Stock Code: 2543

HWANG CHANG GENERAL CONTRACTOR CO., LTD. AND SUBSIDIARIES

Consolidated Financial Statements for the Years Ended December 31, 2025 and 2024 and Independent Auditors' Report

This financial report is only an English translation, and has not been reviewed or checked by an accountant

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HWANG CHANG GENERAL CONTRACTOR CO., LTD.

Declaration Letter

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2025 are the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standards 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the combined financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we have not prepared a separate set of combined financial statements of affiliates.

Very truly yours,

HWANG CHANG GENERAL CONTRACTOR CORPORATION

By

Chairman: CHIANG, CHENG-CHIN

March 10,2026

Independent Auditors' Report

To the Board of Directors of Hwang Chang General Contractor Co., Ltd.:

Opinion

We have audited the accompanying consolidated financial statements of Hwang Chang General Contractor Corporation and its subsidiaries (hereinafter collectively referred to as "the Group"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2025 and 2024, and the 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 of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (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 the 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 Certified Public Accountant Code of Professional Ethics in the Republic of China (the "Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, are of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. 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.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2025 are stated as follows:

Revenue Recognition

The Group recognized construction revenue of 10,577,154 thousand in 2025. Revenue recognition is generally subject to significant risks, and the construction revenue is calculated in accordance with the percentage of completion method, by which the degree of completion is evaluated based on the proportion of the incurred contract cost to the estimated total contract cost, involving significant accounting estimates and judgments of the Management; therefore, revenue recognition is listed as one of the key audit matters. For relevant information on revenue recognition and loss assessment, please refer to Note 4 and 6.

The audit procedures performed with respect to the above-mentioned key audit matter include (but are not limited to) the following:

1. We obtained an understanding of the internal controls related to revenue recognition of the Management, and evaluated whether the application of revenue recognition is consistent with the corresponding accounting policies.

2. We reviewed the significant terms and conditions in the contracts, inspected the total amount of the contracts and examined whether the amount reached the standard of recognition.

3. We performed cutoff tests with respect to the incurred costs to check whether the revenues were recognized in the correct accounting period.

Responsibilities of the Management and Those charged with Governance for the Consolidated financial statements

The Management is responsible for the preparation and the fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for sustaining essential internal control to ensure that the consolidated financial statements are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, the 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 as the basis of accounting unless the Management intends either to liquidate the Group or to cease the 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 auditors' 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 auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain 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 sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than such risk 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 to express an opinion on the effectiveness of the Group's internal control.

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

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

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information about 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 communicate with Those charged with Governance all relationships and other matters, including related protective measures, that may reasonably be thought to affect our independence.

From the matters communicated with those charged with governance, we determine the key matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2025. 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.

Others

For reference, Hwang Chang General Contractor Co., Ltd. has prepared the parent company only financial statements for the years ended December 31, 2025 and 2024, for which we have issued an independent auditors' report with an unqualified opinion.

Benison Associated C.P.AS' Firm

LIN, YU-YA

LI, HAN

Taipei, Taiwan (Republic of China)

Date: March 10, 2026

<u>*Notice to Readers*</u>

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with 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 applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

HWANG CHANG GENERAL CONTRACTOR CO., LTD. AND SUBSIDIARIES
Consolidated Balance Sheets

Unit: NT$ Thousands

ASSETS	Notes	December 31, 2025 Amount	%	December 31, 2024 Amount	%
CURRENT ASSETS					
Cash and cash equivalents	6(1)	$ 1,328,954	7	$ 806,965	5
Financial assets at amortized cost - current	6(2)	1,444,999	7	1,405,949	8
Contract assets - current	6(4)、6(15)	3,601,211	18	3,109,534	19
Notes receivable - net amount	6(3)	42,238	0	21,061	0
Accounts receivable - net amount	6(3)	1,762,845	9	1,157,558	7
Other receivables	6(3)	67,902	0	86,160	1
Current income tax assets	6(18)	5,073	0	5,073	0
Inventories	6(4)	8,841	0	6,210	0
Prepayments		523,963	3	378,463	2
Other financial assets	6(2)	769,924	4	1,709,022	10
Refundable deposits	6(5)	203,252	1	149,439	1
Other Current Assets		28,962	0	4,024	0
Total Current Assets		9,788,164	49	8,839,458	53
NON-CURRENT ASSETS					
Property, plant and equipment	6(6)	8,056,694	39	6,156,920	37
Right-of-use assets	6(7)	475,428	2	360,200	2
Investment properties-net	6(8)	196,608	1	197,881	1
Intangible assets		5,438	0	6,047	0
Prepayments for equipment	6(9)	1,891,196	9	1,108,642	7
Refundable deposits	6(5)	9,035	0	3,594	0
Net defined benefit assets	6(13)	660	0	518	0
Other non-current assets		8,200	0	8,200	0
Total non-current assets		10,643,259	51	7,842,002	47
Total assets		$ 20,431,423	100	$ 16,681,460	100

