# Highwealth Construction Corporation Minutes of the 2025 Annual Shareholders' Meeting

Time: June 17, 2025 (Tuesday) at 9:00 a.m.

Venue:No. 8, Zhifu Rd., Zhongshan District, Taipei City
(Luma Lounge, Dazhi Denwell Hotel)

Attendants:

All shareholders and their proxy holders, representing 1,116,328,805 shares (among them, 312,302,737 shares voted via electronic transmission), or 55.01% of the total 2,029,027,323 outstanding shares (Deducting 41,528,428 shares of subsidiary companies and treasury shares according to law)

Board Members Present:

Chairman: Cao Yuanbo、Director: Zheng Xiuhui
Independent Director: Li Wencheng、Hou Tsaifeng
(A total of four directors were present, more than half of the board seats)

Attending Accountant: Tim Tzang

Attending lawyer: Zhang Jian Li Ru

Chairman: Cao Yuanbo

Minute Recorder: Yang Ching Ho

I. Announcement of Meeting Commencement

II. Chairman’s Address (omitted)

III. Report Items

1. The Company’s Business Report for 2024.( Attachment 1)
2. Audit Committee’s Review Report on 2024 Audited Financial Statements. ( Refer to the Meeting Handbook)
3. Report on the Distribution of Employees’ Compensation and Remuneration to Directors for 2024. ( Refer to the Meeting Handbook)
4. Report on the Distribution of Cash Dividends from the Company’s Retained Earnings for 2024. ( Refer to the Meeting Handbook)
5. Report on the Provision of Endorsements and Guarantees for 2024. ( Refer to the Meeting Handbook)

Summary of the speech by shareholder No. 26546:

Under the central bank's policy, questions were raised about the operating outlook for the second half of the year, the independent directors' understanding of the company's internal audit situation, and the number of employees to whom remuneration would be istributed.

Summary of Chairman's Reply:

This year, the company will continue to focus on residential and commercial projects as its dual engines. The company will continue to work hard to complete projects to generate revenue and give back to shareholders.

The recipients of employee remuneration distribution are the regular employees of the Group.

Summary of Independent Director: Li Wencheng's Reply:

In 2024, the Audit Committee held 12 meetings. The company's internal audit operations are conducted based on the audit plan approved by the Board of Directors. The internal audit will report the audit results to the Audit Committee and the Board of Directors.

## IV. Proposals for Acceptance and Approval

Item I

Proposal: To approve the 2024 Business Report and Financial Report.

Explanation: (I) The Company's 2024 business report and financial report have been duly prepared; the 2024 parent company only and consolidated financial report have been audited by CPAs Han Yilien and Tim Tzang of KPMG Taiwan, and an audit report has been issued, together with the business report (Refer to Attachment 1), which has been audited and completed by the Audit Committee.

(II) Financial Report (Refer to Attachment 2).

Summary of the speech by shareholder No. 26546:

Please explain the construction projects expected to be completed this year, inventory status, financial report content and the correlation between revenue and EPS.

Summary of Accountant’s Reply:

Most of the inventories are real estate under construction. The inventories have been sold out normally in the past two years, and appropriate explanations have been given regarding the contents of the financial statements and other situations.

Summary of Chairman's Reply:

Regarding the correlation between revenue and EPS, the construction industry has its own industrial characteristics, and changes in project costs will have a direct impact on the company's profits.

Projects expected to be completed in the second half of the year:

Yang Xing Dian, The Summit, Shicheng Aiyue, Aichinhai, etc.

| Voting Results | % of the total representation at the time of voting |
|---|---|
| Votes in favor: 1,064,818,665 votes<br>(including 261,811,605 shares voted via electronic transmission) | 95.38% |
| Votes against: 601,265 votes<br>(including 601,265 shares voted via electronic transmission) | 0.05% |
| Votes invalid: 0 votes<br>(including 0 share voted via electronic transmission) | 0% |
| Votes abstained: 50,908,875 votes<br>(including 49,889,867 shares voted via electronic transmission) | 4.56% |

Resolution:

Approved and acknowledged as proposed by the Board of Directors.

Item II

Proposal: Distribution of Earnings of the Company for 2024.

Explanation: (I) The Company's undistributed earnings at the beginning of 2024 amounted to NT$8,057,959,620. Adding the net income after tax for the year of NT$6,287,400,000, the current period remeasurement of defined benefit plans amounting to NT$4,538,463, and the share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for under the equity method totaling NT$178,256, the total amount available for distribution is NT$14,350,076,339.

(II) Please refer to the Distribution of earnings.

Highwealth Construction Corporation
2024 Earnings Distribution Table

Unit: NT$

| Item | Amount | |
|---|---|---|
| | Subtotal | Total |
| Beginning balance of undistributed earnings | | 8,057,959,620 |
| Add: Current net profit after tax | 6,287,400,000 | |
| Change of remeasurement value of the defined benefit plan for the current period | 4,538,463 | |
| Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method | 178,256 | |
| Distributable earnings | | 14,350,076,339 |
| Minus: 10% legal reserve | (629,211,672) | |
| Minus: Assign items | | |
| Dividend to shareholders - cash (NT$2 per share) | (4,101,111,502) | |
| Bonus to shareholders - stock (0.5 NT dollars/share) | (1,025,277,880) | |
| End balance of undistributed earnings | | 8,594,475,285 |

Note: The cash dividend distribution is resolved by the board of directors of the Company and is a matter to be reported at the shareholders' meeting.

