Stock Code:2542

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2024 and 2023

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

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Representation Letter

The entities that are required to be included in the consolidated financial statements of Highwealth Construction Corp. as of and for the year ended December 31, 2024 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements. Consequently, Highwealth Construction Corp. and Subsidiaries do not prepare a separate set of consolidated financial statements.

Company name: Highwealth Construction Corp.
Chairman: TSAO, YUAN-BO
Date: March 12, 2025.

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Independent Auditors' Report

To the Board of Directors of Highwealth Construction Corp.:

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

1. Revenue recognition on sales of properties and land

   Please refer to note 4(p) and 6(z) of the consolidated financial statements for the accounting policy on revenue recognition and the details of revenue.

   <u>Description of key audit matter</u>

   Since the Group operates in the real estate industry, in which its sales revenue is recognized upon the transfer of ownership of its real estate and the actual delivery of its housing unit to a large number of clients, the confirmation on the validity of the timing of the sales revenue recognition is crucial. Hence, the Group needs to thoroughly examine the transfer of its ownership and the data on the delivery of its housing units for its entire transactions to recognize the sales revenue, which usually involves tremendous amount of manual efforts. Therefore, the sales revenue recognition period is considered 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(h)、note 5 "Revenue" and 6(f) of the consolidated 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 Group's business operation, account for 72% of the Group's total assets, wherein the evaluation has to comply with the International Accounting Standards Bulletin No. 2. Moreover, if the net realizable value of inventories is inaccurately assessed, it will result in a negative impact on the financial report. Therefore, inventory evaluation has been recognized as one of our key audit matters.

Auditing procedures performed

·Our principal audit procedures included the following: We understand the Group's operating and accounting procedures for inventory valuation; Obtain the Group management's data of inventory valuation; verify and inspect market value of the afore mentioned information. The net realizable value can be assessed in the following ways: through reviewing the recent selling price of the premises, by inquiring the selling price of premises nearby from the"Actual Selling Price of Real Estate" website, or by obtaining project investment analysis tables, inspecting and recalculating the net realizable value of inventory to ensure if it is adequate.

Other Matter

Highwealth Construction Corp. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified opinion.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements 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 consolidated financial statements are intended only to present the consolidated 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 consolidated financial statements are those generally accepted and applied in the Republic of China.

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

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

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousand of New Taiwan Dollars)

		December 31, 2024		December 31, 2023	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (Note 6(a))	$ 17,889,104	8	14,702,019	6
1110	Financial assets at fair value through profit or loss－current (Notes 6(b) and 8)	-	-	327,895	-
1140	Current contract assets (Note 6(z))	107	-	27,475	-
1150	Notes receivable, net (Notes6(e) and 8)	978,054	-	2,019,389	1
1170	Accounts receivable, net (Notes 6(e) and 7)	287,591	-	146,930	-
130X	Inventory (Notes 6(f) and 8)	176,704,976	72	165,501,944	73
1410	Prepayment	1,932,141	1	1,342,244	1
1476	Other financial assets-current (Notes 6(n)、7、8 and 9(b))	19,248,749	8	20,508,024	9
1479	Other current assets, others	413,653	-	387,547	-
1480	Current assets recognised as incremental costs to obtain contract with customers (Note 6(n))	5,849,337	2	4,039,075	2
		223,303,712	91	209,002,542	92
	Non-current assets:				
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(c))	5,000	-	5,000	-
1535	Non-current financial assets at amortised cost, net (Note 6(d))	30,000	-	30,000	-
1550	Investments accounted for using equity method, net (Note 6(g))	131,271	-	114,034	-
1600	Property, plant and equipment (Notes 6(k) and 8)	9,864,365	4	7,393,698	3
1755	Right-of-use assets (Note 6(l))	157,504	-	145,466	-
1760	Investment property (Notes 6(m) and 8)	5,064,302	2	5,554,332	3
1780	Intangible assets	42,367	-	31,151	-
1840	Deferred tax assets (Note 6(w))	80,326	-	68,479	-
1980	Other non-current financial assets (Notes 6(n) and 8)	5,660,343	2	4,149,448	2
1990	Other non-current assets, others (Note 6(ac))	1,228,677	1	380,591	-
		22,264,155	9	17,872,199	8
	Total assets	**$ 245,567,867**	**100**	**226,874,741**	**100**

		December 31, 2024		December 31, 2023	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (Note 6(o) and(ac))	$ 109,339,983	45	98,684,698	44
2110	short-term transaction instrument payables (Note 6(p) and(ac))	9,698,878	4	8,267,808	4
2130	Current contract liabilities (Notes 6(z) and 7)	19,307,901	8	14,448,169	6
2150	Notes payable (Note 6(ac))	1,841	-	8,043	-
2170	Accounts payable (Note 6(ac) and7)	9,626,616	4	9,608,068	4
2200	Other payables (Note 6(ac) and7)	4,443,894	2	6,598,045	3
2230	Current tax liabilities	928,200	-	1,576,285	1
2250	Provisions—Current (Notes 6(t) and (v))	344,952	-	286,133	-
2280	Lease liabilities-current (Note 6(s) and(ac))	162,025	-	125,962	-
2305	Other financial liability-current (Note 6(ac))	85,622	-	88,921	-
2321	Current Portion of reverse bonds (Note 6(r) and(ac))	1,999,597	1	7,870,725	4
2322	Current portion of long-term borrowings (Note 6(q) and(ac))	435,430	-	2,846,057	1
2399	Other current liabilities, others	833,083	-	690,541	-
		157,208,022	64	151,099,455	67
	Non-Current liabilities:				
2530	Bonds payable (Note 6(r) and(ac))	19,492,284	8	14,375,478	6
2540	Long-term borrowings (Note 6(q) and(ac))	4,380,270	2	3,681,990	2
2550	Provisions non-current (Note 9(b))	167,080	-	-	-
2570	Deferred tax liabilities (Note 6(w))	143,344	-	191,553	-
2580	Lease liabilities, non-current (Note 6(s) and(ac))	96,342	-	171,421	-
2640	Net defined benefit liability, non-current (Note 6(v))	13,885	-	19,483	-
		24,293,205	10	18,439,925	8
	Total liabilities	181,501,227	74	169,539,380	75
	Equity attributable to owners of parent:				
3100	Common stock (Note 6(x))	20,705,557	8	18,841,415	8
3200	Capital surplus (Note 6(x))	9,267,169	4	8,836,578	4
	Retained earnings (Note 6(x))				
3310	Legal reserve	9,014,064	3	8,773,652	4
3350	Unappropriated earnings	14,350,076	6	11,094,585	5
3400	Other equity (Note 6(x))	-	-	214	-
3500	Treasury stock (Note 6(x))	(966,562)	-	(971,876)	-
	Total equity attributable to owners of parent:	52,370,304	21	46,574,568	21
36XX	Non-controlling interests(Note 6(j))	11,696,336	5	10,760,793	4
	Total equity	64,066,640	26	57,335,361	25
	Total liabilities and equity	**$ 245,567,867**	**100**	**226,874,741**	**100**

See accompanying notes to consolidated financial statements.

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

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

(Expressed in Thousand of New Taiwan Dollars , Except for Earnings Per Common Share)

		2024		2023	
		Amount	%	Amount	%
4000	**Operating revenue (Notes 6(u) 、(z) and 7)**	$ 36,928,280	100	44,067,193	100
5000	**Operating cost (Note 6(f))**	23,940,862	65	28,647,295	65
	Gross profit from operations	12,987,418	35	15,419,898	35
	Operating expenses:				
6100	Selling expenses (Note 6(n))	2,062,712	6	2,249,386	5
6200	Administrative expenses (Note 7)	1,508,608	4	1,458,380	3
		3,571,320	10	3,707,766	8
	Net operating income	9,416,098	25	11,712,132	27
	Non-operating income and expenses:				
7100	Total interest income (Note 6(ab))	228,769	1	178,089	-
7010	Other income (Notes 6(ab) and 7)	386,039	1	159,272	-
7020	Other gains and losses (Note 6(ab))	376,428	1	(109,174)	-
7050	Finance costs, net (Note 6(ab))	(699,613)	(2)	(1,192,702)	(3)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net(Note 6(g))	17,237	-	4,907	-
	Total non-operating income and expenses	308,860	1	(959,608)	(3)
	Profit from continuing operations before tax	9,724,958	26	10,752,524	24
7950	Less: Income tax expenses (Note 6(w))	1,551,025	4	1,917,585	4
	Profit	8,173,933	22	8,834,939	20
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(v))	4,716	-	5,767	-
8349	Less: Income tax related to 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	Less: 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	**$ 8,178,714**	**22**	**8,840,652**	**20**
	Profit, attributable to:				
8610	Profit, attributable to owners of parent company	$ 6,287,400	17	2,437,372	5
8620	Profit, attributable to non-controlling interests	1,886,533	5	6,397,567	15
		$ 8,173,933	**22**	**8,834,939**	**20**
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent company	$ 6,292,181	17	2,443,085	5
8720	Comprehensive income, attributable to non-controlling interests	1,886,533	5	6,397,567	15
		$ 8,178,714	**22**	**8,840,652**	20
	Earnings per share (Note 6(y))				
9750	Basic earnings per share	**$**	**3.13**		**1.21**
9850	Diluted earnings per share	**$**	**3.12**		**1.21**

See accompanying notes to consolidated financial statements.