LIABILITIES AND EQUITY	Notes	December 31, 2025 Amount	%	December 31, 2024 Amount	%
CURRENT LIABILITIES					
Short-term loans	6(10)	$ 1,854,142	9	$ 944,994	6
Short-term notes and bills payable	6(10)	299,477	1	318,885	2
Contract liabilities	6(4)、6(15)	1,588,647	8	2,639,104	16
Notes payable		162,755	1	245,139	1
Accounts payable		2,706,982	13	2,146,104	13
Other payables	6(11)	963,575	5	806,798	5
Current income tax liabilities	6(18)	212,854	1	488,264	3
Provision - current	6(12)	149,791	1	142,186	1
Lease liabilities - current	6(7)	91,650	0	78,305	0
Long-term loans - current portion	6(10)	129,867	1	92,969	1
Current portion of long-term notes payable	6(10)	68,934	0	83,496	1
Other current liabilities		40,017	0	43,704	0
Total current liabilities		8,268,691	40	8,029,948	49
NON-CURRENT LIABILITIES					
Long-term loans	6(10)	1,133,814	6	1,064,507	6
Lease liabilities - non-current	6(7)	393,807	2	290,384	2
Long-term notes payable	6(10)	234,702	1	7,068	0
Net defined benefit liabilities	6(13)	35,243	0	43,584	0
Other non-current liabilities		37,935	0	32,205	0
Total non-current liabilities		1,835,501	9	1,437,748	8
Total liabilities		10,104,192	49	9,467,696	57
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital					
Ordinary shares	6(14)	5,323,839	26	4,200,290	25
Capital surplus	6(14)	3,298,326	16	1,481,041	9
Retained Earnings	6(14)				
Legal reserve		356,509	2	191,433	1
Unappropriated earnings		1,101,845	5	1,027,004	6
Total retained earnings		1,458,354	7	1,218,437	7
Treasury shares	6(14)	(143,139)	0	-	0
NON-CONTROLLING INTERESTS		389,851	2	313,996	2
Total equity		10,327,231	51	7,213,764	43
Total liabilities and equity		$ 20,431,423	100	$ 16,681,460	100

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

HWANG CHANG GENERAL CONTRACTOR CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income

Unit: NT$ Thousands

Items	Notes	For the Year Ended December 31, 2025 Amount	%	For the Year Ended December 31, 2024 Amount	%
OPERATING REVENUE	6(15)	$ 11,838,665	100	$ 12,431,138	100
OPERATING COSTS		(9,624,750)	(81)	(9,445,765)	(76)
GROSS PROFIT		2,213,915	19	2,985,373	24
OPERATING EXPENSES					
Selling and marketing expenses		(4,686)	(0)	(4,262)	(0)
General and administrative expenses		(474,470)	(4)	(397,220)	(3)
Total operating expenses		(479,156)	(4)	(401,482)	(3)
PROFIT FROM OPERATIONS		1,734,759	15	2,583,891	21
NON-OPERATING INCOME AND EXPENSES					
Interest income	6(16)	28,359	0	23,566	0
Other income	6(16)	129,594	1	23,791	0
Other gains and losses	6(16)	21,534	0	20,235	0
Finance costs	6(16)	(80,487)	(1)	(64,469)	(1)
Total non-operating income and expenses		99,000	(0)	3,123	(1)
INCOME BEFORE INCOME TAX		1,833,759	15	2,587,014	20
INCOME TAX EXPENSE	6(18)	(366,277)	(3)	(543,168)	(4)
NET INCOME		1,467,482	12	2,043,846	16
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit obligation	6(13)	1,325	0	(1,695)	(0)
Income taxes relating to items that will not be reclassified subsequently		-	0	-	0
Other comprehensive income/(loss) for the period, net of income tax		1,325	0	(1,695)	(0)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		$ 1,468,807	12	$ 2,042,151	16
NET INCOME ATTRIBUTABLE TO:					
Shareholders of the parent company		$ 1,414,893		$ 2,017,813	
Non-controlling interests		$ 52,589		$ 26,033	
OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Shareholders of the parent company		$ 1,416,167		$ 2,015,865	
Non-controlling interests		$ 52,640		$ 26,286	
EARNINGS PER SHARE	6(19)				
Basic		$ 2.69		$ 4.49	
Diluted		$ 2.68		$ 4.48	

(The accompanying notes are an integral part of the consolidated financial statements.)

