under operating leases and calculated using the interest rate of 2.55% and 2.37% in 2024 and 2023, respectively. Please refer to note 7 for more information.

As of December 31, 2024 and 2023, the Company's investment property had been pledged as collateral for bank borrowings, please refer to note 8.

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

	December 31, 2024	December 31, 2023
Other current financial assets	\$ 10,087,974	8,655,432
Current incremental costs of obtaining a contract-current	2,618,910	1,891,752
Other non-current financial assets	2,574,569	3,048,970
	<u>\$ 15,281,453</u>	<u>13,596,154</u>

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(i) Other financial asset

Other financial assets include Trust account for presale of properties, reserve account for borrowing, performance guarantee, reserve account for corporation bonds and construction deposit.

(ii) Incremental costs of obtaining a contract-current

The Company expects that incremental commission fees paid to intermediaries, and the bonus for the internal sales department are recoverable. The Company has therefore capitalized them as contract costs. Capitalized commission fees are amortized when the related revenues are recognized. For the years ended December 31, 2024 and 2023, the Company recognized \$519,946 thousand and \$373,257 thousand of selling expenses, respectively.

(iii) As of December 31, 2024 and 2023, the other financial assets of the Company had pledged as collateral for long-term borrowings, please refer to note 8.

(l) Short-term borrowings

	December 31, 2024	December 31, 2023
Unsecured bank loans	\$ 5,368,159	5,043,333
Secured bank loans	63,035,602	68,506,656
Less : Syndicated Loan Expense	(12,663)	(12,951)
Total	<u><u>\$ 68,391,098</u></u>	<u><u>73,537,038</u></u>
Range of interest rates	<u><u>2.15%~3.14%</u></u>	<u><u>1.95%~3.17%</u></u>

(i) The issue of bank loan and repayment

For the years ended December 31, 2024 and 2023, the incremental amounts are \$13,608,099 thousand and \$11,209,330 thousand, respectively; the repayment amounts are \$18,685,314 thousand and \$10,944,269 thousand, respectively. Please refer to note 6(x) for interest expense.

(ii) Collateral for Bank Loans

For the collateral for short-term borrowings, please refer to note 8.

(m) Short-term notes and bills payable

	December 31, 2024	
	Guarantee or acceptance institute	Range of interest rate
Commercial paper payable	Financial institute	1.738%~3.25%
Less: Discount on short-term notes and bills payable		\$ 6,047,400
Total		<u><u>\$ 6,031,531</u></u>

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

	December 31, 2023		
	Guarantee or acceptance institute	Range of interest rate	Amount
Commercial paper payable	Financial institute	1.498%~2.738%	\$ 2,648,500
Less: Discount on short-term notes and bills payable			(10,481)
Total			<u><u>\$ 2,638,019</u></u>

For the collateral for short-term notes and bills payable, please refer to note 8.

(n) Long-term borrowings

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

	December 31, 2024			
	Currency	Range of interest rate	Maturity	Amount
Unsecured bank loans	TWD	2.827%	2026	\$ 150,000
Secured bank loans	TWD	2.425%~2.99%	2025~2038	4,398,015
Less: current portion				(409,021)
Total				<u><u>\$ 4,138,994</u></u>

	December 31, 2023			
	Currency	Range of interest rate	Maturity	Amount
Unsecured bank loans	TWD	2.68%	2026	\$ 250,000
Secured bank loans	TWD	2.30%~2.82%	2024~2038	5,462,532
Less: current portion				(2,298,119)
Total				<u><u>\$ 3,414,413</u></u>

(i) The issue of bank loan and repayment

The amount issued for the years ended December 31, 2024 and 2023 are \$45,000 thousand and \$2,048,000 thousand, respectively; the repayment amounts are \$1,278,530 thousand and \$120,970 thousand, respectively, please refer to note 6(x) for interest expense.

(ii) Collateral for Bank Loans

For the collateral for long-term borrowings, please refer to note 8.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(o) Bonds payable/ current portion of bonds payable

The details of the Company's bonds payable were as follows:

	December 31, 2024	December 31, 2023
Total ordinary corporate bonds issued	\$ 12,050,000	12,450,000
Unamortized discounted corporate bonds payable	(50,543)	(72,261)
Corporate bonds issued balance at year-end	\$ 11,999,457	12,377,739
Secured ordinary corporate bonds - current	\$ 1,999,597	1,999,129
Secured ordinary corporate bonds- non-current	9,999,860	10,378,610
Total	\$ 11,999,457	12,377,739

(i) The Company issued the secured ordinary corporate bonds amounting to \$1,600,000 thousand, \$1,450,000 thousand, \$2,000,000 thousand, \$3,000,000 thousand, \$4,000,000 thousand, and \$2,000,000 thousand, with interest rates of 1.80%, 1.70%, 0.90%, 0.55%, 0.50%, 0.50%~0.52%, and 0.53%, respectively, during the periods of January 2024, December 2023, April 2022, September 2021, January 2021, and December 2020. The secured ordinary corporate bonds were issued for 3 to 5 years, interest was paid annually, and principal was repaid at maturity. The Company repaid \$2,000,000 thousand and \$5,500,000 thousand of ordinary corporate bonds in 2024 and 2023, respectively, of which \$3,000,000 thousand was classified as other payables and was paid on January 2, 2024, respectively.

(ii) Please refer to the note 6(x) for the interest expense for the years ended December 31, 2024 and 2023. For the details of collateral of secured convertible bonds and bonds payable, please refer to note 7 and 8.

(p) Lease liabilities

The carrying amount of lease liabilities were as follows :

	December 31, 2024	December 31, 2023
Current	\$ 43,723	44,455
Non-current	\$ 37,298	76,814

For the maturity analysis, please refer to Note 6(y).

The amounts recognized in profit or loss were as follows :

	For the years ended December 31 2024	2023
Interest on lease liabilities	\$ 1,950	2,501
Expenses relating to short-term and low-value leases	\$ 39,717	46,594

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

The amounts recognized in the statement of cash flows for the Company was as follows :

	For the years ended December 31	
	2024	2023
Total cash outflow for leases	\$ 85,879	90,324

(i) Real estate leases

As of December 31, 2024 and 2023, the Company leases land and buildings for the construction of its reception center and parking lot. The leases for land and buildings run for a period of 5 and a half years to 7 years. The leases for reception center and parking lot typically run for a period of 1 and a half years to 3 years.

(ii) Other leases

The Company leases office equipment, short-term reception center, and outdoor advertising. These leases are short-term and leases of low-value items. The Company has elected not to recognize its right-of-use assets and lease liabilities for these leases.

(q) Operating lease

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

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

	December 31, 2024	December 31, 2023
Less than one year	\$ 115,780	120,052
One to two years	99,991	93,333
Two to three years	93,895	83,486
Three to four years	86,513	77,239
Four to five years	67,368	70,426
More than five years	287,669	321,088
Total undiscounted lease payments	\$ 751,216	765,624

For the years ended December 31, 2024 and 2023, rental income from investment properties were \$136,141 thousand and \$142,777 thousand, respectively.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(r) Employee benefits

(i) Defined benefit plans

The expenses recognized in profit or loss for the Company were as follows:

	December 31, 2024	December 31, 2023
The present value of defined benefit plans	\$ 49,750	50,630
Fair value of plan asset	(38,097)	(34,071)
Net defined benefit liability	<u><u>\$ 11,653</u></u>	<u><u>16,559</u></u>

1) Composition of plan assets

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

The Company's Bank of Taiwan labor pension reserve account balance amounted to \$38,097 thousand as of December 31, 2024. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movement in present value of the defined benefit obligations for the Company were as follows:

	For the years ended December 31 2024	2023
Defined benefit obligations at January 1	\$ 50,630	54,895
Current service cost and interest	684	817
Remeasurement of net define benefit liabilities (assets)		
— Return on plan assets (excluding interest income)	(1,564)	(5,082)
Defined benefit obligations at December 31	<u><u>\$ 49,750</u></u>	<u><u>50,630</u></u>

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

3) Change of fair value of plan asset

The amounts included in the parent company only balance sheets in respect of the Company's fair value of plan asset for the years ended December 31, 2024 and 2023 were as follows:

	For the years ended December 31	
	2024	2023
Fair value of plan asset January 1	\$ 34,071	32,783
Remeasurement of net defined benefit liabilities (assets)		
— Return on plan assets (excluding interest income)	2,974	212
Amount that has been allocated to the plan	591	586
Expected return on plan asset	461	490
Fair value of plan assets, December 31	<u><u>\$ 38,097</u></u>	<u><u>34,071</u></u>

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company were as follows:

	For the years ended December 31	
	2024	2023
Net interest of net liabilities for defined benefit obligations	<u><u>\$ 224</u></u>	<u><u>327</u></u>
Administration expense	<u><u>\$ 224</u></u>	<u><u>327</u></u>

5) Actuarial valuations

The principal actuarial assumptions at the reporting date were as follows:

	2024.12.31	2023.12.31
Discount rate	1.750 %	1.375 %
Future salary increase rate	2.00 %	2.00 %

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is \$593 thousand.

The weighted average lifetime of the defined benefit plans is 7.51 years.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

6) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Defined benefit obligation	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
December 31, 2024		
Discount rate (0.25% difference)	\$ (677)	692
Future salary increase rate (0.25% difference)	665	(654)
December 31, 2023		
Discount rate (0.25% difference)	(803)	823
Future salary increase rate (0.25% difference)	791	(776)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2024 and 2023.

(ii) Defined contribution plans

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

The pension costs incurred from the contributions to the Bureau of the Labor Insurance for the years ended December 31, 2024 and 2023 amounted to \$10,440 thousand and \$10,861 thousand, respectively.