Chairman: Tsao, Yuanbo CEO: Fan, Huachun Chief Accounting Officer: Li, Xiutai

Summary of the speech by shareholder No. 220896:

Last year the stock dividend was NT$1, and this year it is NT$0.5. Are you worried that capital inflation will affect EPS? I suggest that the company's dividend distribution can be higher in the future. As long as the dividend yield exceeds 7%, the relevant ETF will have the opportunity to include it in its constituent stocks.

Summary of Chairman's Reply:

After the central bank's credit control, the company considered the changes in the future operating environment and decided on the dividend policy after discussion by the board of directors. We would like to thank the shareholders for their suggestions.

| Voting Results | % of the total representation at the time of voting |
|---|---|
| Votes in favor: 1,065,325,255 votes<br>(including 262,318,195 shares voted via electronic transmission) | 95.43% |
| Votes against: 1,307,976 votes<br>(including 1,307,976 shares voted via electronic transmission) | 0.11% |
| Votes invalid: 0 votes<br>(including 0 share voted via electronic transmission) | 0% |
| Votes abstained: 49,695,574 votes<br>(including 48,676,566 shares voted via electronic transmission) | 4.45% |

Resolution:

Approved and acknowledged as proposed by the Board of Directors.

## V. Discussion Items

### Item I

Proposal: To resolve the 2024 Capital Increase from Retained Earnings and Issuance of New Stocks.

Explanation: (I) In order to increase working capital, the Company proposed to issue additional 102,527,788 shares with a par value of NT$10 per share by transferring the shareholders' bonuses of NT$1,025,277,880 from the 2024 distributable earnings.

(II) Distribution Criteria:

(1) The bonus to shareholders transferred as capital increase by issuance of new stock will be issued to shareholders based on the shareholding ratio recorded on the shareholders' register by the record date of capital increase (bonus shares) with 50 bonus shares per thousand shares.

(2) Issued shares in fractions of 1 shall be distributed in cash according to the face value. Shareholders can fit the stocks for ex-rights within 5 days as of the date on which transfer of shares is suspended by the stock agency of the Company; if fittings were not handled by the shareholders themselves, the chairman will contact specific person to purchase the remaining shares in fractions of 1 by its face value. For the shareholders engaging in the issuance of stocks by book-entry, the shares in fractions of 1 shall be served as the payout on the expenses for handling the book-entries.

(3) Regarding the new stock issued for capital increase, the rights and obligations are the same as the originally issued common stock.

(4) Regarding the issuance of new stock for capital increase, after this proposal has been approved by shareholders' meeting and submitted for approval by competent

agencies, authorization is given to the Board to establish relevant matters for the record date of capital increase (bonus shares).

(5) In case of changes to laws and regulations or adjustments made by competent agencies or the buyback, cancellation, share exchange of corporate bonds, issuance of new stocks or other changing factors affecting the shares by the Company afterwards, resulting changes to current number of shares and pay-out ratio, full authorization shall be given to Board of Directors during shareholders' meeting to make adjustments on this matter.

| Voting Results | % of the total representation at the time of voting |
|---|---|
| Votes in favor: 1,065,140,048 votes<br>(including 262,132,988 shares voted via electronic transmission) | 95.41% |
| Votes against: 1,475,223 votes<br>(including 1,475,223 shares voted via electronic transmission) | 0.13% |
| Votes invalid: 0 votes<br>(including 0 share voted via electronic transmission) | 0% |
| Votes abstained: 49,713,534 votes<br>(including 48,694,526 shares voted via electronic transmission) | 4.45% |

Resolution:

Approved and acknowledged as proposed by the Board of Directors.

Item II

Proposal: To resolve the amendment of certain articles of the Company’s Articles of Incorporation.

Explanation: In response to the amendment of Paragraph 6, Article 14 of the Securities and Exchange Act, the Company proposes to revise certain provisions of its Articles of Incorporation. For details of the amended provisions, please refer to page 48 of this Meeting Handbook (Attachment 3).

Summary of the speech by shareholder No. 26546:

Please explain the contents of the revised charter.

Summary of Chairman's Reply:

Amendments to the Articles of Incorporation were made in response to regulatory requirements. The term "junior employees" refers to non-managerial staff whose monthly base salary is less than NT$63,000. Institutionalizing this definition through the amendment is expected to support talent retention, enhance employee morale and productivity, and ultimately create a virtuous cycle benefiting both the Company and its shareholders.

| Voting Results | % of the total representation at the time of voting |
|---|---|
| Votes in favor: 1,065,776,630 votes<br>(including 262,769,570 shares voted via electronic transmission) | 95.47% |
| Votes against: 704,283 votes<br>(including 704,283 shares voted via electronic transmission) | 0.06% |
| Votes invalid: 0 votes<br>(including 0 share voted via electronic transmission) | 0% |
| Votes abstained: 49,847,892 votes<br>(including 48,828,884 shares voted via electronic transmission) | 4.46% |

Resolution:

Approved and acknowledged as proposed by the Board of Directors.