HWANG CHANG GENERAL CONTRACTOR CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity

Unit: NT$ Thousands

ITEMS	Equity Attributable to Owners of the Company						Non-Controlling Interests	Total Equity
			Retained Earnings					
	Share Capital	Capital Surplus	Legal Reserve	Unappropriated earnings	Treasury shares	Total		
BALANCE AT JANUARY 1, 2024	$ 2,374,837	$ 37,701	$ 40,909	$ 581,329	$ -	$ 3,034,776	$ 295,115	$ 3,329,891
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	150,524	(150,524)	-	-	-	-
Cash dividends of ordinary share	-	-	-	(194,213)	-	(194,213)	-	(194,213)
Stock dividends of ordinary share	1,225,453	-	-	(1,225,453)	-	-	-	-
Capital increase by cash	600,000	1,380,000	-	-	-	1,980,000	-	1,980,000
Employee compensation cost for capital increase by cash	-	63,360	-	-	-	63,360	-	63,360
Changes in capital surplus:								
Overdue cash dividends paid	-	(20)	-	-	-	(20)	-	(20)
Net income for the year ended December 31, 2024	-	-	-	2,017,813	-	2,017,813	26,033	2,043,846
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	(1,948)	-	(1,948)	253	(1,695)
Decrease in Non-Controlling Interests	-	-	-	-	-	-	(7,405)	(7,405)
Total comprehensive income for the year ended December 31, 2024	-	-	-	2,015,865	-	2,015,865	18,881	2,034,746
BALANCE AT DECEMBER 31, 2024	$ 4,200,290	$ 1,481,041	$ 191,433	$ 1,027,004	$ -	$ 6,899,768	$ 313,996	$ 7,213,764
BALANCE AT JANUARY 1, 2025	$ 4,200,290	$ 1,481,041	$ 191,433	$ 1,027,004	$ -	$ 6,899,768	$ 313,996	$ 7,213,764
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	165,076	(165,076)	-	-	-	-
Cash dividends of ordinary share	-	-	-	(402,701)	-	(402,701)	-	(402,701)
Stock dividends of ordinary share	773,549	-	-	(773,549)	-	-	-	-
Capital increase by cash	350,000	1,683,500	-	-	-	2,033,500	-	2,033,500
Employee compensation cost for capital increase by cash	-	133,665	-	-	-	133,665	-	133,665
Changes in capital surplus:								
Exercise of disgorgement	-	120	-	-	-	120	-	120
Purchase of treasury share	-	-	-	-	(143,139)	(143,139)	-	(143,139)
Net income for the year ended December 31, 2025	-	-	-	1,414,893	-	1,414,893	52,589	1,467,482
Other comprehensive income for the year ended December 31, 2025	-	-	-	1,274	-	1,274	51	1,325
Decrease in Non-Controlling Interests	-	-	-	-	-	-	23,215	23,215
Total comprehensive income for the year ended December 31, 2025	-	-	-	1,416,167	-	1,416,167	75,855	1,492,022
BALANCE AT DECEMBER 31, 2025	$ 5,323,839	$ 3,298,326	$ 356,509	$ 1,101,845	$ (143,139)	$ 9,937,380	$ 389,851	$ 10,327,231

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

HWANG CHANG GENERAL CONTRACTOR CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Cash Flows

Unit: NT$ Thousands

ITEMS	For the Year Ended December 31, 2025 Amount	For the Year Ended December 31, 2024 Amount
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 1,833,759	$ 2,587,014
Adjustments for:		
Income and expense items that do not affect cash flows		
Depreciation expenses	797,140	590,784
Amortization expenses	1,971	1,083
Interest expense	78,016	63,609
Interest income	(28,359)	(23,566)
Gain on disposal of property, plant and equipment	(26,827)	(32,857)
Compensation cost of share-based payments	133,665	63,360
Lease Modification Benefit	(22)	-
Total amount of income and expense items that do not affect cash flows	955,584	662,413
Changes in operating assets and liabilities:		
Net changes in operating assets:		
Contract assets	(491,677)	(521,034)
Notes receivable	(21,177)	5,190
Accounts receivables	(605,287)	1,186,051
Inventories	(9,566)	(10,081)
Other receivables	20,292	(68,875)
Prepayments	(145,500)	(13,045)
Refundable deposits	(53,813)	31,392
Other current assets	(24,938)	(1,431)
Other financial assets	939,098	(100,777)
Net changes in operating assets:	(392,568)	507,390
Net changes in operating liabilities:		
Contract liabilities	(1,050,457)	(2,812,317)
Notes payable	(82,384)	26,953
Accounts payable	560,878	(595,267)
Other payables	162,866	26,621
Provision	7,605	82,523
Other current liabilities	1,272	(5,346)
Accrued pension liabilities	(7,158)	(6,729)
Net changes in operating liabilities:	(407,378)	(3,283,562)
Total changes in operating assets and liabilities:	(799,946)	(2,776,172)

(Continued)