(iii) Short-term employee benefits

The details of the company's employee benefit liabilities are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Short-term paid leave liability	\$ <u>167</u>	<u>200</u>

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(s) Income tax

(i) Income tax expenses

The components of income tax expenses for the years ended December 31, 2024 and 2023 were as follows:

	For the years ended December 31	
	2024	2023
Current tax expense		
Current period	\$ 888,866	145,431
Land value increment tax	96,721	37,708
Additional surtax on unappropriated earnings	-	19,000
Adjustment for prior periods	(2,578)	(1,634)
Tax expense	<u>\$ 983,009</u>	<u>200,505</u>

The reconciliation of tax expense and income before tax for the years ended December 31, 2024 and 2023 are as follows:

	For the years ended December 31	
	2024	2023
Income before tax	<u>\$ 7,270,409</u>	<u>2,637,877</u>
Income tax expense at domestic statutory tax rate	1,454,082	527,575
Land tax exempt income	(86,149)	(166,945)
Book –tax difference between recognition time	175,035	54,629
Book –tax difference of capitalization	(126,351)	(85,462)
Profit or loss from investment accounted for using equity method	(350,207)	(168,462)
Land value increment tax	96,721	37,708
Financial assets measured at fair value through profit and loss	(54,900)	(12,532)
Additional surtax on unappropriated earnings	-	19,000
Others	(125,222)	(5,006)
Total	<u>\$ 983,009</u>	<u>200,505</u>

(ii) Deferred tax asset and liability recognized

Changes in the amount of deferred tax assets and liabilities for 2024 and 2023 were as follows:

Deferred tax assets:

	Investment property impairment	Others	Total
Balance on January 1, 2024	<u>\$ 11,242</u>	<u>3,302</u>	<u>14,544</u>
Balance on December 31, 2024	<u>\$ 11,242</u>	<u>3,302</u>	<u>14,544</u>

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

	Investment property impairment	Others	Total
Balance on January 1, 2023	\$ 11,242	3,302	14,544
Balance on December 31, 2023	\$ 11,242	3,302	14,544

Deferred tax liabilities:

	Others
Balance on January 1, 2024	\$ 340
Balance on December 31, 2024	\$ 340
Balance on January 1, 2023	\$ 340
Balance on December 31, 2023	\$ 340

(iii) The Company's income tax had been examined by the tax authorities till 2022, except for 2019.

(t) Capital and other equity

As of December 31, 2024 and 2023, the Company's total authorized capital stock was \$30,000,000 thousand with par value of \$10 per share for each of \$3,000,000 thousand shares, and \$2,070,555 thousand and \$1,884,141 thousand shares were issued, respectively, and the funds have been received.

(i) Ordinary shares

Reconciliation of shares outstanding during 2024 and 2023 was as follows:

	Ordinary Shares	
	2024	2023
Balance on January 1	1,884,141	1,714,674
Capital increase by retained earning	186,414	169,467
Balance on December 31	2,070,555	1,884,141

A resolution was passed during the general meeting of shareholders held on June 13, 2024 and June 13, 2023, for the issuance new shares by retained earnings, amounting to \$1,864,142 thousand and \$1,694,674 thousand, respectively. The Company had received approval from the Financial Supervisory Commission for this capital increase on July 31, 2024 and July 27, 2023, respectively. And a resolution was passed during the board meeting, to set October 2, 2024, and October 2, 2023 as the base date for the capital increase, and the registration was completed on October 14, 2024 and October 17, 2023.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(ii) Capital surplus

The balance of capital surplus as of December 31, 2024 and 2023, were as follows:

	December 31, 2024	December 31, 2023
Treasury share transactions	\$ 629,656	618,660
Difference arising from subsidiary's equity	33,784	33,573
Difference arising from subsidiary's share price and its carrying value	837,509	419,416
Conversion premium of convertible bonds	7,747,840	7,747,840
Capital surplus-premium from merger	62	62
Donation from shareholders	3,284	3,284
Other	15,034	13,743
	<u>\$ 9,267,169</u>	<u>8,836,578</u>

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

(iii) Retained earnings

In accordance with the Company's articles of incorporation, after paying the income taxes, the Company's net earnings should first be used to offset the prior years' deficits. Of the remaining balance, 10% is to be appropriated as legal reserve, which in accordance with the regulations of the competent authority or reversal appropriated retained earnings. And then any remaining profit, together with any undistributed retained earnings, shall not be distributed less than 20% as shareholders' dividends proposed by the Board of Directors to be submitted to the stockholders' meeting for approval. The cash dividends should not be less than 10% of the total dividends.

As the Company distributes dividends or legal reserves and part or all paid-in capital in cash, the Company should hold a Board meeting to pass the resolution by more than half of the directors present at Board meeting, which requires a quorum of two-third of all the directors. The resolution should be submitted to the shareholder's meeting.

1) Legal reserve

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

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

2) Special reserve

In accordance with Rule issued by the FSC, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of unappropriated earnings prior-period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

The amounts of cash dividends on the appropriations of earnings for 2023 and 2022 had been approved during the board meeting on March 26, 2024 and April 11, 2023, as well as the shareholders' meeting on June 13, 2024 and June 13, 2023, respectively. The relevant dividend distributions to shareholders were as follows:

	For the years ended December 31			
	2023		2022	
	Amount per share (dollars)	Total amount	Amount per share (dollars)	Total amount
Dividends distributed to ordinary shareholders:				
Cash	\$ 0.50	932,071	0.50	847,337
Stock	1.00	<u>1,864,142</u>	1.00	<u>1,694,674</u>
Total		<u><u>\$ 2,796,213</u></u>		<u><u>2,542,011</u></u>

(iv) Treasury shares

- 1) In accordance with the Securities and Exchange Act requirements as stated above, to encourage employees and improve their work performance, the board has decided to repurchase the treasury shares at the price ranging from \$40~\$60 per share and transfer the shares to employees. During 2021, the total amount of repurchase shares were 20,000 thousand shares at the price of \$884,908 thousand.
- 2) Prior to Company ACT amendment in 2001, Subsidiaries of the Company, Ju Feng Hotel Management Consultant Co.,Ltd., HIGHWEALTH PROPERTY MANAGEMENT CO., LTD., and CHYI YUH CONSTRUCTION CO., LTD. held part of the Company's shares for investment purpose. RUN LONG CONSTRUCTION CO., LTD., a subsidiary the Company has control over, acquired 145 thousand of the Company's shares for investment purpose in the public market in 2023. As of December 31, 2024 and 2023, the market price per share were \$43.45 and \$40.10, respectively.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

The details of the treasury shares held by subsidiaries are as followed:

Subsidiary	December 31, 2024		December 31, 2023	
	Shares (thousand)	Book value	Shares (thousand)	Book value
Ju Feng Hotel Management Consultant Co.,Ltd.	6,095	\$ 1,733	5,541	1,733
HIGHWEALTH PROPERTY MANAGEMENT CO., LTD.	11,780	10,850	10,709	10,850
CHYI YUH CONSTRUCTION CO., LTD.	3,654	-	3,321	-
RUN LONG CONSTRUCTION CO., LTD.	17,658	69,071	16,053	74,385
	39,187	\$ 81,654	35,624	86,968

(v) Other equity items

	Exchange differences on translation of foreign financial statements
Balance on January 1, 2024	\$ 214
Exchange differences on foreign operations	65
Reclassification of gains and losses from profit or loss of disposal of foreign operations	(279)
Balance on December 31, 2024	<u>\$ -</u>
Balance on January 1, 2023	\$ 268
Exchange differences on foreign operations	(54)
Balance on December 31, 2023	<u>\$ 214</u>

(u) Earnings per share

(i) Basic earnings per share

The Company's basic earnings per share is calculated by profit attributable to ordinary shareholders of the Company for 2024 and 2023 were \$6,287,400 thousand and \$2,437,372 thousand, respectively, and both the weighted average number of ordinary shares outstanding for 2024 and 2023 were 2,011,369 thousand and 2,011,502 thousand shares, respectively, calculated as follows:

1) Profit attributable to ordinary shareholders of the Company

	For the years ended December 31	
	2024	2023
Profit attributable to ordinary shareholders of the Company	<u>\$ 6,287,400</u>	<u>2,437,372</u>

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

2) Weighted-average number of ordinary shares

	For the years ended December 31	
	2024	2023
Ordinary shares outstanding on January 1	1,884,141	1,714,674
Effect of treasury stock	(59,186)	(59,053)
Effect of stock dividends	186,414	355,881
Weighted-average number of ordinary shares on December 31	<u>2,011,369</u>	<u>2,011,502</u>

(ii) Diluted earnings per share

The Company's diluted earnings per share is calculated by profit attributable to ordinary shareholders of the Company for 2024 and 2023 were \$6,287,400 thousand and \$2,437,372 thousand respectively. After adjusting the effect of dilution of ordinary share, the weighted average number of ordinary shares for 2024 and 2023 were 2,012,664 thousand and 2,012,629 thousand shares, respectively. The related calculations are as follows:

1) Profit attributable to ordinary shareholders of the Company (diluted)

	For the years ended December 31	
	2024	2023
Profit attributable to ordinary shareholders of the Company (diluted)	<u>\$ 6,287,400</u>	<u>2,437,372</u>

2) Weighted-average number of ordinary shares (diluted)

	For the years ended December 31	
	2024	2023
Weighted-average number of ordinary shares (basic)	2,011,369	2,011,502
Effect of employee share bonus	1,295	1,127
Weighted-average number of ordinary shares (diluted) on December 31	<u>2,012,664</u>	<u>2,012,629</u>

(v) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the years ended December 31	
	2024	2023
Primary geographical markets:		
Taiwan	<u>\$ 24,940,798</u>	<u>13,241,365</u>

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

	<u>For the years ended December 31</u>	
Major products/services lines:		
Sales of real estate	\$ 24,804,657	13,098,588
Other revenue	<u>136,141</u>	<u>142,777</u>
	<u>\$ 24,940,798</u>	<u>13,241,365</u>
Timing of revenue recognition:		
Revenue transferred over time	\$ 136,141	142,777
Products and services transferred at a point in time	<u>24,804,657</u>	<u>13,098,588</u>
	<u>\$ 24,940,798</u>	<u>13,241,365</u>

(ii) Contract balances

	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>January 1, 2023</u>
Contract liabilities-sales of real estate	\$ 10,484,508	8,820,287	7,011,892
Contract liabilities-advance receipt	<u>3,725</u>	<u>9,165</u>	<u>11,814</u>
Total	<u>\$ 10,488,233</u>	<u>8,829,452</u>	<u>7,023,706</u>

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

The amount of revenue recognized for the years ended December 31, 2024 and 2023, that was included in the contract liability balance at the beginning of the period were \$3,522,332 thousand and \$2,044,021 thousand, respectively.