VI. Extemporary Motions:

Summary of the speech by shareholder No. 220896:

Inquiries were raised regarding whether the Highwealth T1 project can be completely sold within the year, the expected completion timelines for current construction projects, and the reasons for the addition of Hengyuan Contractor Co., Ltd.

Summary of the speech by shareholder No. 392978:

A question was raised concerning customer bank financing related to already-sold units in construction projects projected to be completed in 2025, as discussed in the previous year. Specifically, whether such financing has been affected by banks’ credit allocation decisions.

(Most of the questions raised by shareholders at the beginning of the meeting were addressed during the proceedings.)

Summary of Chairman's Reply:

If shareholders have no further questions, the meeting will be adjourned.

VII. Adjournment:10:33 AM, June 17, 2025

Attachment 1

# Highwealth Construction Corporation
# Business Report

Hello, ladies and gentlemen:

We sincerely thank all shareholders for your continued support and trust in Highwealth Construction Corporation. We are pleased to present a report on our business performance over the past year and share our plans for future development.

Over the past year, several major domestic and international economic events have shaped the market landscape. In September 2024, Taiwan’s central bank implemented the seventh round of selective credit controls—hailed as the most stringent measures in Taiwan’s history—in an effort to cool down the housing market. More recently, in April 2025, U.S. President Trump announced a “reciprocal tariff” policy, sending shockwaves across the global economy.

Nevertheless, across all key indicators, Taiwan is currently experiencing its most favorable economic conditions in the past decade. The business environment remains robust, unemployment has hit a record low, wages are growing rapidly and reaching new highs, and both corporate and individual deposit balances have soared to unprecedented levels. From every angle, the public remains optimistic about Taiwan’s economic outlook, a sentiment clearly reflected in wage increases and growing confidence in the future. In recent years, Taiwan's inflation rate has remained above 2%, providing natural momentum for real estate price growth.

However, the imposition of tariffs and ongoing global political uncertainties have dampened domestic investment sentiment. According to the Directorate-General of Budget, Accounting and Statistics (DGBAS), Taiwan's excess savings are projected to reach NT$4.58 trillion in 2025, with an excess savings rate exceeding 17%, with both figures representing historical highs. This abundant capital continues to flow into the stock market, foreign exchange market, and real estate sector, creating strong financial support across asset classes.

DGBAS data indicates that the rental index saw a 2.45% annual increase last year, the highest in 28 years. In January this year, the index climbed further to a record 107.79, up 2.48% YoY. The Taiwan Institute of Economic Research noted that although the real estate market has cooled, this is primarily reflected in reduced transaction volumes rather than significant price declines. Factors such as rising land costs, shortages in construction materials and labor, and the forthcoming carbon fee policy have compelled sellers to adopt a cautious stance on price reductions. Because housing prices remain firm,Because housing prices remain firm, landlords have continued to raise rents, making this the main driver of sustained rental increases.

In 2025, Highwealth continues to target rigid real estate demand by advancing on two fronts: residential and commercial property development. On the residential side, every parent aspires for their child's success. In line with this universal desire, the Group has launched compact two- to three-bedroom "school district housing" in prime areas such as Tamsui, Taichung's 7th Redevelopment Zone, Tainan, and Kaohsiung. These projects have attracted strong interest from parents looking to invest early in their children's education and have been well received in the market.

In the commercial property sector, President Lai stated in his National Day address that the government will continue to strengthen Taiwan by promoting cross-sector economic development and expanding global reach, while also supporting the transformation of small and micro enterprises to market themselves internationally. In addition, recent policy adjustments have eased the minimum required rate of return for insurance companies' real estate investments to 2.545%. This change has helped inject liquidity into the commercial property market and fueled a surge in transactions. According to data from the Ministry of the Interior's Actual Price Registration system, Highwealth has reported strong sales across its commercial office projects throughout Taiwan. These include Taipei's Taipei One, Highwealth T1 in Neihu Technology Park, World Business Center No.1, and Municipal Vision

Square in Taichung's 7th Redevelopment Zone. Cumulative commercial office sales continue to climb, with Taipei One achieving the highest presale unit price for office projects in the city. In Taichung, Highwealth's compact "micro-office" products at World Business Center No.1, and Municipal Vision Square have significantly lowered the barrier for young entrepreneurs seeking to own office space. These offerings also appeal to business owners looking for real assets to hedge against inflation.

As a developer, our role is to provide clients with the best possible office environments, which serve as ideal representations of corporate identity and premier choices for multinational enterprises. At the same time, Highwealth has partnered with three of the world's leading hotel brands, securing premium locations in central business districts (CBDs) to establish comprehensive commercial facilities that attract global travelers and introduce them to Taiwan. By building office spaces and hotels in the heart of our cities, we are creating international business hubs that generate significant economic value. This reflects our sense of corporate mission and responsibility.