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

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousand of New Taiwan Dollars)

	Equity attributable to owners of parent: Share capital: Common stock	Equity attributable to owners of parent: Capital surplus	Equity attributable to owners of parent: Retained earnings: Legal reserve	Equity attributable to owners of parent: Retained earnings: Unappropriated retained earnings	Equity attributable to owners of parent: Retained earnings: Total retained earnings	Equity attributable to owners of parent: Total other equity interest: Exchange differences on translation of foreign financial statements	Equity attributable to owners of parent: Treasury stock	Equity attributable to owners of parent: Total equity attributable to owners of parent	Non-controlling interests	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	4,464,646	49,048,753
Profit (loss)	-	-	-	2,437,372	2,437,372	-	-	2,437,372	6,397,567	8,834,939
Other comprehensive income	-	-	-	5,767	5,767	(54)	-	5,713	-	5,713
Total comprehensive income	-	-	-	2,443,139	2,443,139	(54)	-	2,443,085	6,397,567	8,840,652
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)	-	(847,337)
Stock dividends of ordinary share	1,694,674	-	-	(1,694,674)	(1,694,674)	-	-	-	-	-
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	10,070	-	-	-	-	-	10,070	-	10,070
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	419,416	-	(39,015)	(39,015)	-	-	380,401	-	380,401
Changes in ownership interests in subsidiaries	-	(1,102)	-	-	-	-	6,286	5,184	-	5,184
Acquisition of company's share by subsidiaries recognized at treasury share	-	-	-	-	-	-	(942)	(942)	(4,858)	(5,800)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(96,562)	(96,562)
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	10,760,793	57,335,361
Profit (loss)	-	-	-	6,287,400	6,287,400	-	-	6,287,400	1,886,533	8,173,933
Other comprehensive income	-	-	-	4,716	4,716	65	-	4,781	-	4,781
Total comprehensive income	-	-	-	6,292,116	6,292,116	65	-	6,292,181	1,886,533	8,178,714
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)	-	(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	-	10,996
Disposal of Subsidiaries	-	-	-	-	-	(279)	-	(279)	-	(279)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	418,093	-	-	-	-	-	418,093	-	418,093
Changes in ownership interests in subsidiaries	-	211	-	-	-	-	5,314	5,525	-	5,525
Unclaimed Cash Dividends	-	1,291	-	-	-	-	-	1,291	-	1,291
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(950,990)	(950,990)
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**	**11,696,336**	**64,066,640**

See accompanying notes to consolidated financial statements.

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

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousand of New Taiwan Dollars)

	2024	2023
Cash flows from (used in) operating activities:		
Profit before tax	$ 9,724,958	10,752,524
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	248,907	233,985
Amortization expense	101,428	37,757
Expected credit loss (gain)	487	(1,337)
Net gain on financial assets or liabilities at fair value through profit or loss	(274,499)	(62,658)
Interest expense	699,613	1,192,702
Interest income	(228,769)	(178,089)
Dividend income	-	(9,961)
Share of profit of associates and joint ventures accounted for using equity method	(17,237)	(4,907)
Gain on disposal of property, plan and equipment	(17,009)	(727)
Gain on disposal of investment properties	(280,263)	(77,992)
Gain on lease modifications	(22)	(3)
Gain on disposal of investments	(300)	-
Other income	(226,087)	-
Total adjustments to reconcile profit (loss)	6,249	1,128,770
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in contract assets	27,368	21,638
Decrease in notes receivable	1,041,335	216,257
(Increase) decrease in accounts receivable	(141,148)	1,063,397
(Increase) decrease in inventories	(8,496,888)	4,538,387
(Increase) decrease in prepayments	(590,086)	26,118
Increase in other current and non-current assets	(841,393)	(157,431)
Increase in other financial assets	(2,715,907)	(1,580,479)
Increase in assets recognised as incremental costs to obtain contract with customers	(1,810,262)	(267,547)
Total changes in operating assets	(13,526,981)	3,860,340
Changes in operating liabilities:		
Increase in contract liabilities	4,859,732	548,504
(Decrease) increase in notes payable	(6,202)	5,621
Increase in accounts payable	244,635	1,593,958
Increase in other payables	1,015,501	400,816
Increase in provisions	225,899	17,446
(Decrease) increase in other financial liabilities	(3,299)	980
Increase in other current liabilities	142,542	78,846
Decrease in net defined benefit liability	(882)	(2,464)
Total changes in operating liabilities	6,477,926	2,643,707
Total changes in operating assets and liabilities	(7,049,055)	6,504,047
Total adjustments	(7,042,806)	7,632,817
Cash inflow generated from operations	2,682,152	18,385,341
Income taxes paid	(2,284,956)	(1,208,239)
Net cash flows from (used in) operating activities	397,196	17,177,102

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

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES

Consolidated Statements of Cash Flows (CONT'D)

For the years ended December 31, 2024 and 2023

(Expressed in Thousand of New Taiwan Dollars)

	2024	2023
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortised cost	-	(30,000)
Disposal of financial assets at fair value through profit or loss	602,394	-
Acquisition of property, plant and equipment	(2,484,511)	(1,457,971)
Proceeds from disposal of property, plant and equipment	53,557	2,188
Acquisition of intangible assets	(34,008)	(20,407)
Cash inflow from the merger	9,000	-
Proceeds from disposal of investment properties	788,048	120,715
Increase in other non-current assets	(111,435)	(62,202)
Interest received	224,618	176,637
Dividends received	-	9,961
Net cash flows from (used in) investing activities	(952,337)	(1,261,079)
Cash flows from (used in) financing activities:		
Increase in short-term loans	34,622,464	22,080,330
Decrease in short-term loans	(23,894,246)	(33,732,658)
Increase in short-term notes and bills payable	1,429,900	706,201
Proceeds from issuing bonds	7,120,000	1,450,000
Repayments of bonds	(10,900,000)	(2,500,000)
Proceeds from long-term debt	51,000	2,240,000
Repayments of long-term debt	(1,832,360)	(146,379)
Payment of lease liabilities	(127,088)	(114,307)
Increase in other financial liabilities	2,268,330	(1,294,695)
Cash dividends paid	(2,063,112)	(1,057,848)
Payments to acquire treasury shares	-	(5,800)
Interest paid	(3,537,531)	(3,506,096)
Changes in non-controlling interests	604,783	508,351
Net cash flows from (used in) financing activities	3,742,140	(15,372,901)
Effect of exchange rate changes on cash and cash equivalents	86	(57)
Net increase in cash and cash equivalents	3,187,085	543,065
Cash and cash equivalents at beginning of the year	14,702,019	14,158,954
Cash and cash equivalents at end of the year	$ **17,889,104**	**14,702,019**

See accompanying notes to consolidated financial statements.

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

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Thousand of New Taiwan Dollars, 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 (R.O.C.).. The Company’s registered address is 10F, No.267, Lequn 2nd Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.) The consolidated financial statements of the Company as of and for the year ended December 31, 2024 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”). The Group primarily engages in the business of construction, sales, and leasing of residential and commercial buildings, please refer to note 14 for the Group’s main business activities.

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

The consolidated 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 International Financial Reporting Standards (“ IFRS Accounting Standards”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 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 Accounting Standards endorsed by the FSC but not yet effective

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

- Amendments to IAS21 “Lack of Exchangeability”

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

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

(Continued)

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 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 accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language consolidated financial statements, the Chinese version shall prevail.

The following significant accounting policies have been applied consistently to all periods presented in the consolidated financial statements unless otherwise specified.

(a) Statement of compliance

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

(b) Basis of preparation

(i) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the financial instruments.

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

2) Fair instruments measured at fair value through other comprehensive income are measured at fair value;

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

(Continued)

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Functional and presentation currency

The functional currency of each Group entities is determined based on the primary economic environment in which the entities operate. The Group's consolidated financial statements are presented in New Taiwan Dollar, which is the Company's functional currency. All the financial information presented in New Taiwan Dollar has been rounded to the nearest thousands.

(c) Basis of consolidation

(i) Principles for preparing consolidated financial statements

The consolidated financial statements comprise the Company and its subsidiaries. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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

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

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

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

Name of investor	Subsidiaries	Principal activity	Shareholding December 31, 2024	Shareholding December 31, 2023	Description
The Company	CHYI YUH CONSTRUCTION CO., LTD.	Constrction,residential and building development, rental and sales etc.	100.00 %	100.00 %	The Company hold more than 50% interest of the subsidiary directly
The Company	Ju Feng Hotel Management Consultant Co., Ltd.	Real estate brokerage, residential and building development, rental and sales etc.	100.00 %	100.00 %	The Company hold more than 50% interest of the subsidiary directly
The Company	HIGHWEALTH PROPERTY MANAGEMENT CO., LTD.	Real estate broker age and real estate trading	100.00 %	100.00 %	The Company hold more than 50% interest of the subsidiary directly
The Company	XINGFUYU TRADING (XIAMEN) CO., LTD.	Wholesale of construction materials	- % (Note 2)	100.00 %	The Company hold more than 50% interest of the subsidiary directly

(Continued)

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Subsidiaries	Principal activity	Shareholding December 31, 2024	Shareholding December 31, 2023	Description
The Company	QUANXIANG TRADING (SHANGHAI) CO., LTD.	Wholesale of construction materials	- % (Note 3)	100.00 %	The Company hold more than 50% interest of the subsidiary directly
The Company	Run Long Construction Co., Ltd.	Real estate development, rental and sales etc.	5.25 %	5.25 %	The Company doesn't hold more than 50% of interest directly and indirectly but have substantial controlling power and considered as subsidiary
The Company	BO-YUAN Construction Co., Ltd.	Residential and building development, rental and sales	100.00 %	100.00 %	The Company hold more than 50% interest of the subsidiary directly
The Company	YEH KEE ENTERPRISE CO., LTD.	Residential and building development, rental and sales	100.00 %	100.00 %	The Company hold more than 50% interest of the subsidiary directly
The Company	Bi Jiang Enterprise Co., Ltd.	Residential and building development, rental and sales	100.00 %	100.00 %	The Company hold more than 50% interest of the subsidiary directly
The Company	Shing Fu Fa Construction Co., Ltd.	Construction,Residential and building development, rental and sales	100.00 %	100.00 %	The Company hold more than 50% interest of the subsidiary directly
The Company	WELL RICH INTERNATIONAL CO., LTD.	Hotels etc.	100.00 %	100.00 %	The Company hold more than 50% interest of the subsidiary directly
The Company	Heng Yue Construction Co., Ltd.	Construction,residential and building development, rental and sales etc.	100.00 % (Note 4)	- %	The Company hold more than 50% interest of the subsidiary directly
CHYI YUH CONSTRUCTION CO., LTD.	GUANGYANG INVESTMENT CO., LTD.	Investment industry	100.00 %	100.00 %	Chyi Yuh hold more than 50% interest of the subsidiary directly
CHYI YUH CONSTRUCTION CO., LTD.	RUN LONG CONSTRUCTION CO., LTD.	Real estate development, rental and sales etc.	4.02 % (Note 1)	4.62 % (Note 1)	Chyi Yuh doesn't hold more than 50% of interest directly and indirectly but have substantial controlling power and considered as subsidiary
CHYI YUH CONSTRUCTION CO., LTD.	Heng Yuan Contractor Co., Ltd.	Wholesale of construction materials	55.00 % (Note 5)	- %	Chyi Yuh hold more than 50% interest of the subsidiary directly
GUANGYANG INVESTMENT CO., LTD.	Run Long Construction Co., Ltd.	Real estate development, rental and sales etc.	5.81 % (Note 1)	6.37 % (Note 1)	Guang Yang doesn't hold more than 50% of interest directly and indirectly but have substantial controlling power and considered as subsidiary
RUN LONG CONSTRUCTION CO., LTD.	Jin Jyun Construction Co., Ltd.	Construction, residential and building development, rental and sales etc.	100.00 %	100.00 %	Run Long hold more than 50% interest of the subsidiary directly

(Continued)

Note 1: The Group' s shareholdings change because the Group invested or disposed of shareholdings of Run Long Construction during 2024.