The major change in the balance of contract assets and liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received. There were no other significant changes for the years ended December 31, 2024 and 2023.

(w) Employee compensation and directors' and supervisors' remuneration

In accordance with the articles of incorporation the Company should contribute no less than 0.1% of the profit as employee compensation and less than 1% as directors' and supervisors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

The remunerations to employees amounted to \$48,000 thousand and \$38,000 thousand, respectively, and the remunerations to directors amounted to \$10,000 thousand and \$8,000 thousand, for the years ended December 31, 2024 and 2023. These amounts were calculated using the Company's net income before tax without the remunerations to employees and directors for each period, multiplied by the proposed percentage which is stated under the Company's proposed Article of Incorporation. These remunerations were expensed under operating costs or expenses for each period. For relevant information, please refer to the Market Observation Post System Website. For the years ended December 31, 2024 and 2023, there is no difference between the estimate amounts in the parent company only financial statements and the actual abovementioned distributed amounts.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(x) Non-operating income and expense

(i) Interest income

The details of interest income were as follows:

	For the years ended December 31	
	2024	2023
Interest income	\$ 110,473	105,662
Others	139	264
	\$ 110,612	105,926

(ii) Other income

The details of other income were as follows:

	For the years ended December 31	
	2024	2023
Contract termination income	\$ 16,461	34,116
Dividend income	-	9,961
Custodial Income	14,702	20,695
Other income	25,723	31,882
	\$ 56,886	96,654

(iii) Other gains and losses

The details of other gains and losses were as follows:

	For the years ended December 31	
	2024	2023
Gains on disposal of property, plant and equipment	\$ 17,046	-
Gains on disposal of investment properties	245,961	77,992
Foreign exchange gains	5	-
Gains on financial assets (liabilities) at fair value through profit or loss	274,499	62,658
Gain on disposal of equity investment	300	-
Gain on lease modification	6	-
Other expenses	(13,979)	(2,675)
	\$ 523,838	137,975

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(iv) Finance costs

The details of finance costs were as follows:

	For the years ended December 31	
	2024	2023
Interest expense		
Bank loans and collateral	\$ 2,133,866	2,031,522
Interest and fee on corporate bond	245,656	255,894
Other finance expenses	1,950	2,501
Less: capitalized interest	(1,933,818)	(1,447,804)
	\$ 447,654	842,113

(y) Financial instruments

(i) Credit risk

1) Credit risk exposure

The financial instrument's biggest credit risk exposure is the same as the carrying amount of the financial assets.

2) Concentration of credit risk

The Company has a vast client base that is not connected; thus, the ability to concentrate the credit risk is limited.

3) Receivables and debt securities

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

Other financial assets at amortized cost are other receivables (classified as other current financial assets). All these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses.

The loss allowance provisions were determined as follows:

	Other receivables
Balance on December 31, 2024(as opening balance)	\$ 8,235
Balance on December 31, 2023(as opening balance)	\$ 8,235

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(ii) Liquidity risk

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

	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-5 years</u>	<u>Over 5 years</u>
December 31, 2024				
Non derivative financial liabilities:				
Secured loans	\$ 72,537,584	10,479,081	50,059,955	11,998,548
Unsecured loans	5,985,096	2,548,045	2,992,065	444,986
Short-term investment payables	6,047,400	6,047,400	-	-
Ordinary corporate bonds (including current portion)	12,229,007	2,108,921	10,120,086	-
Notes payable, accounts payable and other payables	4,889,877	4,889,877	-	-
Lease liability	82,781	44,103	38,678	-
	<u><u>\$ 101,771,745</u></u>	<u><u>26,117,427</u></u>	<u><u>63,210,784</u></u>	<u><u>12,443,534</u></u>
December 31, 2023				
Non derivative financial liabilities:				
Secured loans	\$ 78,952,973	13,064,517	48,375,671	17,512,785
Unsecured loans	5,552,931	3,073,555	1,183,411	1,295,965
Short-term investment payables	2,648,500	2,648,500	-	-
Ordinary corporate bonds (including current portion)	12,645,892	2,055,856	10,590,036	-
Notes payable, accounts payable and other payables	6,989,530	6,989,530	-	-
Lease liability	124,841	44,901	79,940	-
	<u><u>\$ 106,914,667</u></u>	<u><u>27,876,859</u></u>	<u><u>60,229,058</u></u>	<u><u>18,808,750</u></u>

The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Market risk

- 1) Currency risk exposure: None
- 2) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Company's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.5% when reporting to management internally, which also represents the Company management's assessment of the reasonably possible interest rate change.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

If the interest rate had increased / decreased by 0.5% basis points, the Company's interest expenses would have increased / decreased by \$394,853 thousand and \$409,438 thousand for the years ended December 31, 2024 and 2023, with another variable factors remaining constant. Considering that capitalized interest of profit may decrease or increase by \$74,222 thousand and \$150,570 thousand. This is mainly due to the Company's borrowing at variable rates.

3) Other market price risk

For the years ended December 31, 2024 and 2023, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	For the years ended December 31			
	2024		2023	
	Comprehensive Income (Loss) (net of tax)	Net Income (Loss) (net of tax)	Comprehensive Income (Loss) (net of tax)	Net Income (Loss) (net of tax)
Prices of securities at the reporting date				
Increase 10%	\$ <u>500</u>	<u>-</u>	<u>500</u>	<u>32,790</u>
Decrease 10%	\$ <u>(500)</u>	<u>-</u>	<u>(500)</u>	<u>(32,790)</u>

(iv) Information of fair value

1) Valuation techniques for financial instruments measured at fair value

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

	December 31, 2024				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Stocks in unlisted company	\$ <u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 8,022,016	-	-	-	-
Notes and accounts receivable	685,651	-	-	-	-
Other financial assets - current	10,087,974	-	-	-	-
Other financial assets - non-current	<u>2,574,569</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	\$ <u>21,370,210</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

		December 31, 2024				
		Fair Value				
	Book Value	Level 1	Level 2	Level 3	Total	
Financial liabilities measured at amortized cost						
Short-term loans	\$ 68,391,098	-	-	-	-	
Short-term investment payables	6,031,531	-	-	-	-	
Notes payable, accounts payable and other payables	4,889,877	-	-	-	-	
Lease liabilities	81,021	-	-	-	-	
Other financial liabilities- current	223,905	-	-	-	-	
Corporate bonds payable (including less than 1 year)	11,999,457	-	-	-	-	
Long-term loans (including less than 1 year)	4,548,015	-	-	-	-	
Subtotal	\$ 96,164,904	-	-	-	-	
		December 31, 2023				
		Fair Value				
	Book Value	Level 1	Level 2	Level 3	Total	
Financial assets at fair value through profit or loss						
Non-derivative financial assets mandatorily measured at fair value through profit or loss	\$ 327,895	327,895	-	-	327,895	
Financial assets at fair value through other comprehensive income						
Stocks in unlisted company	\$ 5,000	-	5,000	-	5,000	
Financial assets measured at amortized cost						
Cash and cash equivalents	\$ 7,615,548	-	-	-	-	
Notes and accounts receivable	1,404,246	-	-	-	-	
Other financial assets- current	8,655,432	-	-	-	-	
Other financial assets- non-current	3,048,970	-	-	-	-	
Subtotal	\$ 20,724,196	-	-	-	-	
Financial liabilities measured at amortized cost						
Short-term loans	\$ 73,537,038	-	-	-	-	
Short-term investment payables	2,638,019	-	-	-	-	
Notes payable, accounts payable and other payables	6,989,530	-	-	-	-	
Lease liabilities	121,269	-	-	-	-	
Other financial liabilities- current	226,134	-	-	-	-	
Corporate bonds payable	12,377,739	-	-	-	-	
Long-term loans (including less than 1 year)	5,712,532	-	-	-	-	
Subtotal	\$ 101,602,261	-	-	-	-	

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

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

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

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

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

3) Valuation techniques for financial instruments measured at fair value

- a) Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

- b) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models. Fair value of forward currency is usually determined by the forward currency exchange rate.

4) Transfers between levels

Stock held by the Company quoted in an active market is sorted to Level 1. There is no difference regarding valuation techniques between 2024 and 2023. There is no transfer between first and second level measured at fair value in 2024 and 2023.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(z) Financial risk management

(i) Overview

The Company has exposures to the following risks from its financial instruments:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

The following likewise discusses the Company's exposure information, objectives, policies and processes for measuring and managing the above mentioned risks.

(ii) Structure of risk management

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

(iii) Credit risk

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

1) Account receivable and other receivable

The Company's credit risk is affected by its clients. Accounts receivable generated by selling real estate has a lower credit risk since the payment is completed by the masses with transferring, check, or loans from the bank.

The Company discloses the estimation of accounts receivables' and other receivables' loss with allowance for bad debt account. Allowance for bad debt account is composed with specific losses and batch of unrecognized losses components. Unrecognized losses components are determined by historically statistical data from similar financial assets.

2) Investments

The exposure to credit risk for the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Company's finance department. The Company only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Company does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

3) Guarantees

The Company's policy is to provide financial guarantees to subsidiaries that directly or indirectly hold more than 50% of voting shares and companies with business relations. At December 31, 2024 and 2023, the situation about the Company provided guarantees to wholly owned subsidiaries, please refer to note 7(b).

(iv) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

(v) Market risk

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

(aa) Capital management

The Company's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabilities.

The Company and other entities in the same industry use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt.