Total adjustment amounts	155,638	(2,113,759)
Cash generated from operations	1,989,397	473,255
Interest received	26,325	23,181
Interest paid	(79,076)	(52,563)
Income tax recieved	-	5,436
Income tax paid	(641,687)	(167,954)
Net cash generated from operating activities	1,294,959	281,355
CASH FLOWS FROM INVESTING ACTIVITIES		
(Decrease)/increase in financial assets at amortized cost - current	(39,050)	317,457
Payments for property, plant and equipment	(862,868)	(1,129,142)
Proceeds from the disposal of property, plant and equipment	38,456	130,887
Increase in refundable deposits	(5,441)	(1,006)
Payments for intangible assets	(1,362)	(5,187)
Payments for other assets	-	(8,200)
Increase in prepayments for land and equipment	(2,515,020)	(1,732,116)
Net cash used in investing activities	(3,385,285)	(2,427,307)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(decrease) in short-term borrowings	909,148	(170,749)
(Decrease)/Increase in short-term notes and bills payable	(20,000)	318,885
Increase in long-term borrowings	319,277	732,913
Increase/(decrease) in deposits received	771	(8,588)
Capital increase by cash	2,033,500	1,980,000
Increase/(decrease) in Non-Controlling Interests	23,215	(7,405)
Cash dividends paid	(402,701)	(194,213)
Overdue cash dividends paid	-	(20)
Exercise of disgorgement	120	-
Repurchase of treasury shares	(143,139)	-
Repayment of the principal portion of lease liabilities	(107,876)	(106,875)
Net cash generated from financing activities	2,612,315	2,543,948
NET INCREASE IN CASH AND CASH EQUIVALENTS	521,989	397,996
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	806,965	408,969
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 1,328,954	$ 806,965

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

HWANG CHANG GENERAL CONTRACTOR CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2025 and 2024
(Amounts in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Company History

(1) Hwang Chang General Contractor Co., LTD. (hereinafter referred to as "the Corporation") was established under the provisions of the Company Act of the Republic of China (R.O.C.) in January, 1981. The Corporation, whose shares have been traded on the Taiwan Stock Exchange since October 15, 1999, is mainly engaged in the contracting business of civil engineering projects. The major construction projects contracted by the Group in 2025 are listed as follows:

- The segment CQ860 of MRT Wanda-Zhonghe-Shulin Line
- The port and embankment construction project of The Third Liquefied Natural Gas Terminal
- The construction of the new system interchange from National Freeway 3 to Provincial Highway 66
- Taoyuan City Zhongli Sports Park Section Expropriation Project
- Kwun Tong Receiving Station Extrapolation Plan Outline Breakwater New Construction
- Increased installation of gate improvement Construction at Wugu Interchange on National Highway 1.
- Taipei Circular Line Section bid Y20-Y23: Civil construction & Hydropower environmental control.
- Taipei Circular Line Section bid Y23-Y25: Civil construction & Hydropower environmental control.
- Taoyuan Urban District Railway Underground Project Zhonglu Station Section Railway Underground Engineering Construction Lot CJ13
- Turnkey project of construction of Luzhou District Guanghua Section parking lot and youth social housing in New Taipei City
- Taipei Circular Line Section bid Y25-Y27: Civil construction & Hydropower environmental control.
- Turnkey project of construction of Neihu District Shibitan social housing in Taipei City.

(2) The Corporation and the subsidiaries included in the consolidated financial statements are collectively referred to as "the Group" hereinafter.

2. Approval Date and Procedures of the Consolidated financial statement

The consolidated financial statements have been approved by the board of directors on March 10, 2026.

3. Applications of Newly Issued and Revised Standards and Interpretations

(1) The impact of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC):

The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have a significant effect on the Company's accounting policies.

(2) The IFRSs issued by International Accounting Standards Board (IASB) and endorsed by the Financial Supervisory Commission (FSC) for application starting from 2025

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
IFRS 17 "Insurance Contracts" (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2023

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

(3) The IFRSs issued by IASB but yet to be endorsed and issued into effect by the FSC

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 18 "Presentation and Disclosures in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19"Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Listed entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements". The main changes comprise:

(1) Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.

(2) The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

(3) Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more informative label.

(4) Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above-mentioned impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other impacts of the above amended standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. Summary of Significant Accounting Policies

(1) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

(2) Basis of preparation

a. The consolidated financial statements have been prepared on the historical cost basis except for financial instruments measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

b. Significant accounting estimates are required in order to prepare consolidated financial statements in accordance with the IFRSs endorsed by the FSC, and the judgments of the Management are essential in the process of applying the

Group's accounting policies as well. For the items involving a high degree of subjective judgment or complexity, or those involving significant assumptions and estimates of the financial reports, please refer to the explanation in note 5.

(3) Basis of consolidation

a. Preparation Principle of Consolidated Financial Statements

The consolidated financial statements incorporate the financial statements of the Corporation and those of the entities controlled by the Corporation (i.e. the subsidiaries). Control refers to the Corporation's power to direct a specific entity's financial and operating policies with a view to gaining economic benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of are incorporated fairly into the consolidated statements of comprehensive income from the effective date of acquisition and up to the effective date of disposal. Total comprehensive income of subsidiaries is attributed to the shareholders of the parent and to the non-controlling interests even if the attribution results in the deficit in the balance of non-controlling interests.