In 2024, although we continued to be affected by deferred completions and handovers, revenue was bolstered by projects recognized from our subsidiaries. Our annual revenue reached NT$36.9 billion, once again earning us the top spot among listed companies in the building materials and construction sector in terms of revenue. Key revenue-contributing projects included Highwealth T1 project in Neihu and the Zhan Qian Xinyue project in QIngpu. In Taichung, partial revenue was recognized from projects such as Wenshin Aiyue and Holiwon Castle, etc. In southern Taiwan, recognized revenue was contributed by projects such as Huarenhui, Kaohsiung CBD, and Aichungho Left Bank in Kaohsiung City. Additional revenue contributions came from the Group's subsidiary Chyi Yuh Construction Co., Ltd., as well as from Run Long Construction Co., Ltd. through recognized income from developments including Dream Castle in Keelung, Juke Run Long in Hsinchu, Taichung Dibao, and National Central City. These cumulative figures enabled the Company to achieve earnings per share (EPS) of NT$3.13 in 2024.

In terms of promoting corporate sustainability, and in response to the

Financial Supervisory Commission's announcement of the "Corporate Governance 3.0 – Sustainable Development Roadmap," the Company established a "Sustainability Promotion Task Force" under the Board's "Sustainable Development Committee" in 2025. This task force has formulated phased action plans focused on four major ESG initiatives: implementation of IFRS S1 and S2 sustainability disclosure standards, compilation of the ESG Sustainability Report, execution of greenhouse gas inventories, and management of sustainable supply chain risk. This year, Highwealth is aligning its efforts with IFRS objectives by integrating and advancing related operations for sustainability reporting and GHG inventory. Following the ISO 20400 framework, Highwealth is enhancing its sustainable procurement practices and supply chain management mechanisms to strengthen ESG risk control. Looking ahead, the Company plans to adopt a digital sustainability management platform, enabling smarter and more precise implementation of sustainable supply chain strategies. As a member of the construction industry, Highwealth is committed to sustainable innovation, urban prosperity, deepening its roots in Taiwan, and aligning with global standards, actively contributing to Taiwan's sustainable development.

I would like to extend my sincere gratitude to all shareholders who are present today. Thank you for your continued support and trust. Thank you!!

I. Operating Conditions in 2024

(I) Operating results

The Company's consolidated net operating revenue for 2024 amounted to NT$36,928,280 thousand, representing a decrease of NT$7,138,913 thousand compared to NT$44,067,193 thousand in 2023.

The Company's consolidated pre-tax net income for 2024 amounted to NT$9,724,958 thousand, representing a decrease of NT$1,027,566 thousand compared to NT$10,752,524 thousand in 2023.

This decrease was primarily due to a reduction in completed construction projects by the consolidated subsidiary Run Long Construction Co., Ltd., as well as ongoing labor and material shortages that have yet to be resolved. These factors resulted in project delays and, consequently, lower operating revenue and operating profit compared to the previous year.

(II) Budget implementation status

In accordance with the Regulations Governing the Publication of Financial Forecasts of Public Companies, the Company is not required to prepare financial forecasts for 2024.

(III) Financial income and expenses

The consolidated financial revenue and expenditure status of the Company and subsidiaries for the last two years is summarized as follows:

Unit: NT$ thousand

| Item | 2024 | 2023 |
|---|---|---|
| Net operating income | 9,416,098 | 11,712,132 |
| Non-operating income and expenses | 308,860 | (959,608) |
| Pre-tax net profit | 9,724,958 | 10,752,524 |
| Net profit | 8,173,933 | 8,834,939 |
| Total comprehensive income | 8,178,714 | 8,840,652 |

(IV) Profitability capacity analysis

The consolidated profitability analysis of the Company and subsidiaries for the last two years is summarized as follows:

| Item | 2024 | 2023 |
|---|---|---|
| Return on Assets (%) | 3.69 | 4.33 |
| Return on Equity (%) | 13.46 | 16.61 |
| Pre-tax net profit to paid-in capital ratio (%) | 46.96 | 57.07 |

| | | |
|---|---|---|
| Net profit rate (%) | 22.13 | 20.05 |
| Earnings per share(NT$) | 3.13 | 1.33 |

(V) Status of research and development

1. In terms of architectural planning and design, the Company adheres to three core principles: functionality, durability, and aesthetics. Each project is carefully planned to align with the unique characteristics of its location and surrounding environment, with the goal of delivering the most suitable products that meet the needs and expectations of consumers.
2. In terms of construction project and management: develop the most suitable construction technology and project management for different types of construction sites, strictly control the construction quality, cost and progress, and ensure the safety of the construction site.
3. In terms of market research and development, the Company always keep track the real estate market information, collect the land and housing market data in every area, discuss and analyze these information in order to provide the basis for product positioning and marketing strategy, and to create high sales rate as the goal.

II. Prospects of 2025

In 2025, Highwealth Group will continue to acquire land and launch new projects across seven key regions, including Keelung, Taipei, New Taipei, Taoyuan, Taichung, Tainan, and Kaohsiung. The Group also plans to expand into new ventures such as the hotel industry, aiming to achieve record-high performance through diversified operations.