As of 2024, the Company's capital management strategy is consistent with the prior year as of 2023. The gearing ratio is maintained so as to ensure an "A" credit rating and ensure financing at reasonable cost. The Company's debt-to-equity ratio at the end of the reporting period as of December 31, 2024, were as follows:

	December 31, 2024	December 31, 2023
Total liabilities	\$ 107,933,609	110,851,321
Less: cash and cash equivalents	<u>(8,022,016)</u>	<u>(7,615,548)</u>
Net debt	99,911,593	103,235,773
Total Equity	<u>52,370,304</u>	<u>46,574,568</u>
Total adjusted capital	<u>\$ 152,281,897</u>	<u>149,810,341</u>
Debt-to-equity ratio	<u>65.61%</u>	<u>68.91%</u>

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(ab) Investing and financing activities not affecting the current cash flow

The Company investing and financing activities, which did not affect the current cash flow in the years ended December 31, 2024 and 2023, were as follows:

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

(7) Related-party transactions:

(a) Names and relationship with related parties

The following are entities that have had transactions with related parties and the Company's subsidiaries during the periods covered in the parent company only financial statements.

<u>Name of related party</u>	<u>Relationship with the Company</u>
CHYI YUH CONSTRUCTION CO., LTD.	Subsidiary company
Ju Feng Hotel Management Consultant Co.,Ltd.	Subsidiary company
HIGHWEALTH PROPERTY MANAGEMENT CO., LTD.	Subsidiary company
JIN JYUN CONSTRUCTION CO., LTD.	Subsidiary company
BO-YUAN CONSTRUCTION CO., LTD.	Subsidiary company
GUANGYANG INVESTMENT CO., LTD.	Subsidiary company
QUANXIANG TRADING (SHANGHAI) CO., LTD.	Subsidiary company
XINGFUYU TRADING (XIAMEN) CO., LTD.	Subsidiary company
WELL RICH INTERNATIONAL CO., LTD.	Subsidiary company
RUN LONG CONSTRUCTION CO., LTD.	Subsidiary company
YEH KEE ENTERPRISE CO., LTD.	Subsidiary company
BI JIANG ENTERPRISE CO., LTD.	Subsidiary company
SHING FU FA CONSTRUCTION CO., LTD.	Subsidiary company
HENGYUAN CONTRACTOR CO., LTD.	Subsidiary company
HENG YUE CONSTRUCTION CO., LTD.	Subsidiary company
Taichung Highwealth Culture and Art Foundation	Same president with the Company
Liao OO architectural firm	Key management personnel of the company is the person in charge of the company
○○,Huang and other 5 people	Key management personnel and their second immediate family of the Company

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(b) Significant transactions with related parties

(i) Operating revenue

For the years ended December 31, 2024 and 2023, the Company entered into separate sales agreements with different related parties for the disposal of its real estates, at the amounts of \$56,350 thousand and \$89,270 thousand (both including tax) in accordance with the employee purchase policy, resulting in the amounts of \$0 thousand and \$32,181 thousand to be recognized as sales revenue, as well as the advance real estate receipts of \$8,349 thousand and \$7,814 thousand, respectively, as contract liabilities, with the approval of its board. There were no difference between the conditions for related parties stated in the contract mentioned and those of non-related parties.

(ii) Purchase

Significant purchasing amount to related parties and the remaining balance were as follows:

	<u>Purchasing</u>		<u>Accumulated amount</u>	
	<u>For the years ended December 31</u>			
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Subsidiary:				
CHYI YUH CONSTRUCTION CO., LTD.	<u>\$ 12,311,384</u>	<u>10,487,192</u>	<u>29,315,263</u>	<u>20,085,953</u>

The contract prices for related parties are based on the conditions stated in their agreements, wherein the payments are made based on the progress of the project.

There were no significant difference of the price and conditions for related parties and ordinary contract mentioned above.

Note: Among the purchases in 2024 and 2023, \$379,428 thousand and \$625,710 thousand are Investment real estate under construction.

(iii) Receivables from related parties

The details of receivables from related parties were as follows:

<u>Accounted items</u>	<u>Categories</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accounts receivable	Subsidiaries	<u>\$ 5,886</u>	<u>1,174</u>
Other receivables (other financial assets-current)	Subsidiaries	<u>\$ 17,320</u>	<u>12,792</u>

(iv) Prepayments

The details of prepayments from related parties were as follows:

<u>Accounted items</u>	<u>Categories</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Prepayments	Subsidiaries	<u>\$ 4,292</u>	<u>4,484</u>

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(v) Payables to related parties

The payables to related parties were as follows:

<u>Accounted items</u>	<u>Categories</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accounts payable	Subsidiaries: CHYI YUH CONSTRUCTION CO., LTD.	\$ 1,510,491	1,806,198
"	Subsidiaries	5,373	16,139
		<u>\$ 1,515,864</u>	<u>1,822,337</u>
Other payables	Subsidiaries	<u>\$ 440,039</u>	<u>23,455</u>

(vi) Contract liabilities

The details of contract liabilities from related parties were as follows:

<u>Categories</u>	<u>Note</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Subsidiaries	Unearn rents and administration fees	<u>\$ 1,513</u>	<u>6,113</u>

(vii) Guarantees

The Company provided guarantees to subsidiary company. As of December 31, 2024 and 2023, the guarantee ceiling was \$18,114,000 thousand and \$17,359,000 thousand, respectively, and the amount of \$11,809,100 thousand and \$12,236,000 thousand has been used, respectively, and property pledged for guarantees and endorsements amount was \$2,760,000 thousand and \$1,648,000 thousand, respectively.

Subsidiaries provided land as guarantees to the Company for bank loans and ordinary corporate bonds. As of December 31, 2024 and 2023, the balance of guarantees endorsed and the amount used were both \$1,153,750 thousand.

(viii) Others

1) The Details of the Company renting offices from related parties is as follows:

	<u>Guarantee deposit paid</u>		<u>Rental expense</u>	
	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>For the years ended December 31</u>	
			<u>2024</u>	<u>2023</u>
Subsidiaries	<u>\$ 1,614</u>	<u>1,614</u>	<u>11,242</u>	<u>11,240</u>

2) Recognizing rental revenue due to renting offices and land to related parties:

	<u>Guarantee deposit received</u>		<u>Rental Revenue</u>	
	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>For the years ended December 31</u>	
			<u>2024</u>	<u>2023</u>
Subsidiaries	<u>\$ 5,776</u>	<u>5,776</u>	<u>40,489</u>	<u>38,754</u>

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

- 3) Recognizing other income due to signing entrusted administration contract with related parties:

	For the years ended December 31	
	2024	2023
Subsidiaries	\$ 14,702	20,695

- 4) Paying consulting and service fee to related parties for selling real estate on consignment:

	For the years ended December 31	
	2024	2023
Subsidiary company— Ju Feng Hotel Management Consultant Co.,Ltd.	\$ 99,655	69,779

- 5) Paying administration expense and architectural design to related parties for administrating constructing site:

	For the years ended December 31	
	2024	2023
Subsidiaries	\$ 3,989	4,596
Other	2,795	-
	\$ 6,784	4,596

- 6) The related expense about selling activities with related parties as follows:

	For the years ended December 31	
	2024	2023
Subsidiaries	\$ 7,856	7,418

- 7) As of December 31, 2024 and 2023, cooperation cases with related parties were as follows:

Case Name	Categories	Type	Security
December 31, 2024			
Buo Shao Section	Landowner-subsiary company-YEH KEE ENTERPRISE CO., LTD.	Cooperation cases	Refundable deposit \$143,150
Buo Shao Section	Landowner-subsiary company-BI JIANG ENTERPRISE CO., LTD.	Cooperation cases	Refundable deposit 122,140
Wu Fu Section	Builder-subsiary company-BO-YUAN CONSTRUCTION CO., LTD.	Cooperation cases	Guarantee deposit 25,000
Chunglu Fifth class	"	Cooperation cases	Guarantee deposit 100,000
"	"	"	Guarantee deposit 7,250,000
Hui An Fourth	Builder-subsiary company-RUN LONG CONSTRUCTION CO., LTD.	Cooperation cases	Guarantee deposit 100,000
"	"	"	Guarantee deposit 100,000

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

<u>Case Name</u> <u>December</u> <u>31, 2023</u>	<u>Categories</u>	<u>Type</u>	<u>Security</u>
Buo Shao Section	Landowner-subsidary company-YEH KEE ENTERPRISE CO., LTD.	Cooperation cases	Refundable deposit \$143,150
Buo Shao Section	Landowner-subsidary company-BI JIANG ENTERPRISE CO., LTD.	Cooperation cases	Refundable deposit 122,140
Wu Fu Section	Builder-subsidary company-BO- YUAN CONSTRUCTION CO., LTD.	Cooperation cases	Guarantee deposit 25,000
Chunglu Fifth class	"	Cooperation cases	Guarantee deposit 100,000
"	"	"	Guarantee deposit 7,250,000
Hui An Fourth	Builder-subsidary company-RUN LONG CONSTRUCTION CO., LTD.	Cooperation cases	Guarantee deposit 100,000
"	"	"	Guarantee deposit 200,000

- 8) Performance bond received from related parties for contract work:

	December 31, 2024	December 31, 2023
Subsidiaries	\$ 127,676	41,377

- 9) In September 2008, the Company sold a portion of the land to Mr. Tsai, for a contract price of \$5,000 thousand. The Company would repurchase the land at the original price without any interest if the plan was not completed within three years. Both parties agreed to extend the term unconditionally on October 20, 2011. As of December 31, 2023, the amount of other payables recorded as a result of the above transaction was \$5,000 thousand, which as of December 31, 2024 has been fully repurchased.