Note 2: Xingfuyu Trading has been deregistered with the approval of the Supervision and Administration Bureau on March 21, 2024.

Note 3: Quanxiang Trading has been deregistered with the approval of the Supervision and Administration Bureau on June 24, 2024.

Note 4: The Group completed payment for the acquisition of Heng Yue Construction Co., Ltd. shares on May 2, 2024.

Note 5: The Group founded Heng Yuan Contractor Co., Ltd. by contributing a 55% equity interest in cash. Approval for the incorporation was granted on September 10, 2024.

(iii) List of subsidiaries which are not included in the consolidated financial statements: None

(d) Foreign currencies

(i) Currencies transaction

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

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

1) Fair value through ither 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 into the reporting currency at the 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.

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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 Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, 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.

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

The Group 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;

(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 Group 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) The Group 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.

(f) Cash and cash equivalents

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

(Continued)

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(g) Financial instruments

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

(i) Financial assets

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

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

1) Financial assets measured at amortized cost

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

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

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

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

(Continued)

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

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 Group's right to receive payment is established.

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 Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

4) Impairment of financial assets

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

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

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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 Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

The Group 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 month 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 Group is exposed to credit risk.

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

At each reporting date, the Group 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. Evidence that a financial assets is credit-impaired includes the following observable data.

- Significant financial difficulty of the borrower or issuer；
- S 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 the assets. For debt securities at FVOCI, the loss allowance is 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 Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

5) Derecognition of financial assets

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

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

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

An equity instrument is any contract that evidences 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).

(Continued)

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

4) Financial liabilities

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

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

5) Derecognition of financial liabilities

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

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

6) Offsetting of financial assets and liabilities

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

(h) Inventory

(i) Construction industry

Inventories are measured at the lower of cost and net realizable value. The cost of inventories includes expenditure incurred in acquiring the inventories in bringing them to their existing location and condition, and capitalized borrowing cost.

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 of completion prevailing and selling expenses needed to complete.

3) Real estate for sale

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 costs and expenses need to sell the real estate.

(ii) Manufacturer and Other Industries

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. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

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

(i) Joint Arrangements

A joint arrangement is an arrangement in which two or more parties have joint control. The IFRS classifies joint arrangements into two types — joint operations and joint ventures, which have the following characteristics(a) the participants are bound by a contractual arrangement; and (b) the contractual arrangement gives two or more of those parties joint control of the arrangement. IFRS 11 “Joint Arrangements” defines joint control as the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (ie activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. A joint venturer shall recognize its interest in a joint venture as an investment and shall account for that investment using the equity method in accordance with IAS 28 “Investments in Associates and Joint Ventures”, unless the entity is exempted from applying the equity method as specified in that Standard.

When assessing the classification of a joint arrangement, the Group considers the structure and legal form of the arrangement, the terms in the contractual arrangement, and other facts and circumstances. When the facts and circumstances change, the Group reevaluates whether the classification of the joint arrangement has changed.

(Continued)

(j) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for 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.

(k) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent cost

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

(iii) Depreciation

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

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

1) Buildings	3～50 years
2) Equipment	3～6 years
3) Transportation equipment	5 years
4) Office equipment	2～8 years
5) Other equipment and leasehold improvements	2～15 years

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

(Continued)

(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.

(l) Lease

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

(i) As a lease

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful 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 Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

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

1) Fixed payments;including in-substance fixed payment;

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

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

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

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

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

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

3) There is a change of its assessment on whether it will exercise a purchase, extension or termination option; or

(Continued)

4) There a change of its assessment of lease period on whether it will exercise an extension on termination option; or

5) There is any lease modifications

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

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

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

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

The Group 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 Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

For sale-and-leaseback transactions, the Group 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 Group 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 Group recognizes only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. For leaseback transaction, the Group 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 Group continues to recognize the transferred asset and recognizes the financial liability equal to the transfer proceeds.

(ii) As lessor

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

(Continued)

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

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

The Group recognizes a finance lease receivable at an amount equal to its net investment in the lease. Initial direct costs, such as lessors to negotiate and arrange a lease, are included in the measurement of the net investment. 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 Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of ‘other income’.

(m) Intangible assets

(i) Recognition and measurement

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

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 flow into the Group intends to the Group, 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 Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

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

(iii) Amortization

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

1) Patent and trademark	1～10 years
2) Computer software	1～3 years

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

(Continued)

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES
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(n) Impairment of non-financial assets

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

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.

(o) Provisions

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

A provision for warranties is recognized when the constructions are completed. The provision is based on historical warranty data, and a weighting of all possible outcomes against their associated probabilities. When warranty expense occurs, it would be written off the warranty provision which was recognized before, or warranty expense would be recognized as expense in the current period.

(p) Revenue

(i) Revenue from contracts with customers

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

(Continued)

1) Land development and sale of real estate

The Group develops and sells residential properties and usually sales properties in advance during construction or before construction begins. Revenue is recognized when control over the properties has been transferred to the customer. The properties have generally no alternative use for the Group 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) Construction contracts

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

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

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

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

(Continued)

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES
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For residential properties, and public constructions, the Group offers a standard warranty to provide assurance that they comply with agreed upon specifications and has recognized warranty provisions for this obligation; please refer to note 6(t).

3) Revenue from services

Revenue from services rendered is recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date.If the Group has recognized revenue, but not issued a bill, then the entitlement to consideration is recognized as a contract asset.

The contract asset is transferred to receivables when the entitlement to payment becomes unconditional.

4) Financing components

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

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

(ii) Contract costs

1) Incremental costs of obtaining a contract

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

2) Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Group recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria: the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify; the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and the costs are expected to be recovered.

(Continued)

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

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

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

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

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

(iii) Short-term employee benefits

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

(r) Income Taxes

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

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

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

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

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

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

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

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

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

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

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

1) the same taxable entity; or

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

(Continued)

(s) Earnings per share

Disclosures are made of basic and diluted earnings per share attributable to ordinary equity holders of the Group. The basic earnings per share is calculated based on the profit attributable to the ordinary shareholders of the Group 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 Group, 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.

(t) Operating segments

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

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

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

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

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows:

(a) Judgment regarding control of subsidiaries

Although the Group owns less than half of Run Long Construction Co., Ltd. and has less than half its voting rights, management has determined that the Group controls the entity. The Group has control over Run Long Construction Co., Ltd. on a de facto basis, Run Long Construction Co., Ltd. is considered a subsidiary.

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

Valuation of inventories

Inventories are measured at the lower of cost and net realizable value. The Group’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(f) for inventory valuation.

Valuation process

The Group's accounting policies and disclosure included financial and non-financial assets and liabilities measured at fair ralue.The Group's financial instrument valuation group conducts independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. 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.

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.

The transfers policy between levels of the fair value hierarchy.

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

(a) Note 6(m) Investment property.

(b) Note 6(ac) 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	$ 6,597	9,295
Demand and check deposits	17,558,520	14,632,724
Time Deposits	323,987	60,000
Cash and cash equivalent	**$ 17,889,104**	**14,702,019**

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

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES
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(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	$ -	327,895

(i) For the net gain or loss on fair value on financial instruments at FVTPL, please refer to note 6(ab).

(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(ac).

(iv) Please refer to note 8 for the financial ssets that had been pledged as collateral for bank borrowings for the years ended December 31, 2023.

(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 Group designated the investments shown above as equity investment at fair value through other comprehensive income because these equity securities represent those investments that the Group 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 thousand 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(ac).

(iii) As of December 31, 2024 and 2023, the financial assets at fair value through other comprehensive income of the Group hadn’t pledged as collateral for bank borrowings.

(d) Financial assets measured at amortized cost

	December 31, 2024	December 31, 2023
Bonds payable	$ **30,000**	**30,000**

The Group assesses holding these assets until maturity to collect contractual cash flows, and its contractual cash flows are solely payments of principal and interest on the principle amount outstanding, which has been recognized as financial assets measured at amortized cost.

(i) For credit risk; please refer to note 6(ac).

(ii) The financial assets measured at amortized cost of the Group hadn't pledged as collateral for bank borrowings.

(e) Note and account receivables

	December 31, 2024	December 31, 2023
Note receivables	$ 978,054	2,019,389
Accounts receivables	294,420	153,272
Less: Loss allowance	6,829	6,342
	$ **1,265,645**	**2,166,319**

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

(ii) The expected credit losses of the note receivables and trade receivables were as follows:

	December 31, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance Provision
Current	$ 1,265,646	-	1
More than 365 days past due	6,828	100%	6,828
	$ **1,272,474**		**6,829**

	December 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance Provision
Current	$ 2,166,320	-	1
More than 365 days past due	6,341	100%	6,341
	$ **2,172,661**		**6,342**

(Continued)

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES
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(iii) 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	$ 6,342	7,679
Impairment losses recognized	487	341
Impairment losses reversed	-	(1,678)
Balance on December 31	**$ 6,829**	**6,342**

(iv) As of December 31, 2024 and 2023, note receivable had been pledged as collateral; please refer to note 8.

(f) Inventory

	December 31, 2024	**December 31, 2023**
Raw materials and consumables	$ 652	444
Finished goods	1,754	1,993
Total	2,406	2,437
Properties and land held for sale	$ 8,291,912	9,317,359
Land held for construction sites	6,602,660	12,359,414
Construction in progress	161,618,294	143,822,734
Prepayment for land purchases	189,704	-
Total	176,702,570	165,499,507
In total	**$ 176,704,976**	**165,501,944**

(i) For the years ended December 31, 2024 and 2023, the inventory recognized cost as cost of goods sold were $23,543,094 thousand and $28,401,483 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.

(ii) For the years ended December 31, 2024 and 2023, the Group changed the use of partial assets, and reclassified properties held for sale and land held for construction to investment property according to the definition of investment property. Please refer to Note 6(m).

(iii) For the years ended December 31, 2024 and 2023, construction in progress of the Group is calculated using a capitalization rate 2.45%～2.74% and 2.37%～2.72%, respectively. For the amount of capitalized interest, please refer to note 6(ab).