Adjustments are made to the financial statements of subsidiaries to make their accounting policies in line with those used by the Corporation.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Corporation's ownership interest in a subsidiary, which do not cause the Corporation to lose control over the subsidiary, are accounted for as equity transactions. The carrying amounts of the Corporation's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to shareholders of the Corporation.

b. The subsidiaries incorporated in the consolidated financial statements are as follows:

Investor Company	Investee Company	Main Businesses and Products	Percentage of Ownership (2025.12.31)	Percentage of Ownership (2024.12.31)	Note
The Corporation	Ho Chang International Contractor Co., Ltd.	Manufacturing of ready-mix concrete	49.00%	49.00%	Note 1
The Corporation	Hong Chang Infrastructure Technology CO., LTD.	Soil-retaining & Supporting and Earthworks	90.00%	90.00%	Note 2

Note 1: Through Ho Chang International Contractor Co., Ltd.'s reelection of directors and supervisors on June 28, 2007, the Corporation has acquired more than half of the seats on the board of directors, thus

obtaining substantial control. As a result, Ho Chang International Contractor Co., Ltd. is incorporated in consolidated financial statements thenceforth.

Note 2: The company was approved for establishment on September 18, 2024. The Corporation obtained all seats on the board of directors and has control over the investee.

Note 3: The Consolidated Company has no subsidiaries that are not included in the consolidated financial statements.

c. The shares of Ho Chang International Contractor Co., Ltd. held by other minor shareholders are reported as Non-controlling interests.

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

The normal operating cycle applies when considering the classification of the Group's construction-related assets and liabilities. For the remaining items, the classification criteria were as follows:

Assets that meet one of the following conditions are classified as current assets, and all other assets that are not current assets are classified as non-current assets:

a. The asset is expected to be realized within normal operating cycle, or it is intended to be sold or depleted;
b. The asset is held mainly for trading purposes;
c. The asset is expected to be realized within 12 months after the reporting period; or
d. The asset belongs to cash or cash equivalents which are not restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period or subject to other restrictions.

Liabilities that meet one of the following conditions are classified as current liabilities, and all other liabilities that are not current liabilities are classified as non-current liabilities:

a. The liability is expected to be settled within normal operating cycle;
b. The liability is held primarily for the trading purposes;
c. The liability is expected to be settled within 12 months after the reporting period; or
d. The liability belongs to those of which the Group has no unconditional right to defer the settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issuance of equity instruments do not affect its classification.

(5) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposit and check deposit. Cash equivalents refer to the short-term and highly liquid investment that can be converted into a fixed amount of cash at any time with little value volatility. Time deposits are classified as cash equivalents only when they satisfy the aforementioned definition, and the purpose of holding them is for meeting the short-term cash commitments instead of investment or other purposes.

(6) Financial Instruments

Financial assets and financial liabilities are primitively recognized in the balance sheets when the Group becomes a party to the contractual provisions of the instrument. At initial recognition, the Group measures a financial asset or a financial liability at its fair value plus or minus, in the case of financial asset or liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or the financial liability. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

a. Measurement categories of financial assets

By conventional practices, all purchases or sales of financial derivatives are recognized and derecognized using the settlement date basis, whereas other financial assets are recognized and derecognized using the trade date basis.

The financial assets currently held by the Group consist of three categories, namely financial assets measured at fair value through profit or loss (FVTPL), financial assets measured at amortized cost, and investments in equity instruments measured at fair value through other comprehensive income (FVTOCI).

a) Financial assets at FVTPL

Financial assets at fair value through profit or loss can be either mandatorily required or designated to be measured at FVTPL. The financial assets that are mandatorily measured at FVTPL include debt instruments that do not meet the criteria of amortized cost or FVTOCI and equity instruments that are not designated to be measured at fair value through other comprehensive income.

The financial assets at FVTPL are measured at their fair values. The net gains or losses arising from remeasurement, excluding any interest or dividends earned on the financial asset, are recognized in profit or loss. For the method to determine the fair value, please refer to Note 12(2).

b) Financial assets at amortized cost

Financial assets that meet the following conditions are measured at amortized cost:

I. The financial asset is held under a business model whose purpose is to hold financial assets in order to collect contractual cash flows; and

II. The contractual terms of the financial asset generate cash flows on specific dates, and the cash flows are solely used to pay for the principal and interest of the outstanding principal amount.

Subsequent to the initial recognition, financial assets at amortized cost are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset, except for:

I. Purchased or originated credit-impaired financial assets, for which the interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial assets; and
II. Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which the interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

c) Investments in equity instruments at FVTOCI.

At initial recognition, the Group may make an irrevocable selection to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading purposes or if it is the contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on the disposal of the equity investments; instead, it will be transferred directly to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b. Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including account receivables).

The Group recognizes the lifetime expected credit losses (ECLs) for accounts receivable. For other financial instruments, the Group recognizes the lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with respect to the default risks. Lifetime ECLs represent the expected credit losses resulting from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the expected credit losses resulting from the possible default events within 12 months after the reporting date.