- (c) Key management personnel transactions

	For the years ended December 31	
	2024	2023
Short-term employee benefits	\$ 65,681	79,926

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(8) Pledged assets:

Pledged assets	Object	December 31, 2024	December 31, 2023
Financial assets at FVTPL	Mortgage	\$ -	209,100
Notes receivable	Mortgage and issuing commercial paper	723,860	1,058,236
Inventories (construction)	Mortgage, issuing commercial paper and bonds payable	100,484,523	97,682,482
Other financial assets- current and non-current	Mortgage, issuing commercial paper, performance bond, real estate trust account, and bonds payable	11,474,215	10,543,691
Investment accounted for using equity method	Issuing commercial paper	221,748	245,631
Property, plant and equipment	Long-term borrowings	386,739	427,239
Investment property at net value	Mortgage, issuing commercial paper, and bonds payable	9,059,096	8,604,550
		\$ 122,350,181	118,770,929

For the years ended December 31, 2024 and 2023, the Company provided notes receivable of presale cases \$3,106,705 thousand and \$2,913,451 thousand, respectively, as collateral for the bank loans.

(9) Commitments and contingencies:

(a) Unrecognized contractual commitments

(i) Contract price signed with clients were as follows:

	December 31, 2024	December 31, 2023
Amount of signed contracts	\$ 99,282,234	84,242,723
Received amount from contracts	\$ 10,484,508	8,820,287

(b) Others

- (i) As of December 31, 2024 and 2023 the refundable deposit paid for cooperation and urban renewal cases is \$985,676 thousand. For the partial above-mentioned joint construction projects, the Company committed to provide a certain minimum recovery amount for the houses allocated by the landowners, and will settle the amount on the date agreed by both parties.
- (ii) As passed by the Company's Board of Directors on January 18, 2024, an amount not exceeding \$203,440 thousand was donated to the Taichung City HIGHWEALTH Culture and Arts Foundation for the purpose of promoting the Foundation's affairs.

(10) Losses due to major disasters: None

(11) Subsequent events: None

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(12) Other:

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

By item	By function	For the year ended December 31					
		2024			2023		
		Operating cost	Operating Expense	Total	Operating cost	Operating Expense	Total
Employee benefits							
Salary	\$	-	396,160	396,160	-	299,161	299,161
Labor and health insurance		-	22,760	22,760	-	25,547	25,547
Pension		-	10,664	10,664	-	11,188	11,188
Remuneration of directors		-	17,746	17,746	-	16,043	16,043
Others		-	-	-	-	-	-
Depreciation		80,998	66,918	147,916	81,701	30,602	112,303
Depletion		-	-	-	-	-	-
Amortization		-	8,736	8,736	-	7,780	7,780

For the years ended December 31, 2024 and 2023, the information on the number of employees and employee benefit expense of the Company is as follows :

	2024	2023
Number of employees	<u>275</u>	<u>290</u>
Number of directors who were not employees	<u>3</u>	<u>3</u>
The average employee benefit	<u>\$ 1,579</u>	<u>1,170</u>
The average salaries and wages	<u>\$ 1,456</u>	<u>1,042</u>
Percentage of average employee salary expense	<u>39.73 %</u>	<u>(25.73)%</u>
Remuneration to supervisors	<u>\$ -</u>	<u>-</u>

The items of the Company's salary and remuneration of directors, independent director, managers, and employees are as follows:

(i) Independent directors

- 1) Regardless of the Company's profit or loss, independent directors' salary and remuneration need to be paid on monthly basis (or quarterly, half yearly) and be adjusted according to the value of his/her participation in the contribution to Company's operation.
- 2) The independent directors cannot participate in the distribution of director's compensation and other bonus distribution.
- 3) According to the needs of the actual execution of the business, the Company has to pay for the traffic allowance.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(ii) Other directors

- 1) The Company pays other directors' remuneration, according to the value of his/her participation in the contribution to Company's operation and refer to peer remuneration levels.
- 2) Other directors' remuneration is allocated at a rate specified in the Company's articles of incorporation.
- 3) According to the needs of the actual execution of the business, the Company has to pay for the traffic allowance.

(iii) Managerial officer

- 1) The monthly fixed salary is determined by salary level of each rank.
- 2) According to the result of the operation performance assessment, the Company distributes the performance bonus.
- 3) Year-end bonuses will be paid based on the results of employee performance appraisal.
- 4) Employees' remuneration is allocated at a rate specified in the Company's articles of incorporation.
- 5) Traffic allowance and supervisor allowance are paid in accordance to duties and standards.

(iv) Other employees

- 1) The salary of the Company's employees is handled in accordance with the regulations of the "post ranks table" and "post salary benchmark table". The employee salary is divided into recurring and non-recurring salaries.
- 2) Recurring salaries include basic salaries, duties allowance, construction site allowance, professional allowance, meal allowance and other allowances.
- 3) Non-recurring salaries include overtime pay, Dragon Boat Festival bonus, Mid-Autumn Festival bonus and year-end bonus.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.

Notes to the Parent Company only Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

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

(i) Loans to other parties: None

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The company	Chyi Yuh Construction Co., Ltd.	2	\$ 52,370,304	10,404,000	10,404,000	8,464,000	-	19.87 %	104,740,608	Y	N	N
0	The company	Bo-yuan Construction Co., Ltd.	2	52,370,304	5,160,000	4,960,000	3,345,100	2,760,000	9.47 %	104,740,608	Y	N	N
0	The company	Well Rich International Co., Ltd.	2	52,370,304	540,000	200,000	-	-	0.38 %	104,740,608	Y	N	N
0	The Company	BI JIANG ENTERPRISE CO., LTD.	2	52,370,304	3,145,000	1,000,000	-	-	1.91 %	104,740,608	Y	N	N
0	The Company	SHING FU FA CONSTRUCTION CO., LTD.	2	52,370,304	350,000	100,000	-	-	0.19 %	104,740,608	Y	N	N
0	The Company	YEH KEE ENTERPRISE CO., LTD.	2	52,370,304	1,450,000	1,450,000	-	-	2.77 %	104,740,608	Y	N	N
1	YEH KEE ENTERPRISE CO., LTD.	The Company	3	6,148,039	1,088,875	1,088,875	1,088,875	1,088,875	442.77 %	7,377,647	N	Y	N
2	BI JIANG ENTERPRISE CO., LTD.	The Company	3	7,701,862	64,875	64,875	64,875	64,875	1.68 %	15,403,724	N	Y	N
2	BI JIANG ENTERPRISE CO., LTD.	BO-YUAN CONSTRUCTION CO., LTD.	4	7,701,862	1,000,000	-	-	-	- %	15,403,724	N	N	N
3	JIN JYUN CONSTRUCTION CO., LTD.	RUN LONG CONSTRUCTION CO., LTD.	3	3,612,391	2,000,000	1,000,000	-	-	55.36 %	7,224,782	N	Y	N
4	RUN LONG CONSTRUCTION CO., LTD.	JIN JYUN CONSTRUCTION CO., LTD.	2	14,539,924	1,100,000	1,100,000	400,000	300,000	7.57 %	29,079,847	Y	N	N
5	Chyi Yuh Construction Co., Ltd.	BO-YUAN CONSTRUCTION CO., LTD.	4	13,485,033	500,000	500,000	500,000	500,000	7.42 %	26,970,067	N	N	N

Note 1: The numbering is as follows:

1. “0” represents the parent company.
2. Subsidiaries are sequentially numbered from 1 by company.

Note 2: The relationship between the guarantee and the guarantor are as follows:

1. Transactions between the companies.
2. The Company directly or indirectly holds more than 50% voting right.
3. When other companies directly or indirectly hold more than 50% voting rights of the Company.
4. The Company directly or indirectly holds more than 90% voting right.
5. A company that is mutually protected under contractual requirements based on the needs of the contractor.
6. A company that is endorsed by all the contributing shareholders in accordance with their shareholding ratio due to joint investment relationship.
7. Under the Consumer Protection Act, performance guarantees for pre-sale contracts for companies in the same industry.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.

Notes to the Parent Company only Financial Statements

- Note 3: The Company endorsed the operation method for the total amount of guarantees and the limit for endorsement of a single enterprise:
1. The total amount of guarantee for external endorsement shall not exceed 200% of the net value of the company.
 2. The guarantee amount for a single enterprise endorsement shall not exceed 100% of the current net value of the company.
- Note 4: RUN LONG CONSTRUCTION CO., LTD. endorsed the operation method for the total amount of guarantee s and the limit for endorsement of a single enterprise;
1. The total amount of guarantee for external endorsement shall not exceed 200% of the net value of RUN LONG CONSTRUCTION CO., LTD..
 2. The guarantee amount for a single enterprise endorsement shall not exceed 100% of the current net value of RUN LONG CONSTRUCTION CO., LTD.
- Note 5: JIN JYUN CONSTRUCTION CO., LTD. , BI JIANG ENTERPRISE CO., LTD. and CHYI YUH CONSTRUCTION CO., LTD. endorsed the operation method for the total amount of guarantees and the limit for endorsement of a single enterprise;
1. The total amount of guarantee for external endorsement shall not exceed 400% of the net value of the company.
 2. The guarantee amount for a single enterprise endorsement shall not exceed 200% of the current net value of the company
- Note 6: YEH KEE ENTERPRISE CO., LTD. endorsed the operation method for the total amount of guarantees and the limit for endorsement of a single enterprise;
1. The total amount of guarantee for external endorsement shall not exceed 3,000% of the net value of YEH KEE ENTERPRISE CO., LTD.
 2. The guarantee amount for a single enterprise endorsement shall not exceed 2,500% of the current net value of YEH KEE ENTERPRISE CO., LTD.