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

(g) Investments accounted for using equity method

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

	December 31, 2024	December 31, 2023
Joint ventures	$ 131,271	114,034

(ii) The Group's financial information for investments accounted for using the equity method that are individually insignificant was as follows:

	December 31, 2024	December 31, 2023
Carrying amount of individually insignificant associates' equity	$ 131,271	114,034

	For the years ended December 31	
	2024	2023
Attributable to the Group:		
Profit (loss) from continuing operations	$ 17,237	4,907
Comprehensive income	$ 17,237	4,907

(h) Acquisition of subsidiary

The Group founded Heng Yuan Contractor Co., Ltd. holding a 55% equity interest ($11,000 thousand) in cash. Approval for the incorporation was granted on September 10, 2024.

On February 22, 2024, the Board of Directors passed a resolution to acquire 100% equity stake in "Da De Construction Co., Ltd." (subsequently renamed Heng Yue Construction Co., Ltd.) in cash; the payment of proceeds and transfer of share ownership were completed in the same year.

The main types of consideration transferred and amounts of assets acquired, liabilities assumed, and goodwill recognized on the date of acquisition are explained below:

(i) The fair values of the main types of consideration transferred on the date of acquisition are explained below:

Main types of consideration transferred:

Cash dividends	$ 22,928

(ii) Goodwill

Goodwill recognized through acquisition:

Consideration transferred	$ 38,028
Less: Fair value of net identifiable assets	(22,928)
Goodwill	$ 15,100

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

(i) For the years ended December 31, 2024 and 2023, the Group 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 year ended December 31, 2023, the Group acquired 651 thousand shares of RUN LONG CONSTRUCTION CO., LTD.,at the amounts of $48,580 thousand.

(ii) 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	**$ -**	**(39,015)**
Book value of the non-controlling interest	$ (186,690)	(137,515)
Consideration transferred from the non-controlling interests	604,783	556,931
Capital surplus-difference between consideration and carrying amount of subsidiaries acquired or disposed	**$ 418,093**	**419,416**

(j) Material non-controlling interests of subsidiaries

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

Subsidiaries	Main operation place	Percentage of non- controlling interests December 31, 2024	December 31, 2023
Run Long Construction Co., Ltd	Taiwan	84.92 %	83.76 %

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

Financial information summary of Run Long Construction Co., Ltd was as follows:

	December 31, 2024	December 31, 2023
Current asset	$ 46,792,370	40,001,737
Non Current asset	4,720,891	2,537,023
Current Liability	(27,053,173)	(24,715,390)
Non current Liability	(9,920,164)	(4,312,747)
Net assets	**$ 14,539,924**	**13,510,623**
Non-controlling interests	**$ 11,687,373**	**10,760,793**

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HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES
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	For the years ended December 31	
	2024	2023
Sales revenue	$ **8,787,971**	**30,683,941**
Net income	$ 2,257,970	7,701,546
Other comprehensive income	123,526	55,113
Comprehensive income	$ **2,381,496**	**7,756,659**
Profit, attributable to non-controlling interests	$ **1,886,570**	**6,397,567**
Comprehensive income, attributable to non-controlling interests	$ **1,886,570**	**6,397,567**
Net cash flows from operating activities	$ (7,688,903)	18,623,282
Net cash flows from investing activities	251,159	41,934
Net cash flows from financing activities	9,715,752	(16,718,621)
Effect of exchange rate changes on cash and cash equivalents	$ **2,278,008**	**1,946,595**
Dividends to NCI	$ **1,148,853**	**226,638**

(k) Property, plant and equipment

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

	Land	Buildings and construction	Machinery and equipment	Other equipment	Building and equipment in construction	Construction in progress	Total
Cost or deemed cost:							
Balance on January 1, 2024	$ 2,140,332	1,022,762	6,175	384,344	4,256,175	2,720	7,812,508
Additions	-	-	-	37,720	2,579,884	3,234	2,620,838
Disposals	(19,026)	(18,287)	-	(12,908)	-	-	(50,221)
Reclassifications	(142)	5,080,483	-	13,696	(5,094,224)	-	(187)
Balance on December 31, 2024	**$ 2,121,164**	**6,084,958**	**6,175**	**422,852**	**1,741,835**	**5,954**	**10,382,938**
Balance on January 1, 2023	$ 2,140,332	1,018,901	5,333	294,780	2,794,137	-	6,253,483
Additions	-	3,861	842	115,075	1,462,038	2,720	1,584,536
Disposals	-	-	-	(25,497)	-	-	(25,497)
Effect of changes in foreign exchange rates	-	-	-	(14)	-	-	(14)
Balance on December 31, 2023	**$ 2,140,332**	**1,022,762**	**6,175**	**384,344**	**4,256,175**	**2,720**	**7,812,508**
Depreciation and Impairment losses:							
Balance on January 1, 2024	$ 5,703	170,093	5,750	237,264	-	-	418,810
Depreciation	190	55,448	142	57,656	-	-	113,436
Disposals	-	(807)	-	(12,866)	-	-	(13,673)
Reclassifications	-	(8,137)	-	8,137	-	-	-
Balance on December 31, 2024	**$ 5,893**	**216,597**	**5,892**	**290,191**	**-**	**-**	**518,573**
Balance on January 1, 2023	$ 5,561	155,138	4,661	177,795	-	-	343,155
Depreciation	142	14,955	1,089	83,518	-	-	99,704
Disposals	-	-	-	(24,036)	-	-	(24,036)
Effect of changes in foreign exchange rates	-	-	-	(13)	-	-	(13)
Balance on December 31, 2023	**$ 5,703**	**170,093**	**5,750**	**237,264**	**-**	**-**	**418,810**

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HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES
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	Land	Buildings and construction	Machinery and equipment	Other equipment	Building and equipment in construction	Construction in progress	Total
Carrying amounts:							
Balance on December 31, 2024	$ 2,115,271	5,868,361	283	132,661	1,741,835	5,954	9,864,365
Balance on January 1, 2023	$ 2,134,771	863,763	672	116,985	2,794,137	-	5,910,328
Balance on December 31, 2023	$ 2,134,629	852,669	425	147,080	4,256,175	2,720	7,393,698

The lease improvement includes the renovation cost for mall operations, etc. In 2024 and 2023, the Group calculated the capitalized amount at interest rates of 2.45%～2.74% and 2.37%～2.72% respectively.

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

(l) Right-of-use assets

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

	Land	Buildings	Transportation equipment	Total
Cost:				
Balance on January 1, 2024	$ 41,455	244,167	-	285,622
Additions	21,076	65,672	4,472	91,220
Reclassification to Investment property	-	(7,520)	-	(7,520)
Lease modification	58	-	-	58
Disposals	(25,602)	(30,169)	-	(55,771)
Others	-	86,636	-	86,636
Balance on December 31, 2024	**$ 36,987**	**358,786**	**4,472**	**400,245**
Balance on January 1, 2023	$ 12,266	234,173	-	246,439
Additions	29,108	9,994	-	39,102
Lease modification	81	-	-	81
Balance on December 31, 2023	**$ 41,455**	**244,167**	**-**	**285,622**
Depreciation and impairment losses:				
Balance on January 1, 2024	$ 14,539	125,617	-	140,156
Depreciation	18,199	49,901	1,242	69,342
Reclassification to Investment property	-	(806)	-	(806)
Disposals	(22,418)	(30,169)	-	(52,587)
Others	-	86,636	-	86,636
Balance on December 31, 2024	**$ 10,320**	**231,179**	**1,242**	**242,741**

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	Land	Buildings	Transportation equipment	Total
Balance on January 1, 2023	$ 1,692	75,940	-	77,632
Depreciation	12,847	49,677	-	62,524
Balance on December 31, 2023	**$ 14,539**	**125,617**	**-**	**140,156**
Carrying amounts:				
Balance on December 31, 2024	**$ 26,667**	**127,607**	**3,230**	**157,504**
Balance on January 1, 2023	**$ 10,574**	**158,233**	**-**	**168,807**
Balance on December 31, 2023	**$ 26,916**	**118,550**	**-**	**145,466**

(m) Investment Property

	Salf-owned property		Right-of-use assets	
	Land and improvement	Buildings and construction	Right-of-use assets-land, buildings and construction	Total
Cost or deemed cost:				
Balance on January 1, 2024	$ 3,126,095	2,859,062	-	5,985,157
Transfer from inventory	43,288	33,882	-	77,170
Reclassification from Right-of-use assets	-	-	7,520	7,520
Disposals	(263,601)	(257,618)	-	(521,219)
Balance on December 31, 2024	**$ 2,905,782**	**2,635,326**	**7,520**	**5,548,628**
Balance on January 1, 2023	$ 3,012,524	2,784,507	73	5,797,104
Transfer from inventory	136,283	95,702	-	231,985
Lease modification	-	-	11	11
Disposals	(22,712)	(21,147)	-	(43,859)
Losses	-	-	(84)	(84)
Balance on December 31, 2023	**$ 3,126,095**	**2,859,062**	**-**	**5,985,157**
Depreciation and Impairment:				
Balance on January 1, 2024	$ 40,818	390,007	-	430,825
Reclassification from Right-of-use assets	-	-	806	806
Depreciation	-	63,265	2,864	66,129
Disposals	-	(13,434)	-	(13,434)
Balance on December 31, 2024	**$ 40,818**	**439,838**	**3,670**	**484,326**
Balance on January 1, 2023	$ 40,818	319,397	18	360,233
Depreciation	-	71,746	11	71,757
Disposals	-	(1,136)	-	(1,136)
Losses	-	-	(29)	(29)
Balance on December 31, 2023	**$ 40,818**	**390,007**	**-**	**430,825**

(Continued)

		Salf-owned property		Right-of-use assets	
		Land and improvement	**Buildings and construction**	**Right-of-use assets-land, buildings and construction**	**Total**
Carrying amounts:					
Balance on December 31, 2024	$	**2,864,964**	**2,195,488**	**3,850**	**5,064,302**
Balance on January 1, 2023	$	**2,971,706**	**2,465,110**	**55**	**5,436,871**
Balance on December 31, 2023	$	**3,085,277**	**2,469,055**	**-**	**5,554,332**
Fair value:					
Balance on December 31, 2024				$	**7,112,178**
Balance on January 1, 2023				$	**7,130,613**
Balance on December 31, 2023				$	**7,371,328**

The investment property includes the Group's own assets and right-of-use assets held in recognition of lease rights and office buildings and parking lots leased to third parties under operating leases. Please refer to note 6(u) 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.