The impairment losses of all financial assets reduce their carrying amounts through the corresponding loss allowance accounts.

c. Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. When a financial asset at amortized cost is derecognized entirely, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. When an investment in equity instrument at FVTOCI is derecognized entirely, the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without the reclassification to profit or loss.

d. Financial liabilities and equity instruments

a) Classification of financial liabilities or equity instruments

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

b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issuance costs.

c) Financial liabilities

Financial liabilities are subsequently measured at amortized cost using the effective interest method when they are not held for trading or designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognized in other profit or loss in the comprehensive income statement.

d) Other financial liabilities

Financial liabilities are initially recognized at fair value plus any directly attributable transaction costs if they are not held for trading or designated as at fair value through profit or loss (including short-term and long-term loans, bonds payable, accounts payable and other payables), and they are subsequently measured at amortized cost by the effective interest method. The interest expense which is not capitalized as the costs of an asset is reported in the finance costs item in non-operating income and expense.

e) Derecognition of financial liabilities

The Group derecognizes a financial liability only when the contractual obligations are discharged, cancelled or terminated.

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

f) Offsetting of Financial Assets and Financial Liabilities

Financial assets and financial liabilities shall be offset against each other and expressed in the net amount in the balance sheet only when the Group currently has a legally enforceable right of set-off and intends either to settle on a net basis or to realize the financial assets and settle the financial liabilities simultaneously.

(7) Inventories

Inventories are recorded at cost and adjusted to weighted-average cost through the perpetual inventory method. At the end of the reporting period, the Group states the inventories at the lower of cost or net realizable value, applying the item-by-item method for all inventories except for those from identical categories.

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

(8) Property, plant and equipment

a. Recognition and measurement

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment. Costs include any incremental costs that are directly attributable to the construction or acquisition of the item of property, plant and equipment. The cost of self-constructed asset includes direct materials, direct labor expense, the estimated cost of future disassembly, removal of the asset and recover of the location, the funding costs that meet the criteria of asset capitalization, and any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Additionally, the cost also includes the effective portion of cash flow hedge transferred from equity for the purchase of property, plant and equipment denoted in foreign currency, and the software purchased in order to integrate the function of relevant equipment shall also be capitalized as a part of the equipment.

When an item of property, plant and equipment consists of distinct parts, and their costs, in relation to the total cost of the item, are so significant that it is more appropriate to apply different depreciation rates or depreciation methods, the parts shall be treated as separate items (main components) of property, plant, and equipment.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss in net.

b. Reclassification to investment property

When the property for own use is reclassified as investment property, the carrying amount of the property on the date of transfer is used as the initial carrying value of the investment property.

c. Subsequent costs

Subsequent costs are considered a part of the carrying amount of the property, plant and equipment only when their future economic benefits are likely to flow into the Group, and the amount can be reliably measured; meanwhile, the carrying amount of the parts replaced shall be derecognized. The costs incurred on a regular basis to keep the property, plant and equipment in healthy condition are expensed in profit or loss immediately.

d. Depreciation

Depreciation is calculated by deducting the residual value from the asset cost and is recognized in profit or loss within the estimated useful life of each component using the straight-line method. Each significant part is depreciated separately. If the estimated useful life of a part of an asset differs significantly from those of other parts of the asset, the part shall be depreciated individually. Depreciation is recognized in profit or loss.

The leased assets of which there is reasonable assurance the Group will obtain the ownership by the end of the lease term are depreciated over their estimated useful lives. Other leased assets are depreciated over the shorter of the lease terms and the useful lives.

No depreciation shall be recognized for land.

The estimated useful life of the current period and comparative periods were as follows:

a) Houses and buildings: 10 to 55 years
b) Building improvements: 2 to 22 years
c) Machinery: 1 to 23 years
d) Transportation equipment: 2 to 18 years
e) Furniture and fixtures: 3 to 17 years
f) Other equipment: 2 to 25 years
g) Vessels: 3 to 15 years
h) Construction equipment: amortized evenly over the life of the construction contract
i) Leasehold improvements: 3 to 15years

The estimated useful lives, residual values and depreciation methods are reviewed and adjusted, if necessary, at the end of each reporting period, and any changes in the estimates are accounted for on a prospective basis.

(9) Investment properties

a. Investment properties are properties held to earn rental and/or for capital appreciation.

b. Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.Depreciation is recognized using the straight linemethod.

c. On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

(10) Lease

The Group evaluates whether the contract is a lease or contains a lease on the contract establishment date.

a. The Group as lessor

Rental income from operating lease is recognized on a straight-line basis over the term of the lease.

b. The Group as lessee

Except for payments for low-value asset leases and short-term leases, which are recognized as expenses on a straight-line basis, the Group recognizes right-of-use assets and lease liabilities for all leases on the commencement date of the lease.

Right-of-use assets are measured at cost. The cost of right-of-use assets comprises the initial measurement of lease liabilities adjusted for lease payments less any lease incentives received and initial direct costs made at or before the commencement date, plus an estimate of costs needed to restore the underlying assets. Subsequent measurement is calculated as cost less accumulated depreciation and accumulated impairment loss and adjusted for changes in lease liabilities as a result of lease term modifications or other related factors. Right-of-use assets are presented separately in the balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. If the implicit interest rate can be readily determined, the lease payments are discounted at the implicit rate. Otherwise, the lease payments are discounted at the lessee's incremental borrowing rate.