The objectives for the coming years are declared as follows:

(I) Operating Policy

The Highwealth Group's core values are “integrity”, “sustainable management”, and “contributing to the society”. We are working towards the goal of doubling the market value of the Company to make profits for both employees and shareholders. With the Group's diversified business strategies, our operating policies are as follows:

1. Development: Integrate the advantages of construction, hotel and distribution business to provide customers with more complete life solutions. At the same time, we will share with world-class partners and learn from diverse experiences, so that consumers can enjoy world-class high-quality products in Taiwan. We have partnered with the world's largest hotel chains, Marriott International, InterContinental Hotels Group (IHG), and Hyatt Hotels Corporation, to open star-rated hotels and implement diversified operations. Our product development is expanding towards professionalism, diversifying risks, and stringent control of construction quality and progress. By vertically integrating upstream, midstream, and downstream suppliers, the Group seeks to optimize operational efficiency and enhance overall competitiveness.
2. Development: In the past, the company's land development projects were planned and implemented after acquiring plain land. In response to the government's policy, especially the bank's restriction on land construction financing, the Company has already planned ahead to address the situation. We have adopted a new strategy of increasing the proportion of joint construction and urban renewal projects and diversifying land acquisition methods to reduce capital expenditure and to spread operating risks to ensure that our project sources will not be interrupted.
3. Planning: ESG sustainability is being promoted around the world, and it has become a trend for the construction industry to advance green buildings, use resource-recycling green building materials, reduce carbon emissions, and reduce waste. The Company learns the characteristics of the design and planning of real estate

buildings in various countries extensively, attaches importance to the fire prevention labels, green buildings, building materials labels, intelligent building labels and earthquake-resistant building labels in public areas, and adds the concepts of energy conservation, water conservation, ecology and environmental protection to enhance the improvement of building quality. Depending on the market demand differences and regional differences, structural changes in population and family composition, the Company plans and designs high-quality products to accommodate its customer's needs, and provides perfect after-sales service to further enhance customer trust in the brand of Highwealth.

4. In terms of management system: We provide opportunities to train talents and insist on the ethical sharing and humanistic respect to enhance business performance and sustainable development. In response to the Company's expanding scale of operations, efforts have been made not only to strengthen internal controls, budget management, and corporate governance practices, but also to reinforce a culture of accountability. The Company is committed to advancing digitalization across all operations to enhance efficiency, while also improving both vertical and horizontal communication and coordination. These initiatives aim to solidify internal control systems and ensure that, even amidst significant business growth, operational and management efficiency continues to improve. Talents are the key to Group's sustainable development. We continuously provide opportunities to cultivate the talents required for the Company's business, follow "Integrity" and "Sustainable Management" concepts, and continue to enhance our business performance and sustainable development with the spirit of "Innovation, Quality, and Service". At the same time, in response to the growing emphasis on ESG (Environmental, Social, and Governance) and DEI (Diversity, Equity, and Inclusion), as well as the increasing global focus on corporate

responsibility in talent development, Highwealth Group has taken a significant step at this pivotal moment by joining the “2024 TALENT, in Taiwan - Taiwan Talent Sustainability Action Alliance”!

5. In terms of finances: Ensure that the Company achieves its operating performance targets, strengthens the financial operating capability, maintains the appropriate equity ratio to cater to the fluctuation of market interest rates, and raises the long and short-term funding requirements, so as to enhance the competitiveness of the Company.
6. Resources: We implement the sustainable development policy, actively train the manpower needs for future development, enhance the company's competitiveness to provide better services, and protect and implement various benefits and the rights for our employees, so that the interests of employees and the company can be integrated and create common prosperity and coexistence.

(II) Major production and marketing policies

1. Production policies:

(1) Based on the solid professional foundation of land development, fully grasp the information of land sources, closely screen, actively participate in urban renewal land development and joint development of MRT stations, and actively expand and reserve land resources of high-quality lots.

(2) Establish appropriate pricing, sales channels and advertisement strategy pertinent to the characteristics of the products, supervise target meeting of each sales scheme and closely monitor the market trend to allow flexible adjustments for facilitating project development and maximizing profitability.

(3) To implement diversified business strategies, the Company will increase the proportion of commercial real estate, enter

into the hotel business, and improve the operating performance for its investment business.

(4) In respond to labor shortage currently, the Company will continue to develop BIM Architectural Information Center, precast method, aluminum mold, robot application, enhance engineering techniques, quality, efficiency and environmental friendly, and promote renovation to construction technology in Taiwan comprehensively.

(5) The product positioning and construction planning of projects that are yet to be developed must be responsive to the demands of the housing market and the changes in the economic environment. The Company shall seek to meet its targets for improving its products, services, safety and active development.

2. Sales strategies:

(1) Sales objective of zero-unsold completed units.

(2) Conduct analysis of market demand and work well in product positioning.

(3) Establish diversified marketing channels and apply big data technology.

(4) Establish enterprise brand identification and "customer-oriented" service orientation.

(5) Adopt the most appropriate construction method to work well in quality control and cost control.

(6) Strengthen the discussion of relevant laws and decrease the possibility of house purchase disputes.