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

(n) Other financial assets and current incremental cost of obtaining a contract

		December 31, 2024	December 31, 2023
Other current financial assets	$	19,248,749	20,508,024
Current incremental costs to obtaining a contract-current		5,849,337	4,039,075
Other non-current financial assets		5,660,343	4,149,448
	$	**30,758,429**	**28,696,547**

(i) Other financial asset

Other financial assets include trust account for presale of properties and land, restricted deposit, performance guarantee, reserve account for corporation bonds, endorsement and guarantee and construction deposit.

(ii) Incremental costs to obtaining a contract

The Group expects that incremental commission fees paid to intermediaries, and the bonus for the internal sales department are recoverable. The Group 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 Group recognized \$1,150,441 thousand and \$1,653,479 thousand of amortized expense.

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

(o) Short-term borrowings

		December 31, 2024	December 31, 2023
Unsecured bank loans	$	9,736,824	6,840,633
Secured bank loans		99,627,423	91,864,409
Less: Syndicated loan expense		(24,264)	(20,344)
Total	$	**109,339,983**	**98,684,698**
Range of interest rates		**2.04%~3.19%**	**1.92%~3.17%**

(i) The issue of bank loan and repayment

For the years ended December 31, 2024 and 2023, the incremental amounts are $34,622,464 thousand and $22,080,330 thousand, respectively; the repayment amounts are $23,894,246 thousand and $33,732,658 thousand, respectively. Please refer to note 6(ab).

(ii) Collateral for bank Loans

The Group had pledged as the collateral for bank borrowings, please refer to note 8.

(p) Short-term notes and bills payable

	December 31, 2024			
	Guarantee or acceptance institute	**Range of interest rate**		**Amount**
Commercial paper payable	Financial institute	1.738%~3.250%	$	9,720,400
Less: Discount on short-term notes and bills payable				(21,522)
Total			$	**9,698,878**

	December 31, 2023			
	Guarantee or acceptance institute	**Range of interest rate**		**Amount**
Commercial paper payable	Financial institute	1.498%~2.838%	$	8,290,500
Less: Discount on short-term notes and bills payable				(22,692)
Total			$	**8,267,808**

The Group had pledged as collateral for short-term notes and bills payable, please refer to note 8.

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(q) Long-term borrowings

The Group'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	2.42%~2.99%	2025~2038	4,665,700
Less: current portion				(435,430)
Total				**$ 4,380,270**

	December 31, 2023			
	Currency	**Range of interest rate**	**Maturity**	**Amount**
Unsecured bank loans	TWD	2.68%	2026	$ 250,000
Secured bank loans	TWD	2.29%~2.82%	2024~2038	6,278,047
Less: current portion				(2,846,057)
Total				**$ 3,681,990**

(i) The issue of bank loan and repayment

The amount issued for the years ended December 31, 2024 and 2023 are $51,000 thousand and $2,240,000 thousand, respectively; the repayment amounts are $1,832,360 thousand and $146,379 thousand, respectively, please refer to note 6(ab).

(ii) Collateral for bank Loans

The Group had pledged as collateral for bank loans, please refer to note 8.

(r) Bonds payable /current portion of bonds payable

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

	December 31, 2024	**December 31, 2023**
Total ordinary corporate bonds issued	$ 21,570,000	22,350,000
Unamortized discounted corporate bonds payable	(78,119)	(103,797)
Corporate bonds issued balance at year-end	**$ 21,491,881**	**22,246,203**
Secured ordinary corporate bonds-current	1,999,597	7,870,725
Secured ordinary corporate bonds- non-current	19,492,284	14,375,478
Total	**$ 21,491,881**	**22,246,203**

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(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%~0.52%, 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 Group 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) The subsidiary issued the secured ordinary corporate bond amounting to $1,520,000 thousand, $2,000,000 thousand, $2,000,000 thousand, $2,000,000 thousand, $2,000,000 thousand, and $5,900,000 thousand with an interest rate of 2.05%, 1.73%, 1.70%, 0.85%, 0.57%, 0.78%-0.85%,, in December 2024, May 2024, March 2024,April 2022, November 2021, and April 2019, respectively. The secured ordinary corporate bonds were issued for 5 years, interest paid annually, repayment of principal at maturity. The repayment amounts for the year ended December 31, 2024, are $5,900,000 thousand.

(iii) Please refer to note 6(ab) for the interest expense for the years ended December 31, 2024 and 2023.

(iv) For the details of collateral of secured ordinary corporate bonds payable, please refer to Note 8.

(s) Lease liabilities

The carrying amount of lease liabilities were as follows：

	December 31, 2024	December 31, 2023
Current	$ 162,025	125,962
Non-current	$ 96,342	171,421

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

The amounts recognized in profit or loss were as follows：

	For the years ended December 31	
	2024	2023
Interest on lease liabilities	$ 5,242	6,401
Expenses relating to short-term and low-value leases	$ 67,861	62,462

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

	For the years ended December 31	
	2024	2023
Total cash outflow for leases	$ 200,191	183,170

(i) Real estate leases

As of December 31, 2024 and 2023, the Group leases land and buildings for its office, reception center and parking lot. The leases of reception center typically run for a period of 1 and a half years to 3 years, of 5 years to 5 and a half years for office space and of 20 years for parking lot.

(ii) Other leases

The Group leases the transport equipment for a period of 3 years.

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

(t) Provisions

	Warranty
Balance on January 1, 2024	$ 261,257
Provisions added at current period	70,626
Provisions used at current period	(14,803)
Balance on December 31, 2024	**$ 317,080**
Balance on January 1, 2023	$ 245,048
Provisions added at current period	53,241
Provisions used at current period	(37,032)
Balance on December 31, 2023	**$ 261,257**

The Group's warranty provision is related to construction contract. The warranty measured by the historical record, the Group expects most of the liabilities will realize within 1-3 years after construction completion.

(u) Operating lease

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

(ii) 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	$	104,277	118,114
One to two years		89,238	92,199
Two to three years		77,244	76,926
Three to four years		67,460	64,382
Four to five years		37,940	54,850
More than five years		46,482	50,472
Total undiscounted lease payments	$	**422,641**	**456,943**

(iii) The rental income from investment property for the years ended December 31, 2024 and 2023 are $162,801 thousand and $131,116 thousand.

(v) Employee benefits

(i) Defined benefit plans

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

		December 31, 2024	December 31, 2023
The present value of defined benefit plans	$	58,347	61,144
Fair value of plan asset		(46,603)	(43,906)
Net defined benefit liability	$	**11,744**	**17,238**

1) Composition of plan assets

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

The Group’ s Bank of Taiwan labor pension reserve account balance amounted to $46,603 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.

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2) Movements in present value of the defined benefit obligations

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

	For the years ended December 31	
	2024	2023
Defined benefit obligations at January 1	$ 61,144	67,783
Current service cost and interest	870	1,042
Remeasurements of net define benefit liabilities(assets)		
—Return on plan assets excluding interest income	(1,458)	(5,643)
—Actuarial loss (gain) arising from:	541	122
Benefits paid	(2,750)	(2,160)
Defined benefit obligations at December 31	**$ 58,347**	**61,144**

3) Change of fair value of plane asset

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

	For the years ended December 31	
	2024	2023
Fair value of plan assets at January 1	$ 43,906	42,188
Remeasurements of net defined benefit liabilities (assets):		
—Return on plan assets excluding interest income	3,799	246
Amount that has been allocated to the plan	830	816
Expected return on defined plan assets	622	656
Benefits paid	(2,554)	-
Fair value of plan assets at December 31	**$ 46,603**	**43,906**

4) Expenses recognized in profit or loss

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

	For the years ended December 31	
	2024	2023
Net interest of net liabilities for defined benefit obligations	**$ 249**	**386**
Administration expense	**$ 249**	**386**

(Continued)

5) Actuarial valuations

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

	December 31, 2024	December 31, 2023
Discount rate	1.750%	1.375%~1.625%
Future salary increase rate	2.00%~4.00%	2.00%~3.00%

The expected allocation payment to be made by the Group to the defined benefit plans for the one-year period after the reporting date is $811 thousand.

The weighted average lifetime of the defined benefits plans is 7.51～9.31 years.

6) Sensitivity analysis

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

	Influences of defined benefit obligations	
	Increase 0.25%	Decrease 0.25%
December 31, 2024		
Discount rate(0.25% difference)	$ (844)	863
Future salary increasing rate(0.25% difference)	828	(814)
December 31, 2023		
Discount rate (0.25% difference)	(1,045)	1,072
Future salary increasing rate(0.25% difference)	1,031	(1,011)

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

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $47,234 thousand and $48,949 thousand for the years ended December 31, 2024 and 2023, respectively.

(Continued)

(iii) Short-term employee benefits

The details of the Group's employee's benefit liability were as follows:

	December 31, 2024	December 31, 2023
Short-term paid leave liability	$ 27,872	24,876

(w) Income tax

(i) Tax expense

The components of income tax 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	$ 1,273,661	1,637,116
Land value increment tax	327,698	263,338
Additional surtax on unappropriated earnings	8,396	19,692
Adjustment for prior periods	1,326	681
	1,611,081	1,920,827
Deferred tax expense		
Origination and reversal of temporary differences	(60,056)	(3,242)
Tax expense	$ 1,551,025	1,917,585

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

	For the years ended December 31	
	2024	2023
Income before tax	$ 9,724,958	10,752,524
Income tax expense at domestic statutory tax rate	1,944,992	2,150,505
Land tax exempt income	(901,695)	(441,127)
Book-tax difference between recognition time	183,458	38,512
Book-tax difference of capitalization	(131,110)	(118,756)
Land value increment tax	327,698	263,338
Financial assets measured at fair value through profit and loss	(54,900)	(12,532)
Pay an extra income tax on all unappropriated	8,396	19,692
Others	174,186	17,953
Total	$ 1,551,025	1,917,585

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(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 asset:

	Investment property impairment	Warranty	Others	Total
Balance on January 1, 2024	$ 11,242	52,250	4,987	68,479
Debit/Credit income statement	-	11,164	683	11,847
Balance on December 31, 2024	**$ 11,242**	**63,414**	**113**	**80,326**
Balance on January 1, 2023	$ 11,242	49,008	4,987	65,237
Debit/Credit income statement	-	3,242	-	3,242
Balance on December 31, 2023	**$ 11,242**	**52,250**	**4,987**	**68,479**

Deferred tax liabilities:

	Provision for land value increment tax	Others	Total
Balance on January 1, 2024	$ 191,213	340	191,553
Debit/Credit income statement	(48,209)	-	(48,209)
Balance on December 31, 2024	**$ 143,004**	**340**	**143,344**
Balance on January 1, 2023	**$ 191,213**	**340**	**191,553**
Balance on December 31, 2023	**$ 191,213**	**340**	**191,553**

(iii) The Company's income tax returns have been examined by the tax authorities till 2022, except for 2019. All domestic subsidiaries' income tax returns have been examined by the tax authorities till 2022, except for Bo-Yuan and Ju Feng, which have been certified up to 2021.