Lease liabilities are subsequently measured at amortized costs using the effective interest method, and the interest expenses are allocated over the lease terms. If the modification of the lease term leads to a change in future lease payments, the Group will remeasure the lease liability and adjust the right-of-use asset accordingly. Nonetheless, if the carrying amount of the right-of-use asset has been reduced to zero, the remaining remeasurement amount is recognized in profit or loss. Lease liabilities are presented independently in the balance sheets.

(11) Intangible assets

Separately acquired intangible assets with finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized using the straight-line method over the following estimated useful lives: Technology license fees - the estimated life of the technology or the term of the technology transfer contract; software and system design costs – 3 to 5 years; patent and others - the economic life or the contract period. The estimated useful lives and amortization methods are reviewed and adjusted, if necessary, at the end of each reporting period, and any changes in the estimates are accounted for on a prospective basis.

(12) Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. If the corporate assets can be allocated to the individual cash-generating units on a reasonable and consistent basis, they will be allocated to the individual cash-generating units; otherwise, they will be allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. When assessing the value in use, the Group discounts the estimated future cash flows using the pre-tax discount rate, which reflects the current market assessment of the following: the time value of money and the risk specific to the assets of which the future cash flow estimates have yet to be adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

(13) Provisions

A provision is recognized when the Group is charged with a current obligation (whether legal or constructive) as a result of a past event, and it is likely that the Group has to settle the obligation, whose amount can be reliably estimated.

When recognizing the amount of the provisions, the Group measures them at the best estimate of the payments required to settle the obligations at the end of the reporting period, taking into consideration the obligations' uncertainty and risks. If the provision is measured at the estimated cash flows to settle the current obligation, its carrying amount equals the present value of the cash flows.

Onerous contracts are those in which the Group's unavoidable costs of meeting the contractual obligations exceed the economic benefits expected to be received from the contract. The present obligations arising under onerous contracts are recognized and measured as provisions.

(14) Treasury shares

When the Group repurchases some of its outstanding share, the after-tax amount of the consideration paid for the repurchase (including the directly attributable costs) is recognized as "Treasury share", a contra-equity account. If the disposal price of the treasury share is higher than its carrying amount, the difference is recognized as Capital surplus – treasury share transactions. If the disposal price is lower, on the other hand, then the difference shall be offset against the capital surplus generated from the transactions of similar treasury share. If the balance of the capital surplus is insufficient to offset the difference, the remainder is recorded as a reduction of retained earnings. The carrying amount of Treasury share is computed separately based on the reason for reacquisition using the weighted-average method.

Upon retirement, Ordinary shares and Capital surplus – treasury share transactions are debited in proportion to the ratio of the shares retired. If the carrying amount of the retired treasury share is higher than the sum of the par value and premium of them, the difference shall be offset against the capital surplus generated from the transactions of similar treasury share. If the capital surplus is insufficient to offset the difference, the remainder is recorded as a reduction of retained earnings. If the carrying amount is lower than the sum, on the other hand, the capital surplus generated from the transactions of similar treasury share is credited.

(15) Revenue recognition

The Group identifies the performance obligations from customer contracts, allocates the transaction price to each performance obligation, and recognizes revenue when each obligation is satisfied. The details of the Group's major sources of revenue were as follows:

a. Revenue from the sale of goods

The revenue from the sale of goods is mainly generated from the sale of ready-mix concrete. The Group recognizes revenue and accounts receivable either when the Group has transferred all the risks regarding the ready-mix concrete to the customer and the customer has collected the products in accordance with the sales contract, or when the Group has obtained objective evidence supporting that all inspection conditions had been satisfied.

b. Revenue from construction contracts

For the construction contracts that are under the control of clients at the time of construction, the revenue is gradually recognized over time. Since the costs invested in the construction are directly related to the degree of completion of the performance obligations, the Group measures the degree of completion on the proportion of the costs invested to the total estimated cost. The Group gradually recognizes contract assets over the period of construction, and reclassifies them to account receivables at the point when the customer is invoiced. If the payments received exceed the revenues recognized to date, then the Group recognizes contract liabilities for the difference. The retention receivable, certain payments retained by the customer as specified in the contract to ensure that the Group adequately completes all of its contractual obligations, are recognized as contract assets until the Group satisfies its performance obligations.

When the outcome of a performance obligation cannot be reasonably measured, contract revenue is recognized only to the extent of contract costs incurred in satisfying the performance obligation of which the costs are expected to be recovered.

(16) Joint arrangements

A joint arrangement is an arrangement over which more than two parties have joint control. Joint arrangement includes joint operation and joint venture, and has the following characteristics: (a) the participants are bound by the contractual arrangement; (b) the arrangement confers at least two parties the joint control over the arrangement. IFRS 11 "Joint Arrangement" defines joint control as the contractual agreement to share control over an arrangement. It only exists when decisions related to relevant activities (i.e. activities that have a material impact on the remuneration of the arrangement) must be agreed by all parties sharing control.