(iii) Securities held as of December 31, 2024 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Stock-Shin Kong Real Estate Management Co., Ltd.	—	Total non-current financial assets at fair value through other comprehensive income	550,000	\$ 5,000	1.67 %	5,000	
Ju Feng Hotel Management Consultant Co.,Ltd.	Stock-HIGHWEALTH CONSTRUCTION CORP.	Ultimate Parent Company	Total non-current financial assets at fair value through other comprehensive income	6,094,680	264,814	0.29 %	264,814	
HIGHWEALTH PROPERTY MANAGEMENT CO., LTD.	Stock-HIGHWEALTH CONSTRUCTION CORP.	Ultimate Parent Company	Total non-current financial assets at fair value through other comprehensive income	11,780,146	511,847	0.57 %	511,847	
CHYI YUH CONSTRUCTION CO., LTD.	Stock-HIGHWEALTH CONSTRUCTION CORP.	Ultimate Parent Company	Total non-current financial assets at fair value through other comprehensive income	3,653,602	158,749	0.18 %	158,749	
"	Corporate bond-China Rebar Co., Ltd.	—	Financial assets at amortized cost-current	3	-	- %	-	Note
RUN LONG CONSTRUCTION CO., LTD.	Stock-HIGHWEALTH CONSTRUCTION CORP.	Ultimate Parent Company	Financial assets at fair value through profit or loss-current	17,658,081	767,243	0.85 %	767,243	
WELL RICH INTERNATIONAL CO., Ltd.	Corporate bond-Shin Kong Life Insurance Co., Ltd.	—	Financial assets at amortized cost-non current	-	30,000	- %	30,000	

Note: Recognized as impairment loss.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.

Notes to the Parent Company only Financial Statements

- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock:

Name of company	Category and name of security	Account name	Name of counter-party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount
The Company	Stock-Da-Li Development Co., Ltd.	Financial assets at fair value through profit or loss-current	-	-	9,408,745	\$ 327,895	-	-	9,408,745	602,394	602,394	-	-	-
The Company	Heng Yue Construction Co., Ltd.	Investments accounted for using equity method, net	-	-	-	-	42,292,800	438,028	-	-	-	-	42,292,800	435,298
Chyi Yuh Construction Co., Ltd.	Stock-Run Long Construction Co., Ltd.	Investments accounted for using equity method, net	-	Investee accounted for using equity method of the company	20,838,755	623,299	21,759,306	-	2,706,000	314,919	96,343	-	39,892,061	583,733

- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Other terms
							Owner	Relationship with the Company	Date of transfer	Amount			
RUN LONG CONSTRUCTION CO., LTD	Jincheng Section, Anping District, Tainan City	February 26, 2024	\$ 591,881	Fully paid	A party of 10 including Yeh	Not related parties	-	-	-	-	Appraisal	Construction	-
RUN LONG CONSTRUCTION CO., LTD	Chenggong Section, Lingya District, Kaohsiung City	July 10, 2024	1,311,842	Fully paid	King O Construction Co., Ltd.	Not related parties	-	-	-	-	Appraisal	Construction	-
RUN LONG CONSTRUCTION CO., LTD	Jincheng Section, Anping District, Tainan City	July 23, 2024~ August 09, 2024	436,568	Fully paid	Yan O Co., Ltd. and a Party of 4 including Liu	Not related parties	-	-	-	-	Appraisal	Construction	Note 2
JIN JYUN CONSTRUCTION CO., LTD.	Guo'an Section, Annan District, Tainan City	March, 29 2024	2,265,750	Fully paid	Tai oo Fu Construction Co., Ltd.	Not related parties	-	-	-	-	Appraisal	Construction	Note 1
JIN JYUN CONSTRUCTION CO., LTD.	Chenggong Section, Lingya District, Kaohsiung City	July 26, 2024	1,027,347	Fully paid	King O Construction Co., Ltd. and Chen	Not related parties	-	-	-	-	Appraisal	Construction	-
Bi Jiang Enterprise Co., Ltd.	Huishun Section, Taichung City	July 12, 2024	3,794,074	189,704	A party of 10 including You	Not related parties	-	-	-	-	Appraisal	Construction	-

Note1 : Includes floor area transfer expenses of \$125,470 thousand (including tax).

Note2 : Includes above-ground construction of \$20,000 thousand (including tax).

(Continued)

HIGHWEALTH CONSTRUCTION CORP.

Notes to the Parent Company only Financial Statements

(vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:

Name of company	Type of property	Transaction date	Acquisition date	Book value	Transaction amount	Amount actually receivable	Gain from disposal	Counter-party	Nature of relationship	Purpose of disposal	Price reference	Other terms
The Company	Real estate for sale	January 8, 2024	N/A to the sale of inventory	N/A	\$ 1,058,880	137,119	N/A to the sale of inventory	Saint O Co., Ltd.	Not related parties	sale of inventory	Appraisal	None
"	Real estate for sale	April 30, 2024	N/A to the sale of inventory	N/A	662,950	85,791	N/A to the sale of inventory	Hong O Co., Ltd.	Not related parties	"	"	None
"	Real estate for sale	April 30, 2024	N/A to the sale of inventory	N/A	660,050	85,425	N/A to the sale of inventory	Rui O Co., Ltd.	Not related parties	"	"	None
"	Real estate for sale	April 30, 2024	N/A to the sale of inventory	N/A	675,880	87,388	N/A to the sale of inventory	Teng O Investment Co., Ltd.	Not related parties	"	"	None
"	Real estate for sale	May 15, 2024	N/A to the sale of inventory	N/A	358,000	352,236	N/A to the sale of inventory	Saint O Technology Co., Ltd.	Not related parties	"	"	None
"	Real estate for sale	September 18, 2024	N/A to the sale of inventory	N/A	656,730	85,400	N/A to the sale of inventory	Singapore Trade Office in Taipei	Not related parties	"	"	None
"	Real estate for sale	November 11, 2024	N/A to the sale of inventory	N/A	354,780	45,940	N/A to the sale of inventory	Wei O Lin Co., Ltd.	Not related parties	"	"	None
"	Real estate for sale	November 29, 2024	N/A to the sale of inventory	N/A	516,880	66,940	N/A to the sale of inventory	Yue O Guo Co., Ltd.	Not related parties	"	"	None

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

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Chyi Yuh Construction Co., Ltd.	Subsidiary of the Company	Contracting project	\$ 11,931,956	82.12%	Receive by contract terms	-	-	(1,510,491)	(75.64)%	Note 2
Chyi Yuh Construction Co., Ltd.	The Company	Ultimate parent company	Contracting Engineering	(12,123,318)	(75.83)%	Receive by contract terms	-		1,510,491	61.13%	Note 1
"	Bo-yuan Construction Co., Ltd.	The associate of the company	Contracting Engineering	(3,710,072)	(23.21)%	Receive by contract terms	-		938,786	37.99%	Note 1
"	Bi Jiang Enterprise Co., Ltd.	The associate of the company	Contracting Engineering	(128,152)	(0.80)%	Receive by contract terms	-		24,288	0.98%	Note 1
"	Shing Fu Fa Construction Co., Ltd.	The associate of the company	Contracting project	103,200	0.57%	Receive by contract terms	-		(338)	(0.01)%	Note 2
Bo-yuan Construction Co., Ltd.	Chyi Yuh Construction Co., Ltd.	The associate of the company	Contracting project	2,582,609	95.67%	Receive by contract terms	-		(938,786)	(92.26)%	Note 2
Bi Jiang Enterprise Co., Ltd.	Chyi Yuh Construction Co., Ltd.	The associate of the company	Contracting project	121,224	19.67%	Receive by contract terms	-		(24,288)	(86.52)%	Note 2
Shing Fu Fa Construction Co., Ltd.	Chyi Yuh Construction Co., Ltd.	The associate of the company	Contracting Engineering	(103,200)	(72.33)%	Receive by contract terms	-		338	31.90%	Note 1
Run Long Construction Co., Ltd.	Jin Jyun Construction Co., Ltd.	Subsidiary of the Company	Contracting project and administration fee	4,994,989	53.82%	Receive by contract terms	-	-	(718,490)	(46.40)%	Note 2
Jin Jyun Construction Co., Ltd.	Run Long Construction Co., Ltd.	The ultimate parent of the company	Contracted project and administration fee	(5,049,385)	(99.48)%	Receive by contract terms	-	-	718,490	99.70%	Note 1

Note 1: The contracted company recognizes its revenue through percentage of completion method, and the amount of sales included.

Note 2: The contracting company records its import price through estimates of amount of purchase through number of trials.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

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

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
Chyi Yuh Construction Co., Ltd.	The company	Ultimate parent Company	1,510,491	8.50	-	-	1,510,491	-
"	Bo Yuan Construction Co., Ltd.	The associate of the company	938,786	5.31	-	-	938,786	-
JIN JYUN CONSTRUCTION CO., LTD.	RUN LONG CONSTRUCTION CO., LTD.	The ultimate parent of the company	718,490	7.73	-	-	636,445	-

(ix) Trading in derivative instruments: None

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2024 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2024	December 31, 2023	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	Ju Feng Hotel Management Consultant Co.,Ltd.	Taiwan	Real estate brokerage, residential and building development, rental and sales	\$ 25,000	25,000	2,500,000	100.00 %	66,537	6,125	3,355	
"	Highwealth Property Management Co., Ltd.	Taiwan	Real estate brokerage, real estate trading	7,000	7,000	700,000	100.00 %	7,158	5,319	(36)	
"	Chyi Yuh Construction Co., Ltd.	Taiwan	Construction, residential and building development, rental and sales	3,030,041	3,030,041	439,200,000	100.00 %	5,476,452	575,551	343,288	
"	RUN LONG CONSTRUCTION CO., LTD.	Taiwan	Real estate development, rental and sales	658,119	658,119	52,136,233	5.25 %	692,283	2,257,970	117,231	
"	Yeh Kee Enterprise Co., Ltd.	Taiwan	Residential and building development, rental and sales	2,623,152	2,423,152	22,200,000	100.00 %	2,564,250	(33,014)	(33,014)	
"	Bi Jiang Enterprise Co., Ltd.	Taiwan	Residential and building development, rental and sales etc.	2,802,900	2,802,900	124,194,881	100.00 %	4,065,334	2,608,982	1,524,008	
"	SHING FU FA CONSTRUCTION CO., LTD.	Taiwan	Construction,residential and building development, rental and sales	265,000	265,000	26,500,000	100.00 %	259,609	24,090	(5,991)	
"	BO-YUAN CONSTRUCTION CO., LTD.	Taiwan	Residential and building development, rental and sales	2,430,000	2,430,000	122,900,000	100.00 %	1,072,957	(136,639)	(136,639)	
"	Well Rich International Co., Ltd.	Taiwan	Hotels	445,621	245,621	38,100,000	100.00 %	342,862	(58,621)	(58,620)	
"	Heng Yue Construction Co., Ltd.	Taiwan	Construction,residential and building development, rental and sales etc.	438,028	-	42,292,800	100.00 %	435,298	(2,730)	(2,730)	
CHYI YUH CONSTRUCTION CO., LTD.	GUANGYANG INVESTMENT CO., LTD.	Taiwan	Investment industry	284,050	284,050	29,900,000	100.00 %	907,286	123,190	Exempt from disclosure	
"	RUN LONG CONSTRUCTION CO., LTD.	Taiwan	Real estate development, rental and sales	556,303	639,321	39,982,061	4.02 %	583,733	2,257,970	"	
"	Goyu Building Material Co., Ltd	Taiwan	Wholesale of construction materials	120,000	120,000	12,000,000	30.00 %	131,271	57,964	"	
"	Hengyuan Contractor Co., Ltd.	Taiwan	Wholesale of construction materials	11,000	-	1,100,000	55.00 %	10,955	(81)	"	
GUANGYANG INVESTMENT CO., LTD.	RUN LONG CONSTRUCTION CO., LTD.	Taiwan	Real estate development, rental and sales	564,442	618,533	57,737,026	5.81 %	883,668	2,257,970	"	
RUN LONG CONSTRUCTION CO., LTD.	Jin Jyun Construction Co., Ltd.	Taiwan	Construction, residential andbuilding development, rental and sales	1,718,300	1,718,300	170,000,000	100.00 %	1,544,155	51,523	"	