(III) Future development strategies of the Company

1. Focus on own business: We have effectively integrated the resources with our partners, strengthened the diversified development strategies in construction methods and building

materials, and implemented the high-quality and rapid project development policy in order to steadily expand our business layout.

2. Develop the second core business: We utilize commercial real estate to develop businesses that generate a fixed income, and plan and develop business opportunities to support the stable dividend policy.
3. Digital transformation: As digital technology and tools become popular, the Building Information Modeling (BIM) Center has been established in Kaohsiung and Taichung. It not only improves design efficiency, reduces construction costs, improves construction quality and safety, but also extends to aluminum formwork. In the future, we plan to introduce transportation robots to implement our innovative mind.
4. Environmental protection and energy conservation: In line with global trends, future development projects will actively pursue internationally recognized green building certifications. These projects will incorporate energy-saving technologies and renewable energy applications to improve energy efficiency and enhance environmental sustainability in building design and construction.
5. International cooperation: Highwealth continues to expand its corporate scale and product competitiveness through partnerships with world-renowned enterprises. These include the world’s largest hotel chains, Marriott International, InterContinental Hotels Group, and Hyatt Hotels Corporation, as well as internationally acclaimed architectural and design teams such as Aedas, G.A Design, and Pia.
6. Talent training: To address the serious labor shortage problem, the Company is strengthening its talent development efforts by establishing a comprehensive career development framework.

This includes providing employees with enhanced training environments and career advancement opportunities, aiming to attract outstanding professionals and bolster the Company's core competitiveness.

III. Influences of external competitive environment, regulatory environment and the overall business environment

(I) External competition:

According to the latest data from the first quarter of 2025, there has been a clear decline in the number of building ownership transfers across Taiwan, indicating a cooling in real estate transaction activity. Statistics from Chaofu Real Estate Management show that in February 2025, there were 20,007 building ownership transfers nationwide, representing a 4.12% increase from 19,215 transfers in January. However, compared to 18,920 transfers in February 2024, the year-on-year growth was only a modest 5.75%. A similar trend in transaction volume was observed in Taiwan's six major metropolitan areas. From January to February 2025, the total number of building ownership transfers in the six cities reached 29,824, a decline of 25.1% compared to the same period last year. The future trajectory of the housing market will depend on forthcoming policy changes and the pace of market confidence recovery.

(II) Legal Environment:

The seventh round of selective credit controls officially took effect on September 20, 2024, aiming to stabilize financial markets and promote the healthy development of the housing market. For homebuyers with genuine housing needs, particularly first-time buyers and upgraders, it is essential to pay close attention to changes in loan terms and make use of government support measures to mitigate the impact of these policies on home purchase plans.

(III) Overall business environment:

According to a market trend survey conducted by the Taiwan Institute of Economic Research in early 2025, the domestic real estate market is expected to enter a phase of moderation. However, this market cooling is projected to be orderly. While public infrastructure projects and investment in the technology sector continue to support the housing market, the lack of policy relaxation and the waning impact of the preferential mortgage scheme for young first-time buyers suggest that the property market is now firmly in a consolidation phase. A period of adjustment will be required before supply and demand reach a more balanced and healthy state. Conversely, Taiwan's commercial real estate sector is showing signs of steady growth, particularly driven by demand from the 5G AIoT and semiconductor industries. Office buildings, factories, and mixed-use industrial office spaces remain highly sought after. Looking ahead, the real estate market is expected to develop in a more stable direction under the dual influence of policy control and market self-adjustment.

Chairman: Tsao, Yuanbo CEO: Fan, Huachun Chief Accounting Officer: Li, Xiutai

Attachment 2

# Independent Auditors' Report

To the Board of Directors of Highwealth Construction Corp.:

**Opinion**

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

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

**Basis for Opinion**

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

**Key Audit Matters**

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

1. Revenue recognition on sales of properties and land

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

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

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

Auditing procedures performed

Our principal audit procedures included:

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

2.Inventory valuation

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

Description of key audit matter

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

Auditing procedures performed

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

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

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

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

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

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

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

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

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

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

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

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

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

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

KPMG

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

**Notes to Readers**

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

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

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

# HIGHWEALTH CONSTRUCTION CORP.

## Balance Sheets

## December 31, 2024 and 2023

## (Expressed in Thousands of New Taiwan Dollar)

| | Assets | December 31, 2024 Amount | % | December 31, 2023 Amount | % |
|---|---|---|---|---|---|
| | **Current assets:** | | | | |
| 1100 | Cash and cash equivalents (Note 6(a)) | $ 8,022,016 | 5 | 7,615,548 | 5 |
| 1110 | Current financial assets at fair value through profit or loss (Notes 6(b) and 8) | - | - | 327,895 | - |
| 1150 | Notes receivable, net (Notes 6(d) and 8) | 620,341 | - | 1,389,448 | 1 |
| 1170 | Accounts receivable, net (Notes 6(d) and 7) | 65,310 | - | 14,798 | - |
| 130X | Inventories (Notes 6(e), 7 and 8) | 110,168,045 | 69 | 111,636,808 | 71 |
| 1410 | Prepayments (Note 7) | 824,948 | 1 | 621,498 | - |
| 1476 | Other current financial assets (Notes 6(k), 7, 8 and 9(b)) | 10,087,974 | 6 | 8,655,432 | 6 |
| 1479 | Other current assets, others | 17,591 | - | 47,327 | - |
| 1480 | Current assets recognized as incremental costs to obtain contract with customers (Note 6(k)) | 2,618,910 | 2 | 1,891,752 | 1 |
| | | 132,425,135 | 83 | 132,200,506 | 84 |
| | **Non-current assets:** | | | | |
| 1517 | Non-current financial assets at fair value through other comprehensive income (Notes 6(c) and 7) | 5,000 | - | 5,000 | - |
| 1550 | Investments accounted for using equity method, net (Notes 6(f), (g) and 8) | 14,982,740 | 9 | 12,846,633 | 8 |
| 1600 | Property, plant and equipment (Notes 6(h) and 8) | 399,414 | - | 444,454 | - |
| 1755 | Right-of-use assets (Note 6(i)) | 23,105 | - | 36,708 | - |
| 1760 | Investment property, net (Notes 6(j) and 8) | 9,272,961 | 6 | 8,704,350 | 6 |
| 1780 | Intangible assets | 5,354 | - | 5,888 | - |
| 1840 | Deferred tax assets (Note 6(s)) | 14,544 | - | 14,544 | - |
| 1980 | Other non-current financial assets (Notes 6(k) and 8) | 2,574,569 | 2 | 3,048,970 | 2 |
| 1990 | Total other non-current assets, others | 601,091 | - | 118,836 | - |
| | | 27,878,778 | 17 | 25,225,383 | 16 |
| | **Total assets** | $ 160,303,913 | 100 | 157,425,889 | 100 |

| | Liabilities and Equity | Amount | % | Amount | % |
|---|---|---|---|---|---|
| | **Current liabilities:** | | | | |
| 2100 | Short-term borrowings (Note 6(l)) | $ 68,391,098 | 43 | 73,537,038 | 47 |
| 2110 | Short-term notes and bills payable (Note 6(m)) | 6,031,531 | 4 | 2,638,019 | 2 |
| 2130 | Current contract liabilities (Notes 6(v), 7 and 9(a)) | 10,488,233 | 7 | 8,829,452 | 6 |
| 2150 | Notes payable | 723 | - | 1,309 | - |
| 2170 | Accounts payable | 473,404 | - | 413,714 | - |
| 2180 | Accounts payable to related parties (Note 7) | 1,515,864 | 1 | 1,822,337 | 1 |
| 2200 | Other payables (Notes 6(r) and 7) | 2,899,886 | 2 | 4,752,170 | 3 |
| 2230 | Current tax liabilities | 797,363 | - | 153,927 | - |
| 2280 | Lease liabilities-current (Note 6(p)) | 43,723 | - | 44,455 | - |
| 2305 | Other current financial liabilities (Note 7) | 223,905 | - | 226,134 | - |
| 2321 | Bonds payable, current portion (Note 6(o)) | 1,999,597 | 1 | 1,999,129 | 1 |
| 2322 | Long-term borrowings, current portion (Note 6(n)) | 409,021 | - | 2,298,119 | 1 |
| 2399 | Other current liabilities, others | 469,345 | - | 246,890 | - |
| | | 93,743,693 | 58 | 96,962,693 | 61 |
| | **Non-Current liabilities:** | | | | |
| 2530 | Bonds payable (Note 6(o)) | 9,999,860 | 6 | 10,378,610 | 7 |
| 2540 | Long-term borrowings (Note 6(n)) | 4,138,994 | 3 | 3,414,413 | 2 |
| 2570 | Deferred tax liabilities (Note 6(s)) | 340 | - | 340 | - |
| 2580 | Non-current lease liabilities (Note 6(p)) | 37,298 | - | 76,814 | - |
| 2640 | Net defined benefit liability, non-current (Note 6(r)) | 13,424 | - | 18,451 | - |
| | | 14,189,916 | 9 | 13,888,628 | 9 |
| | **Total liabilities** | 107,933,609 | 67 | 110,851,321 | 70 |
| | **Stockholders' Equity:** | | | | |
| 3100 | Common stock (Note 6(t)) | 20,705,557 | 13 | 18,841,415 | 12 |
| 3200 | Capital surplus (Note 6(t)) | 9,267,169 | 6 | 8,836,578 | 6 |
| | **Retained earnings (Note 6(t)):** | | | | |
| 3310 | Legal reserve | 9,014,064 | 6 | 8,773,652 | 6 |
| 3350 | Unappropriated retained earnings | 14,350,076 | 9 | 11,094,585 | 7 |
| 3400 | Other equity interest (Note 6(t)) | - | - | 214 | - |
| 3500 | Treasury stock (Note 6(t)) | (966,562) | (1) | (971,876) | (1) |
| | **Total equity** | 52,370,304 | 33 | 46,574,568 | 30 |
| | **Total liabilities and equity** | $ 160,303,913 | 100 | 157,425,889 | 100 |

**December 31, 2024 December 31, 2023**

See accompanying notes to parent company only financial statements.