(x) 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

As of 2024 and 2023, the reconciliation of the Group’s outstanding shares as follows:

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

(Continued)

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES
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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.

(ii) Capital surplus

	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
	$ 9,267,169	8,836,578

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 the paying the income taxes, the Company should first be used to offset the prior years' deficits. Of the remaining balance, 10% is to be appropriated as legal reserve, and in accordance with the regulations of the competent authority set up or reversal appropriated retained earnings; And then any remaining profit, together with any undistributed retained earnings, shall not be distributed below 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 below 10% of the total dividends.

As the Company distributes dividends or legal reserve and part or all of 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 the Board meeting, which meeting requires a quorum of two thirds 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.

2) Special reserve

In accordance with 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 shareholder's 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 dividends	$ 0.50	932,071	0.50	847,337
Stock dividends	1.00	1,864,142	1.00	1,694,674
Total		$ 2,796,213		2,542,011

(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 to $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.

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES
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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., the subsidiary that the Company has control over, acquired 145 thousand of the Company' s shares for investment purpose in the open market in 2023. As of December 31, 2024 and 2023, the market price per share were $43.45 and $40.10, respectively.

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

	December 31, 2024		December 31, 2023	
Subsidiary	**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 on disposal of foreign operations to profit or loss	(279)
Balance on December 31, 2024	**$ -**
Balance on January 1, 2023	$ 268
Exchange differences on foreign operations	(54)
Balance on December 31, 2023	**$ 214**

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES
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(y) Earnings per share

(i) Basic earnings per share

The Group' s Basic earnings per share is calculated by profit attributable to ordinary shareholders of the Company for 2024 and 2023 are $6,287,400 thousand and $2,437,372 thousand, respectively, and the weighted average number of ordinary shares outstanding are 2,011,369 thousand shares and 2,011,502 thousand shares respectively. For related calculation are 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	**$ 6,287,400**	**2,437,372**

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
Treasury shares	(59,186)	(59,053)
Effect of stock dividends	186,414	355,881
Weighted-average number of ordinary shares on December 31	**2,011,369**	**2,011,502**

(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 are $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 are 2,012,664 thousand and 2,012,629 thousand shares, respectively. For related calculation 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	**$ 6,287,400**	**2,437,372**

(Continued)

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES
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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 restricted employee shares unvested	1,295	1,127
Weighted-average number of ordinary shares (diluted)	**2,012,664**	**2,012,629**

(z) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the year ended December 31, 2024			
	Sales of real estate department	Construction contractor department	Hotel and others	Total
Primary geographical markets:				
Taiwan	**$ 36,720,803**	**66,720**	**140,757**	**36,928,280**
Major products/services lines:				
Sales of real estate	$ 36,405,063	-	-	36,405,063
Construction contract	-	26,269	-	26,269
Accommodation and catering business	-	-	130,080	130,080
Sales revenue	-	-	9,277	9,277
Other revenue	315,740	40,451	1,400	357,591
	$ 36,720,803	**66,720**	**140,757**	**36,928,280**
Timing of revenue recognition:				
Revenue transferred over time	$ 315,740	66,720	96,341	478,801
Products and services transferred at a point in time	36,405,063	-	44,416	36,449,479
	$ 36,720,803	**66,720**	**140,757**	**36,928,280**

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES
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	For the year ended December 31, 2023			
	Sales of real estate department	Construction contractor department	Hotel and others	Total
Primary geographical markets:				
Taiwan	$ 43,821,503	99,778	145,912	44,067,193
Major products/services lines:				
Sales of real estate	$ 43,673,555	-	-	43,673,555
Construction contract	-	91,107	-	91,107
Accommodation and catering business	-	-	132,955	132,955
Sales revenue	-	-	11,441	11,441
Other revenue	147,948	8,671	1,516	158,135
	$ 43,821,503	99,778	145,912	44,067,193
Timing of revenue recognition:				
Revenue transferred over time	$ 122,445	99,778	98,759	320,982
Products and services transferred at a point in time	43,699,058	-	47,153	43,746,211
	$ 43,821,503	99,778	145,912	44,067,193

(ii) Contract balances

	December 31, 2024	December 31, 2023	January 1, 2023
Contract assets- Construction	$ 107	27,475	49,113
Less: Allowance for impairment	-	-	-
Total	$ 107	27,475	49,113
Contract liabilities-Sales of real estate	$ 19,272,964	14,417,958	13,883,124
Contract liabilities-Advance receipt	4,307	4,186	6,441
Contract liabilities-Gift certificates	30,630	26,025	10,100
Total	$ 19,307,901	14,448,169	13,899,665

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

2) As of January 1, 2024 and 2023, the beginning balance of contract liabilities that were accounted for as 2024 and 2023, revenue amounts to $4,580,846 thousand and $6,585,641 thousand.

3) 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.

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES
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(aa) Employee compensation and directors' and supervisors' remuneration

(i) 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.

(ii) 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 consolidated financial statements and the actual abovementioned distributed amounts.

(ab) Other operating income and expense

(i) Interest income

For the years ended December 31, 2024 and 2023 interest income were as follows:

	For the years ended December 31	
	2024	**2023**
Interest income		
Bank deposits and Notes interest	$ 228,564	177,707
Other	205	382
	$ 228,769	**178,089**

(ii) Other income

For the years ended December 31, 2024 and 2023 revenue were as follows:

	For the years ended December 31	
	2024	**2023**
Contract termination income	$ 18,028	34,314
Dividend income	-	9,961
Other income	368,011	114,997
	$ 386,039	**159,272**

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES
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(iii) Other gains and losses

For the years ended December 31, 2024 and 2023 other gains and losses were as follows:

	For the years ended December 31	
	2024	**2023**
Foreign exchange gains (losses)	$ 29	(192)
Gains on financial assets and liabilities at fair value through profit or loss	274,499	62,658
Gains on disposal of property, plant and equipment	17,009	727
Gains on disposal of investments properties	280,263	77,992
Gain on lease modification	22	-
Gain on Disposal of Investment Accounted for Using the Equity Method	300	-
Other gains and expenses	(195,694)	(250,359)
	$ 376,428	**(109,174)**

(iv) Finance costs

For the years ended December 31, 2024 and 2023 details of finance cost of the Group were as follows: :

	For the years ended December 31	
	2024	**2023**
Interest expense		
Bank loans and collateral	$ 3,154,421	3,055,274
Interest and fee on corporate bond	459,588	447,324
Other financial expenses	5,242	6,401
Less: capitalized interest	(2,919,638)	(2,316,297)
	$ 699,613	**1,192,702**

(ac) Financial instruments

(i) Credit risk

1) Credit risk exposure

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

2) Concentration of credit risk

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

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES
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3) Receivables and debt securities

For credit risk exposure of note, trade receivables and other non-current assets, please refer to note 6(e).

Other financial assets at amortized cost includes other receivables (classified as other financial assets-current). All of 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 provision as of December 31, 2024 and 2023 was 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

(ii) Liquidity risk

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

	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
December 31, 2024				
Non derivative financial liabilities:				
Secured loans	$ 111,669,643	19,106,738	80,428,598	12,134,307
Unsecured loans	10,491,179	5,788,430	4,257,763	444,986
Short-term investment payables	9,720,400	9,720,400	-	-
Other financial liability－current	85,622	85,622	-	-
Notes payable, accounts payable and other payable	14,072,351	14,072,351	-	-
Ordinary corporate bonds (including less than 1 year)	22,282,657	2,237,081	20,045,576	-
Lease liabilities	265,976	132,941	132,339	696
	$ 168,587,828	51,143,563	104,864,276	12,579,989
December 31, 2023				
Non derivative financial liabilities:				
Secured loans	$ 104,241,717	24,662,217	61,899,376	17,680,124
Unsecured loans	7,392,417	4,616,537	1,479,915	1,295,965
Short-term investment payables	8,290,500	8,290,500	-	-
Other financial liability－current	88,921	88,921	-	-
Notes payable, accounts payable and other payable	16,214,156	16,214,156	-	-
Ordinary corporate bond (including less than 1 year)	22,696,912	8,033,076	14,663,836	-
Lease liabilities	305,426	127,011	177,692	723
	$ 159,230,049	62,032,418	78,220,819	18,976,812

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

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES
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(iii) Market risk

1) Exposure to foreign currency risk: None.

2) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group'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 Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased / decreased by 0.5% basis points, the Group's interest expense would have increased / decreased by $619,273 thousand and $567,403 thousand for the years ended December 31, 2024 and 2023. Taking into account that capitalized interest of profit may decrease or increase by $119,707 thousand and $192,855 thousand. This is mainly due to the Group'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	
Price of securities at reporting date	**Other comprehensive income after tax**	**Net income**	**Other comprehensive income after tax**	**Net income**
Increasing 10%	$ 500	-	500	32,790
Decreasing 10%	$ (500)	-	(500)	(32,790)

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

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES
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	December 31, 2024				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Stocks in unlisted company	$ 5,000	-	5,000	-	5,000
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 17,889,104	-	-	-	-
Notes and accounts receivable	1,265,645	-	-	-	-
Financial assets measured at amortized cost	30,000	-	-	-	-
Other financial assets－current	19,248,749	-	-	-	-
Other financial assets－non-current	5,660,343	-	-	-	-
Other non-current assets	811,119	-	-	-	-
Subtotal	$ 44,904,960	-	-	-	-
Financial liabilities measured at amortized cost					
Short-term loans	$ 109,339,983	-	-	-	-
Short-term investment payables	9,698,878	-	-	-	-
Notes payable, accounts payable and other payables	14,072,351	-	-	-	-
Lease liabilities	258,367	-	-	-	-
Other financial liabilities－current	85,622	-	-	-	-
Corporate bonds payable (including less than 1 year)	21,491,881	-	-	-	-
Long-term loans (including less than 1 year)	4,815,700	-	-	-	-
Subtotal	$ 159,762,782	-	-	-	-

	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	$ 14,702,019	-	-	-	-
Notes and accounts receivable	2,166,319	-	-	-	-
Financial assets measured at amortized cost	30,000	-	-	-	-
Other financial assets- current	20,508,024	-	-	-	-
Other financial assets- non-current	4,149,448	-	-	-	-
Subtotal	$ 41,555,810	-	-	-	-

(Continued)

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES
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	December 31, 2023				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Short-term loans	$ 98,684,698	-	-	-	-
Short-term investment payables	8,267,808	-	-	-	-
Notes payable, accounts payable and other payables	16,214,156	-	-	-	-
Lease liabilities	297,383	-	-	-	-
Other financial liabilities-current	88,921	-	-	-	-
Corporate bonds payable (including less than 1 year)	22,246,203	-	-	-	-
Long-term loans (including less than 1 year)	6,528,047	-	-	-	-
Subtotal	$ 152,327,216	-	-	-	-

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

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

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

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

3) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

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

The fair value of financial assets, which is regarded as being quoted in an active market, held by the Group is disclosed as follows sorted by character:

i) A financial instrument 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.