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(c) Information on investment in mainland China:

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

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2024	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 2)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
QUANXIANG TRADING (SHANGHAI) CO., LTD. (Note1)	Construction material, furniture, metal parts	\$ - USD -	(Note 1)	26,555 USD 900,000	-	1,086	- USD -	7	-%	7	-	-
XINGFUYU TRADING (XIAMEN) CO., LTD. (NOTE2)	Construction material wholesale	- USD -	(Note 1)	27,104 USD 900,000	-	1,689	- USD -	174	-%	174	-	-

Note 1: Quanxiang Trading has been deregistered with the approval of the Supervision and Administration Bureau on June 24, 2024.A revocation of investment acknowledgment was obtained from the Department of Investment Review, MOEA, on November 4,2024.

Note 2: Xingfuyu Trading has been deregistered with the approval of the Supervision and Administration Bureau on March 21, 2024. A revocation of investment acknowledgment was obtained from the Department of Investment Review, MOEA, on May 24, 2024.

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$ - (USD-)	- (USD-)	31,422,182 (Note)

Note 1: Three types of investment method are as follows:

- 1. Directly investing in the mainland area
- 2. Investing in the mainland through companies in another country (Please note the name of the investing company from the other country)
- 3. Other methods

Note 2: Profit and loss recognized from investment for the current period:

- 1. If it is in preparation, and has no investment profit or loss, it should be noted
- 2. The basis for profit or loss from investment are as follows:
 - A. The international accounting firm which has cooperative relationships with the CPA in the Republic of China verifies its financial statements
 - B. Financial statement of the parent company is verified by the Taiwanese accountant
 - C. Others

(iii) Significant transactions: None

(d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
Ear Winner Investment Co., Ltd		160,190,430	7.73 %
Xing Ri-Sheng Investment Co., Ltd		130,631,957	6.30 %

(14) Segment information:

Please refer to the consolidated financial statements.

Highwealth Construction Corp.
Statement of cash and cash equivalents
December 31, 2024
(Expressed in thousands of New Taiwan Dollar)

Item	Summary	Amount
Cash and petty cash		\$ <u>2,344</u>
Bank deposit		
Demand deposit		7,903,276
Checking deposit		12,693
Foreign currency deposit	USD205,103.45, RMB374,846.51 and GBP 2,628.77	<u>8,703</u>
Deposit account		<u>95,000</u>
		<u>8,019,672</u>
		<u><u>\$ 8,022,016</u></u>

Highwealth Construction Corp.

Statement of inventories

December 31, 2024

(Expressed in thousands of New Taiwan Dollar)

Item	Summary	Amount	Note
Land for construction	Gong Jian Seciton	\$ 92,048	
	Others	143,138	
	Less: Allowance to reduce inventory to market	(23,808)	
		<u>211,378</u>	
Construction in progress	Fu Dou Sin Sixth	11,743,401	
	Hui Guo Section	11,304,387	
	Shan Jieh Second	7,299,676	
	Jhong Gang Huei Min Second	6,868,606	
	Tan Hai Fifth	6,819,442	
	Fuxing N.Rd.	6,683,283	
	Hui Shun Second	4,715,294	
	Hui Guo Fifth	4,332,406	
	Shih Jheng Hui Min Third	3,890,192	
	Yu Guang 891	3,778,734	
	Fu Shan Section	3,583,323	
	Chunglu Fifth	3,086,141	
	Hui Guo Second	2,946,576	
	Xitun Section	2,231,835	
	Da Gang Section	2,227,618	
	Shih Jheng Hui Min Second	3,247,313	
	Hui An Fourth	2,771,704	
	Hui Shun Third	3,396,737	
	Sin Sing Section	1,716,437	
	Sin Sing Section, Subsection 3	1,566,485	
	Xitun Section	3,335,770	
	Zhong Zheng Section	1,317,820	
	Shin Do 310	1,291,204	
	Gong Jian Seciton	1,021,394	
	Others	2,363,440	
		<u>103,539,218</u>	
Real estate for sale	An Kang Section	2,570,496	
	Ching Sheng Second	1,002,805	
	Fong Kong Section	536,100	
	Long Fu Section	442,182	
	Jin Tai Ninth	387,367	
	Buo Shao Second	267,610	
	Hui An Third	243,231	
	Hui Shun Section	137,757	
	Shan Jie Section	130,508	
	Hui Sin Section	106,923	
	Min Zu Section	101,774	
	Guangwu Section	98,296	
	Hui An Seciton	81,880	
	He Nan Hui Min	81,795	
	Others	229,725	
	Less: Allowance to reduce inventory to market	(1,000)	
		<u>6,417,449</u>	
Total		<u><u>\$ 110,168,045</u></u>	

Highwealth Construction Corp.

Statement of other receivables

December 31, 2024

(Expressed in thousands of New Taiwan Dollar)

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Note</u>
Bank deposit	Bank accounts for real estate value trust services, performance guarantee, reserve accounts, guarantee deposit and etc.	\$ 8,930,247	
Refundable deposit for construction	Guarantee deposit for cooperating construction and etc.	1,062,959	
Others	Interest receivable and other receivables	94,768	
		<u>\$ 10,087,974</u>	

Statement of other non-current financial assets

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Note</u>
Bank deposit	Reserve accounts for corporation bonds	\$ 2,543,968	
Refundable deposit	Guarantee deposit of rental and office etc.	30,601	
		<u>\$ 2,574,569</u>	

Statement of changes in investment property

For the relevant information, please refer to Note 6(j) °

Highwealth Construction Corp.

Statement of changes in investments accounted for

using the equity method

December 31, 2024

(Expressed in thousands of New Taiwan Dollar)

Entity	Balance on January 1, 2022		Increase in current period (note 1)		Decrease in current period (note 2)		Balance on December 31, 2022			Market price or total equity amount			Details of collateral	Note
	Number of shares (in thousand)	Amount	Number of shares (in thousand)	Amount	Number of shares (in thousand)	Amount	Number of shares (in thousand)	Percentage of voting interest	Amount	Price per share	Total amount			
JU FENG HOTEL MANAGEMENT CONSULTANT CO., LTD.	2,500	\$ 60,412	-	6,125	-	-	2,500	100.00 %	66,537	132.47	331,187		None	
HIGHWEALTH PROPERTY MANAGEMENT CO., LTD.	700	6,811	-	5,355	-	(5,008)	700	100.00 %	7,158	741.36	518,951		"	
CHYI YUH CONSTRUCTION CO., LTD.	439,200	5,532,201	-	787,252	-	(843,001)	439,200	100.00 %	5,476,452	15.39	6,742,517		"	
RUN LONG CONSTRUCTION CO., LTD.	23,698	625,917	28,438	137,459	-	(71,093)	52,136	5.25 %	692,283	37.40	1,949,895		Issuing commercial paper	
BO-YUAN CONSTRUCTION CO., LTD.	122,900	1,209,596	-	-	-	(136,639)	122,900	100.00 %	1,072,957	8.73	1,072,957		None	
YEH KEE ENTERPRISE CO., LTD.	2,200	2,397,264	20,000	200,000	-	(33,014)	22,200	100.00 %	2,564,250	11.08	245,922		"	
BI JIANG ENTERPRISE CO., LTD.	150,720	2,541,326	-	1,524,008	(26,525)	-	124,195	100.00 %	4,065,334	31.01	3,850,931		"	
XINGFUYU TRADING (XIAMEN) CO., LTD.	-	1,458	-	207	-	(1,665)	-	- %	-	-	-		"	
QUANXIANG TRADING (SHANGHAI) CO., LTD.	-	1,060	-	39	-	(1,099)	-	- %	-	-	-		"	
SHING FU FA CONSTRUCTION CO., LTD.	26,500	270,997	-	-	-	(11,388)	26,500	100.00 %	259,609	9.80	289,689		"	
WELL RICH INTERNATIONAL CO., LTD.	18,100	199,591	20,000	201,891	-	(58,620)	38,100	100.00 %	342,862	8.79	334,800		"	
HENG YUE CONSTRUCTION CO., LTD.	-	-	42,293	438,028	-	(2,730)	42,293	100.00 %	435,298	9.94	420,198		"	
Total		<u>\$ 12,846,633</u>		<u>3,300,364</u>		<u>(1,164,257)</u>			<u>14,982,740</u>		<u>15,757,047</u>			

Note 1: The increase in the current period was due to investment income recognized using the equity method of \$1,988,063 thousand, deferred credits of \$39,416 thousand, adjustments of capital surplus due to distribution of cash dividends to subsidiaries of \$10,996 thousand, purchases of subsidiaries' shares treated as treasury stock of \$5,314 thousand, changes in subsidiaries' equity of \$211 thousand, capital surplus from the difference between the actual acquisition or disposal of subsidiaries' equity and carrying amount of \$418,093 thousand, the comprehensive income of subsidiaries accounted for using the equity method of \$178 thousand, the cash capital increase and new investment using the equity method of \$838,028 thousand, exchange differences on translation of financial statements of foreign operations of \$65 thousand, and an increase of 28,438 thousand shares from the conversion of subsidiaries' earnings into capital.