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

# HIGHWEALTH CONSTRUCTION CORP.

## Statements of Comprehensive Income

## For the years ended December 31, 2024 and 2023

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

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

See accompanying notes to parent company only financial statements.

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

# HIGHWEALTH CONSTRUCTION CORP.

## Statements of Changes in Equity

## For the years ended December 31, 2024 and 2023

## (Expressed in Thousands of New Taiwan Dollar)

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

See accompanying notes to parent company only financial statements.

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

## HIGHWEALTH CONSTRUCTION CORP.

## Statements of Cash Flows

## For the years ended December 31, 2024 and 2023

## (Expressed in Thousands of New Taiwan Dollar)

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

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

See accompanying notes to parent company only financial statements.

## 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** |

| | **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** |

**December 31, 2024** **December 31, 2023**

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 | | Retained earnings | | | Total other equity interest | | | | |
| | Common stock | Capital surplus | Legal reserve | Unappropriated retained earnings | Total retained earnings | Exchange differences on translation of foreign financial statements | Treasury stock | Total equity 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 |

| | |
|---|---|
| **Cash flows from (used in) investing activities:** | |
| Acquisition of financial assets at amortised cost | - |
| Disposal of financial assets at fair value through profit or loss | 602,394 |
| Acquisition of property, plant and equipment | (2,484,511) |
| Proceeds from disposal of property, plant and equipment | 53,557 |
| Acquisition of intangible assets | (34,008) |
| Cash inflow from the merger | 9,000 |
| Proceeds from disposal of investment properties | 788,048 |
| Increase in other non-current assets | (111,435) |
| Interest received | 224,618 |
| Dividends received | - |
| **Net cash flows from (used in) investing activities** | (952,337) |
| **Cash flows from (used in) financing activities:** | |
| Increase in short-term loans | 34,622,464 |
| Decrease in short-term loans | (23,894,246) |
| Increase in short-term notes and bills payable | 1,429,900 |
| Proceeds from issuing bonds | 7,120,000 |
| Repayments of bonds | (10,900,000) |
| Proceeds from long-term debt | 51,000 |
| Repayments of long-term debt | (1,832,360) |
| Payment of lease liabilities | (127,088) |
| Increase in other financial liabilities | 2,268,330 |
| Cash dividends paid | (2,063,112) |
| Payments to acquire treasury shares | - |
| Interest paid | (3,537,531) |
| Changes in non-controlling interests | 604,783 |
| **Net cash flows from (used in) financing activities** | 3,742,140 |
| **Effect of exchange rate changes on cash and cash equivalents** | 86 |
| **Net increase in cash and cash equivalents** | 3,187,085 |
| **Cash and cash equivalents at beginning of the year** | 14,702,019 |
| **Cash and cash equivalents at end of the year** | **$ 17,889,104** |

Attachment 3

# Comparison Table of Amendments to the Articles of Incorporation

| Before Amendment | After Amendment | Reasons for Amendments |
|---|---|---|
| Article 29:<br>If the Company makes profits for the year, of which the employee remuneration shall not be less than 0.1% of the pre-tax benefits and the director remuneration shall not be more than 1% of the pre-tax benefits, the remuneration shall be distributed after the resolution of the Board of Directors and reported to the Board of Directors. However, if the Company still has accumulated losses, the compensation amount shall be reserved in advance. The allotment objects of remuneration shall include employees of subsidiaries who meet certain conditions, which shall be authorized to the Board of Directors for decision.<br>The Company shall grasp the changing characteristics of the operating economic environment in order to achieve sustainable operation and long-term development. The Board of Directors shall pay attention to the stability and growth of dividends when formulating the appropriation of earnings, and shall decide on the most appropriate method for dividend policy payment depending on the operating conditions and considering the capital budget planning. | Article 29:<br>If the Company makes profits for the year, of which the employee remuneration shall not be less than 0.1% of the pre-tax benefits and the director remuneration shall not be more than 1% of the pre-tax benefits, the remuneration shall be distributed after the resolution of the Board of Directors and reported to the Board of Directors. However, if the Company still has accumulated losses, the compensation amount shall be reserved in advance. The allotment objects of remuneration shall include employees of subsidiaries who meet certain conditions, which shall be authorized to the Board of Directors for decision.<br><u>No less than ten percent of the total amount allocated for employee remuneration shall be distributed to non-executive employees.</u><br>The Company shall grasp the changing characteristics of the operating economic environment in order to achieve sustainable operation and long-term development. The Board of Directors shall pay attention to the stability and growth of dividends when formulating the appropriation of earnings, and shall decide on the most appropriate method for dividend policy payment depending on the operating conditions and considering the capital budget planning. | In line with the amendment to Paragraph 6, Article 14 of the Securities and Exchange Act, the Articles of Incorporation shall specify the percentage of employee remuneration to be allocated to non-executive employees. |
| Article 34:<br>The Articles of Association were made on January 12, 1980.<br>(omitted)<br>The fortieth amendment was made on June 13, 2024. | Article 34:<br>The Articles of Association were made on January 12, 1980.<br>(omitted)<br>The fortieth amendment was made on June 13, 2024.<br><u>The forty-first amendment was made on June 17, 2025.</u> | Addition of dates of revisions. |