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 Group 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.

(ad) Financial risk management

(i) Overview

The Group have exposures to the following risks from its financial instruments:

1) credit risk

2) liquidity risk

3) market risk

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

(ii) Structure of risk management

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

(Continued)

(iii) Credit risk

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

1) Trade and other receivable

The Group is 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 form the bank.

The Group 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 Group’s finance department. The Group only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Group does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

3) Guarantees

The Group’s policy is to provide financial guarantees to subsidiaries and companies with business dealings that directly and indirectly hold more than 50% of the voting shares. At December 31, 2024, the situation of the Group provided guarantees to wholly owned subsidiaries, please refer to note 13(a). As of December 31, 2024, the Group did not provide any guarantee externally.

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group’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 Group’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 Group’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(ae) Capital management

The Group'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 Group 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 Group 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 Group'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 Group's debt-to-equity ratio at the end of the reporting period as of December 31, 2024, is as follows:

		December 31, 2024	December 31, 2023
Total liabilities	$	181,501,227	169,539,380
Less: cash and cash equivalents		(17,889,104)	(14,702,019)
Net debt		163,612,123	154,837,361
Total Equity		64,066,640	57,335,361
Capital after adjustment	**$**	**227,678,763**	**212,172,722**
Debt-to-equity ratio		**71.86%**	**72.98%**

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

The Group's 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 notes 6(l).

(7) Related-party transactions:

(a) Related-party transactions

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
OO, Miao and other 13 people	Key management personnel and their second immediate family of the Group
Da Li Investment Co., Ltd.	Corporate director of the subsidiary

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES
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Name of related party	Relationship with the Group
Goyu Construction Co., Ltd.	The entity is a joint venture under the Group's joint arrangement
Taichung Highwealth Culture and Art Foundation	Same president with the Group
Hotel kingdom	The directors of the Group are the same as those of the company
Hsing Yi Fa Construction Enterprise Co., Ltd.	The directors of the Group are second-degree relatives of the company's directors
Liao OO architectural firm	Key management personnel of the Group is the person in charge of the company
Fang OO architectural firm	Key management personnel of the Group is the person in charge of the company (Note)
Zhuo O architectural firm	Key management personnel of the Group is the person in charge of the company

Note: The party is no longer a key management personnel of the Group since March 1, 2024.

(b) Significant transactions with related parties

(i) Operating revenue

1) For the years ended December 31, 2024 and 2023, the Group entered into separate sales agreements with different related parties for the disposal of its real estates, at the amounts of $113,970 thousand and $121,347 thousand (both including tax) in accordance with the employee purchase policy, resulting in the amounts of $0 thousand and $63,437 thousand to be recognized as sales revenue, as well as the advance real estate receipts of $13,648 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.

2) The Group signed the labor contract for management consulting services with other related parties,and recognized income $6,972 thousand and $10,109 thousand in 2024 and 2023, respectively. The transaction price and terms of collection do not have significant differences from those of unrelated parties.

(ii) Purchase

The purchases price from related parties are summarized as follows:

	For the years ended December 31	
	2024	2023
Other related parties	$ 18,298	15,796

The terms and pricing of purchase transactions with related parties were not significantly different from those offered by other vendors.

(iii) Receivable from related parties

The receivables to related parties were as follow:

Accounted items	Categories	December 31, 2024	December 31, 2023
Accounts receivable	Other related parties	$ 101	6,361
Other receivables (other financial asset-current	Other related parties	$ 437	-

(iv) Payables to related parties

The payables to related parties were as follows:

Accounted items	Categories	December 31, 2024	December 31, 2023
Accounts payable	Other related parties	$ 1,742	3,965

(v) Leases

1) The Group rented the staff dormitory from related parties were as follows:

	Rent expense For the years ended December 31	
	2024	2023
Other related parties	$ 420	420

2) The Group leased offices and land to related parties were as follows:

	Rent income For the years ended December 31	
	2024	2023
Other related parties	$ 478	41

(vi) Others

In September 2008, the Group sold a portion of land to Mr.Tsai, for a contract price of $5,000 thousand. The Group 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 transaction

Key management personnel compensation comprised:

	For the years ended December 31	
	2024	2023
Short-term employee benefits	$ 135,064	135,146

(Continued)

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES
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(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2024	December 31, 2023
Financial assets at FVTPL－current	Mortgage	$ -	209,100
Notes receivable	Mortgage and issuing commercial paper	1,386,120	1,686,067
Inventories (construction)	Mortgage, issuing commercial paper and bonds payable	161,285,237	144,783,814
Other financial assets－current and non-current	Mortgage, issuing commercial paper, performance bond, real estate trust account and bonds payable	20,617,852	20,763,731
Property, plant and equipment	Mortgage and bonds payable	9,511,987	7,041,380
Investment property at net value	Mortgage, issuing commercial paper and bonds payable	4,776,286	5,482,627
		$ 197,577,482	179,966,719

For the years ended December 31, 2024 and 2023, the Group provided $5,696,182 thousand and $4,438,590 thousand of notes receivable from presale cases, and 62,150 thousand and 15,250 thousand of shares of its subsidiaries as collateral for the bank loan. During the aforesaid periods, the shares of the Company provided by the subsidiaries as collateral for the bank loan were $0 thousand and $13,145 thousand shares, respectively.

(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 (construction)	$ 210,037,008	151,751,236
Received amount from contracts	$ 19,272,964	14,417,958

(ii) The Group had the following unrecognized commitments associated with the trading contracts that it had signed to acquire inventory:

	December 31, 2024	December 31, 2023
Inventories obtained (construction)	$ 3,604,370	-

(iii) Construction contract price signed by subsidiaries is as follows:

	December 31, 2024	December 31, 2023
Amount of signed contracts	$ 813	188,992
Received amount from contracts	$ 480	143,128

(b) Others

(i) As of December 31, 2024 and 2023 the refundable deposit paid for cooperation and urban renewal cases are $19,475,386 thousand and $12,825,386 thousand, respectively. For the partial above-mentioned joint construction projects, the company settles the settlement on the date agreed by both parties.

(ii) The Group signed an arbitration agreement with the Taichung City Government, Taichung MRT Co., Ltd. and certain aforementioned professional manufacturers on July 20, 2023, due to the accident that occurred in one of the Taichung MRT Stations, whose project had been executed by a professional manufacturer on May 10, 2023. After the above incident, the Chinese Arbitration Association, Taipei, ordered the Group to pay the claimed amount of $262,223 thousand, which was paid in advance by the subsidiary to the Taichung City Government. Furthermore, the Chinese Arbitration Association, Taipei , demanded the Group, as well as the aforesaid professional manufacturers, to jointly pay the compensation of $224,819 thousand to the petitioner on January 16, 2024.On March 29, 2024, the Group signed a debt assumption agreement with the aforementioned professional manufacturers. The arbitration award amount was fully borne by the professional manufacturers and compensation was obtained by offsetting a portion of the progress payments of each project. The deductions were completed by December 31, 2024.

(iii) As passed by the Group'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.

(iv) Regarding the fraud allegations against Mr.Tsai, the former chairman of the subsidiary, in connection with the Kuobin Dayuan case, on February 26, 2025, the Taipei District Court's first-instance judgment ruled that Tsai, OO, should serve a fixed-term imprisonment and confiscate the subsidiary’s obtained amount of $308,980 thousand. To protect the rights and interests of the Group, the subsidiary will file an appeal in accordance with the law after obtaining the judgment.

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(10) Losses due to major disasters: None

(11) Subsequent events: None

(12) Other:

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

By function / By item	For the years ended December 31					
	2024			2023		
	Operating cost	Operating Expense	Total	Operating cost	Operating Expense	Total
Employee benefits						
Salary	439,629	823,140	1,262,769	335,886	745,527	1,081,413
Labor and health insurance	44,226	66,527	110,753	34,912	71,276	106,188
Pension	16,231	31,252	47,483	14,338	34,997	49,335
Others	15,932	88,116	104,048	16,138	53,553	69,691
Depreciation (Note)	93,219	152,661	245,880	116,965	115,932	232,897
Amortization	82,397	19,031	101,428	21,271	16,486	37,757

Note: In 2024 and 2023, depreciation expenses have been deducted by the landowner's share of expenses amounting to $ 3,027 thousand and $1,088 thousand, respectively.

(b) Seasonality of Operations:

The operations of the consolidated company are not affected by seasonal or cyclical factors.

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES
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(13) Other disclosures:

(a) Information on significant transactions:

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

(i) 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 Corp.	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 Corp.	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 Corp.	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.

Note 3: The Company endorsed the operation method for the total amount of guarantees and the limit for endorsement of a single YEH 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.

(Continued)

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES
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Note 4: The 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.

Note 7: Reconciliated in the preparation of consolidated report.

(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				Highest	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	Percentage of ownership (%)	
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	1.67 %	
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	0.29 %	Note 2
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	0.57 %	Note 2
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	0.18 %	Note 2
〃	Corporate bond-China Rebar Co., Ltd.	—	Financial assets at amortized cost-current	3	-	- %	-	- %	Note 1
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	0.85 %	Note 2
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 1: Recognized as impairment loss.

Note 2: Reconciliated in the preparation of consolidated report.

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(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	-	-	-
〃	Heng Yueh Construction Co., Ltd.	Investments accounted for using equity method	-	-	-	-	42,292,800	438,028	-	-	-	-	42,292,800	435,298
Chyi Yuh Construction Co., Ltd.	Stock-Run Long Construction Co., Ltd.	〃	-	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

Note 1: Reconciliated in the preparation of consolidated report, additionally, the disposal gains and losses have been adjusted to capital surplus..