Note 2: The decrease in the current period was due to the investment loss recognized using the equity method of \$237,030 thousand, cash dividends received of \$924,463 thousand, capital reduction and liquidation of \$2,764 thousand, and a reduction of 26,525 thousand shares due to the capital reduction to offset losses of subsidiaries.

Highwealth Construction Corp.
Statement of short-term borrowings
December 31, 2024
(Expressed in thousands of New Taiwan Dollar)

Type of borrowings	Ending balance	Contract period	Range of interest rates	Mortgages	Notes
Unsecured loan	\$ 1,582,000	2022.04.01~2029.04.01	Note 2	-	
"	405,000	2022.12.14~2032.12.14	"	-	
"	578,000	2023.05.02~2025.05.02	"	-	
"	200,000	2024.01.03~2025.01.03	"	Other current financial assets	
"	166,159	2024.04.26~2025.04.26	"	-	
"	100,000	2024.08.19~2025.08.19	"	Other current financial assets	
"	1,057,000	2024.09.02~2029.09.02	"	-	
"	400,000	2024.10.17~2025.10.17	"	Other current financial assets	
"	880,000	2024.10.29~2025.10.29	"	-	
Secured loan	450,000	2015.03.03~2026.03.03	"	Construction in progress	
"	859,500	2016.11.15~2026.11.15	"	Construction in progress	
"	532,000	2017.02.20~2026.02.20	"	Construction in progress	
"	600,000	2017.11.24~2028.11.24	"	Construction in progress	
"	956,000	2018.03.06~2027.03.06	"	Construction in progress	
"	1,741,000	2018.08.31~2030.09.14	"	Construction in progress	
"	187,500	2019.03.14~2030.09.14	"	Construction in progress	
"	3,844,900	2019.08.19~2026.08.19	"	Construction in progress	
"	1,133,000	2019.10.28~2026.10.28	"	Construction in progress	
"	962,900	2020.03.24~2027.12.31	"	Construction in progress	
"	4,567,000	2020.07.29~2026.07.29	"	Construction in progress	
"	1,914,934	2020.09.01~2025.09.01	"	Construction in progress	
"	2,510,000	2020.10.21~2025.10.21	"	Construction in progress	
"	2,190,000	2020.11.27~2027.11.27	"	Construction in progress	
"	226,000	2020.12.01~2026.10.28	"	Construction in progress	
"	1,793,000	2021.06.08~2026.06.08	"	Construction in progress	
"	1,240,000	2021.08.05~2026.08.05	"	Construction in progress	
"	3,322,466	2021.09.14~2026.09.14	"	Construction in progress	
"	1,976,000	2022.01.24~2027.01.24	"	Construction in progress	
"	3,150,000	2022.03.01~2029.09.01	"	Construction in progress	
"	8,175,000	2022.03.01~2030.03.01	"	Construction in progress	
"	5,534,068	2022.04.01~2029.04.01	"	Construction in progress	
"	1,479,020	2022.07.01~2026.07.01	"	Construction in progress	
"	1,180,000	2022.08.01~2027.08.01	"	Construction in progress	
"	1,437,200	2022.08.01~2030.09.14	"	Construction in progress	
"	673,980	2022.08.15~2026.08.15	"	Construction in progress	
"	739,559	2022.09.01~2025.09.01	"	Real Estate for Sale on Consignment and Investment Property	
"	535,500	2022.09.28~2027.09.28	"	Construction in progress	
"	294,000	2023.04.07~2026.08.19	"	Construction in progress	
"	360,000	2023.06.13~2026.10.28	"	Construction in progress	
"	385,000	2023.07.28~2028.07.28	"	Notes receivable, Other current financial assets	
"	560,000	2023.09.11~2025.09.11	"	Notes receivable, Other current financial assets	
"	26,814	2024.01.18~2025.01.18	"	Real Estate for Sale on Consignment	
"	300,000	2024.01.19~2025.01.19	"	Notes receivable, Other current financial assets	
"	132,810	2024.02.21~2028.11.24	"	Construction in progress	
"	1,661,500	2024.04.26~2025.04.26	"	Investment Property	
"	129,599	2024.05.06~2026.05.06	"	Real Estate for Sale on Consignment	
"	55,470	2024.05.16~2025.05.16	"	Real Estate for Sale on Consignment	
"	80,000	2024.05.16~2027.12.08	"	Construction in progress	
"	1,110,000	2024.07.13~2026.07.13	"	Construction in progress	
"	400,000	2024.08.01~2025.07.06	"	Notes receivable, Other current financial assets	
"	50,000	2024.08.08~2025.08.07	"	Notes receivable, Other current financial assets	
"	3,293,689	2024.09.02~2029.09.02	"	Construction in progress	
"	238,000	2024.10.17~2025.10.17	"	Investment Property	
"	35,530	2024.10.28~2025.10.28	"	Real Estate for Sale on Consignment	
	\$ 68,391,098				

Note 1: All the money is borrowed from the bank.

Note 2: The range of interest rate is 2.150%~3.140%.

Highwealth Construction Corp.
Statement of bonds payable
December 31, 2024
(Expressed in thousands of New Taiwan Dollar)

Name of bonds	Trustee	Date of issuance	Date of interest paid	Interest rate	Amount					Method for repayment	Details of collateral
					Total amount of issuance	Amount converted	Balance on December 31, 2019	Amount unamortized	Carrying amount		
Corporate bonds seventh	Taipei Fubon Bank	2020.12.30	Yearly	0.53 %	\$ 2,000,000	-	2,000,000	(403)	1,999,597	Paid at maturity	Other financial assets
Corporate bonds eighth	Land bank of Taiwan	2021.01.14	Yearly	0.52 %	2,000,000	-	2,000,000	(1,205)	1,998,795	Paid at maturity	Other financial assets, investment property and real estate for sale
Corporate bonds tenth	Land Bank of Taiwan	2021.09.15	Yearly	0.55 %	3,000,000	-	3,000,000	(22,275)	2,977,725	Paid at maturity	Other financial assets
Convertible bonds eleventh	Land Bank of Taiwan	2022.04.18	Yearly	0.90 %	2,000,000	-	2,000,000	(7,199)	1,992,801	Paid at maturity	Other financial assets
Corporate bonds twelfth	Mega International Commercial Bank	2023.12.11	Yearly	1.70 %	1,450,000	-	1,450,000	(17,766)	1,432,234	Paid at maturity	Other financial assets
Corporate bonds thirteen	Taiwan Cooperative Securities	2024.01.11	Semi-annual	1.80 %	1,600,000	-	1,600,000	(1,695)	1,598,305	Paid at maturity	Other financial assets and investment property
Less: Redeemable bonds due within one year					(2,000,000)	-	(2,000,000)	403	(1,999,597)		
					<u>\$ 10,050,000</u>	<u>-</u>	<u>10,050,000</u>	<u>(50,140)</u>	<u>9,999,860</u>		

Highwealth Construction Corp.

Statement of prepayments

December 31, 2024

(Expressed in thousands of New Taiwan Dollar)

Item	Summary	Amount	Note
Advance real estate receipts	Fu Shan Section	\$ 1,502,700	
	Shan Jieh Second	1,416,022	
	Hui Shun Second	1,081,228	
	Yu Guang 891	1,047,933	
	Shin Jheng Hui Min Third	691,262	
	Fuxing N.Rd.	648,570	
	Da Gang Section	610,536	
	Xitun Section	586,684	
	Hui Guo Second	396,344	
	Hui Shun Third	368,958	
	Zhong Zheng Section	368,839	
	Hui An Fourth	360,177	
	Shih Jheng Hui Min Second	339,557	
	Ching Sheng Second	271,455	
	Shin Do 310	218,860	
	Tan Hai Fifth	134,886	
	Jhong Gang Huei Min Second	108,648	
	Others	331,849	
		<u>10,484,508</u>	
Advance receipts- rent		3,297	
Advance receipts, other		<u>428</u>	
		<u><u>\$ 10,488,233</u></u>	

Highwealth Construction Corp.
Statement of operating revenue
For the year ended December 31, 2024
(Expressed in thousands of New Taiwan Dollar)

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Note</u>
Land revenue		\$ 13,886,754	
Building revenue		10,917,903	
Rental revenue		<u>136,141</u>	
Total		<u><u>\$ 24,940,798</u></u>	

Statement of operating costs

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Note</u>
Land cost		\$ 7,287,175	
Building cost		10,577,278	
Rental cost		<u>81,532</u>	
Total		<u><u>\$ 17,945,985</u></u>	

Highwealth Construction Corp.

Statement of selling expenses

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollar)

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Note</u>
Commission		\$ 370,501	
Advertising		238,765	
Salaries		149,445	
Rental		27,456	
Depreciation		6,835	
Other expense		<u>144,377</u>	
		<u><u>\$ 937,379</u></u>	

Statement of administrative expenses

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Note</u>
Salaries		\$ 264,461	
Tax expense		263,758	
Depreciation		60,083	
Employee benefit		30,919	
Insurance		27,253	
Advertising		21,204	
Charge of service		12,577	
Entertainment		12,556	
Rental		12,261	
Pension		10,664	
Amortization		8,736	
Board expense		7,801	
Donation		6,589	
travel expenses		4,899	
Other expense		<u>77,395</u>	
		<u><u>\$ 821,156</u></u>	