(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 teams
							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 9,2024	436,568	Fully paid	Yan O Co., Ltd. and a Party of 4 including Liu	Not related parties	-	-	-	-	Appraisal	Construction	Note1
JIN JYUN CONSTRUCTION CO.,LTD.	Guo' an Section Annan District, Tainan City	March 29,2024	2,265,750	Fully paid	Tai ○○ Fu Construction Co., Ltd.	Not related parties	-	-	-	-	Appraisal	Construction	Note2
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 above-ground construction of $20,000 thousand (including tax).

Note2:Includes floor area transfer expenses of $125,470 thousand (including tax).

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(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.	Non-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.	Non-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.	Non-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.	Non-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.	Non-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	Non-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.	Non-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.	Non-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
〃	Bi-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.

Note 3: Reconciliated in the preparation of consolidated report.

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(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	-

Note: Reconciliated in the preparation of consolidated report.

(ix) Trading in derivative instruments: None

(x) Business relationships and significant intercompany transactions:

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	Chyi Yuh Construction Co., Ltd.	1	Accounts payable	$ 1,510,491	Same with peer terms	0.62%
	〃	〃	1	Operating cost	11,931,956	Same with peer terms	32.31%
	〃	〃	1	investment property under construction	379,428	Same with peer terms	0.15%
1	Chyi Yuh Construction Co., Ltd.	The Company	2	Accounts receivable	1,510,491	Same with peer terms	0.62%
	〃	〃	2	Operating revenue	12,123,318	Same with peer terms	32.83%
	〃	Bo-Yuan Construction Co., Ltd.	3	Accounts receivable	938,786	Same with peer terms	0.38%
	〃	〃	3	Operating revenue	3,710,072	Same with peer terms	10.05%
	〃	Bi Jiang Enterprise Co., Ltd.	3	Accounts receivable	24,288	Same with peer terms	0.01%
	〃	〃	3	Operating revenue	128,152	Same with peer terms	0.35%
	〃	Shing Fu Fa Construction Co., Ltd.	3	Operating cost	103,200	Same with peer terms	0.28%
2	Run Long Construction Co., Ltd.	Jin Jyun Construction Co., Ltd.	3	Accounts payable	718,490	Same with peer terms	0.29%
	〃	〃	3	Operating cost	4,994,989	Same with peer terms	13.53%
3	Jin Jyun Construction Co., Ltd.	Run Long Construction Co., Ltd.	3	Accounts receivable	718,490	Same with peer terms	0.29%
	〃	〃	3	Operating revenue	5,049,385	Same with peer terms	13.67%
4	Bo-Yuan Construction Co., Ltd.	Chyi Yuh Construction Co., Ltd.	3	Accounts payable	938,786	Same with peer terms	0.38%
	〃	〃	3	Operating cost	2,582,609	Same with peer terms	6.99%
	〃	〃	3	Investment property under construction	533,810	Same with peer terms	0.22%
5	Bi Jiang Enterprise Co., Ltd.	Chyi Yuh Construction Co., Ltd.	3	Accounts payable	24,288	Same with peer terms	0.01%
6	Shing Fu Fa Construction Co., Ltd.	Chyi Yuh Construction Co., Ltd.	3	Operating revenue	103,200	Same with peer terms	0.28%

Note 1: The numbering is as follows:

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

Note 2: Relation between related parties are as follows:

1. Parent company and its subsidiaries
2. Subsidiaries and its parent company
3. Subsidiaries and its subsidiaries

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(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			Highest Percentage of wnership	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 etc.	$ 25,000	25,000	2,500,000	100.00 %	66,537	100.00 %	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	100.00 %	5,319	(36)	
〃	Chyi Yuh Construction Co., Ltd.	Taiwan	Construction, residential and building development, rental and sales etc.	3,030,041	3,030,041	439,200,000	100.00 %	5,476,452	100.00 %	575,551	343,288	
〃	Run Long Construction Co., Ltd.	Taiwan	Real estate development, rental and sales industries etc.	658,119	658,119	52,136,233	5.25 %	692,283	6.05 %	2,257,970	117,231	
〃	Yeh Kee Enterprise Co., Ltd.	Taiwan	Residential and building development, rental and sales etc.	2,623,152	2,423,152	22,200,000	100.00 %	2,564,250	100.00 %	(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	100.00 %	2,608,982	1,524,008	
〃	Shing Fu Fa Construction Co.,Ltd.	Taiwan	Construction, residential and building development, rental and sales etc.	265,000	265,000	26,500,000	100.00 %	259,609	100.00 %	24,090	(5,991)	
〃	Bo-Yuan Construction Co.,Ltd.	Taiwan	Residential and building development, rental and sales etc.	2,430,000	2,430,000	122,900,000	100.00 %	1,072,957	100.00 %	(136,639)	(136,639)	
〃	Well Rich International Co., Ltd.	Taiwan	Hotels etc.	445,621	245,621	38,100,000	100.00 %	342,862	100.00 %	(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	100.00 %	(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	100.00 %	123,190	Exempt from disclosure	
〃	Run Long Construction Co., Ltd.	Taiwan	Real estate development, rental and sales industries etc.	556,303	639,321	39,982,061	4.02 %	583,733	4.62 %	2,257,970	〃	
"	Goyu Building Material Co., Ltd	Taiwan	Wholesale of construction materials	120,000	120,000	12,000,000	30.00 %	131,271	30.00 %	57,964	〃	
"	Hengyuan Contractor Co., Ltd.	Taiwan	Wholesale of construction materials	11,000	-	1,100,000	55.00 %	10,955	55.00 %	(81)	〃	
Guangyang Investment Co., Ltd.	Run Long Construction Co., Ltd.	Taiwan	Real estate development, rental and sales industries etc.	564,442	618,533	57,737,026	5.81 %	883,668	6.37 %	2,257,970	〃	
Run Long Construction Co., Ltd.	Jin Jyun Construction Co., Ltd.	Taiwan	Construction, residential and building development, rental and sales etc.	1,718,300	1,718,300	170,000,000	100.00 %	1,544,155	100.00 %	51,523	〃	

Note : Reconciliated in the preparation of consolidated report, while Goyu Construction is investment adopted equity method.

(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	(Note 1) 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	Highest percentage of ownership	(Note 2) Investment income (losses)	Book value	Accumu-lated remittance of earnings in current period
					Outflow	Inflow							
QUANXIANG TRADING (SHANGHAI) CO., LTD.(Note 1)	Construction material, furniture, metal parts	$ - USD -	(Note 1)	26,555 USD 900,000	-	1,086	- USD -	7	-%	100.00%	7	-	-
XINGFUYU TRADING (XIAMEN) CO., LTD.(Note 2)	Construction material wholesale	$ - USD -	(Note 1)	27,104 USD 900,000	-	1,689	- USD -	174	-%	100.00%	174	-	-

Note1: 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.

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(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 : According to the principle of review of technical cooperation in China, it is calculatted 60% of the net value or consolidate net value.

Note 1: 3 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:

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

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(14) Segment information:

(a) General information

The Group has three reportable segments listed as follows. The reportable segments are the Group's strategic divisions. They offer different products and services and are managed separately because they require different technology and marketing strategies. The chief operating decision maker of the Group reviews internal management report at least quarterly. Information about reportable segments of the Group is detailed below.

(i) Developing segment is responsible for developing new constructing or rental opportunities.

(ii) Constructing segment is responsible for constructing buildings.

(iii) Hotel and other divisions: Operates hotels, catering services, and other business operations.

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

	For the year ended December 31, 2024				
	Developing segment	**Constructing segment**	**Hotel and others**	**Reconciliation and elimination**	**Total**
Revenue from external customers	$ 36,720,803	66,720	140,757	-	36,928,280
Intersegment	313,402	21,141,150	17,922	(21,472,474)	-
Interest revenue	206,055	19,382	3,482	(150)	228,769
Total revenue	$ 37,240,260	21,227,252	162,161	(21,472,624)	37,157,049
Interest expenses	$ 689,149	8,742	6,649	(4,927)	699,613
Depreciation and amortization	237,985	139,184	33,727	(60,561)	350,335
Share of profit (loss) of associates and joint ventures accounted for using equity method	1,739,734	243,283	-	(1,965,780)	17,237
Reportable segment profit or loss	**$ 12,352,598**	**896,595**	**59,106**	**(3,583,341)**	**9,724,958**
Investments accounted for using equity method	$ 16,579,761	1,648,279	883,668	(18,980,437)	131,271
Capital expenditure	2,045,024	164,878	1,268	418,784	2,629,954
Reportable segment assets	**$ 240,034,627**	**28,416,754**	**1,647,966**	**(24,531,480)**	**245,567,867**
Reportable segment liabilities	**$ 166,294,084**	**19,953,341**	**448,484**	**(5,194,682)**	**181,501,227**

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	For the year ended December 31, 2023				
	Developing segment	Constructing segment	Hotel and others	Reconciliation and elimiation	Total
Revenue from external customers	$ 43,821,503	99,778	145,912	-	44,067,193
Intersegment	229,612	16,310,662	24,197	(16,564,471)	-
Interest revenue	160,694	15,739	1,799	(143)	178,089
Total revenue	**$ 44,211,809**	**16,426,179**	**171,908**	**(16,564,614)**	**44,245,282**
Interest expenses	$ 1,170,496	8,833	18,606	(5,233)	1,192,702
Depreciation and amortization	190,379	69,808	36,828	(25,273)	271,742
Share of profit (loss) of associates and joint ventures accounted for using equity method	1,011,288	864,743	-	(1,871,124)	4,907
Reportable segment profit or loss	**$ 11,577,599**	**1,652,680**	**(81,126)**	**(2,396,629)**	**10,752,524**
Investments accounted for using equity method	$ 14,555,386	2,617,233	-	(17,058,585)	114,034
Capital expenditure	1,220,461	588,800	1,829	(270,510)	1,540,580
Reportable segment assets	**$ 232,824,089**	**19,000,287**	**657,580**	**(25,607,215)**	**226,874,741**
Reportable segment liabilities	**$ 168,188,694**	**10,720,793**	**452,340**	**(9,822,447)**	**169,539,380**

(c) Geographic information:

The Group’s revenues are all generated from domestic business.

(d) Major customers:

The Group does not have revenues from a single customer that exceeds 10% of the consolidated operating revenues in 2024 and 2023.