A joint operation is a joint arrangement, by which the parties having joint control over the arrangement (that is, the joint operators) have rights to the assets and are obligated to the liabilities related to the arrangement. The joint operators shall recognize and measure assets and liabilities related to its equity in the arrangement (and recognize relevant income and expenses) under relevant IFRSs applicable to specific assets, liabilities, income, and expenses.

The Group shall consider the structure of the arrangement, the legal form of the separate vehicle, the terms of the contractual arrangement, and other facts or circumstances when evaluating the classification of joint arrangements.

(17) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the acquisition costs of those assets, and the exchange gains or losses of loans denoted in non-functional currencies are recorded as the adjusting amount of the aforementioned costs. Borrowing costs that are not directly attributable to qualifying assets are recorded as the acquisition costs of those assets based on the related costs calculated at the weighted average interest rate.

(18) Retirement benefits

The contribution obligation of a defined contribution plan is recognized as an expense during the period of service provided by the employee. The benefit expenses of a defined benefit pension plan are recognized as defined benefit costs in accordance with the actuarial result.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit pension plans are determined using the projected unit credit method. The service cost (including current service cost) and the net interest of the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period when they occur. Remeasurement, including actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period when it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities represent the actual deficit in the Group's defined benefit plans.

(19) Share-based payment arrangements

The fair value at the grant date of share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. It is recognized as an expense in full at the grant date if vested immediately.

The grant date of the share-based payment is the date on which both the subscription price and the number of shares for the cash capital increase have been determined and mutually agreed upon.

(20) Income tax

Income tax expense represents the sum of the current and deferred income tax.

a. Current tax

Current income tax is calculated based on the taxable income (loss) of the current year. As part of the profits or losses belong to taxable or deductible items in other reporting periods, or do not belong to taxable or deductible items, the taxable income is different from the net income reported in the statements of comprehensive income. The current income tax-related liabilities of the Group are calculated in accordance with the tax rate that has been legislated or substantively legislated at the end of the reporting period.

According to the Income Tax Law in the ROC, a surtax on unappropriated earnings is reported as Income tax expense in the year when the shareholders passed the approval of retained earnings.

b. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates and interests in joint arrangements, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which the benefits of the temporary differences can be utilized and are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. Previously unrecognized deferred tax assets are also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the Group to recover the deferred tax asset.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the liabilities will be settled or the assets will be realized, based on the tax rates (and tax laws) that have been legislated or substantively legislated at the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

c. Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except the case that they relate to items recognized in other comprehensive income or directly in equity; in such case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

(21) Earnings per share

The Group presents the basic and diluted earnings per share attributable to the Corporation's common equity holders. Basic earnings per share of the Group are calculated by dividing the profit and loss attributable to the Corporation's common equity holders by the weighted average number of outstanding common shares in the current period. Diluted earnings per share are calculated by adjusting the profit and loss attributable to the common equity holders of the Corporation and the weighted average number of outstanding common shares to the effects of all potentially dilutive securities. The Group's diluted earnings per share are calculated taking into account the convertible bonds and employee bonuses distributable through issuance of shares.

(22) Segment information

The operating segment is an integral part of the Group, engaged in business activities that may generate revenues and incur expenses (including revenues and expenses related to the transactions among other components of the Group). The operating results of all operating segments are periodically reviewed by the major operating decision-makers of the Group to make decisions on the allocation of resources to the segments and to evaluate their performance. Every operation segment has its individual financial information.

(23) Finance income and finance costs

Finance income comprises the interest income and dividend income generated from investments in financial assets, the impairment reversal gains on financial assets, the disposal gains on available-for-sale financial assets, the net gains on financial assets (liabilities) at FVTPL, and the gains on hedging instruments that should be recognized in profit or loss. Interest income is recognized as profit or loss using the effective interest method on an accrual basis. Dividend income is recognized on the date when the Group obtains the right to collect the dividend. Interest income and dividend income are presented in Other income, a component of Non-operating income and expenses, while the gains and losses on other items are recognized at net amount in Other gains and losses, a component of Non-operating income and expenses.

Finance costs comprise the interest expense of loans, interest expenses recognized over time from changes in the present value of provisions, dividends paid on preferred stock classified as liabilities (reported in interest expense), the net losses on financial assets (liabilities) at FVTPL, the impairment losses on financial assets, the disposal losses on available-for-sale financial assets, and the losses on hedging instruments that should be recognized in profit or loss. Finance costs other than interest expense are reported with relevant gains in Other gains and losses, a component of Non-operating income and expenses.

Borrowing costs that are not directly attributable to qualifying assets are recognized in profit or loss using the effective interest method.

Gains and losses on exchange are reported in net amounts in Other gains and losses, a component of Non-operating income and expenses.

5. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of the Group’s accounting policies in Note 4, the Management is required to make judgments, estimations, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period when the estimates are revised if the revisions affect only that period; alternatively, they are recognized in the period of the revisions and future periods if they affect both current and future periods.

The following is the information about the major assumptions made for the future and other major sources of uncertainty in the estimates at the end of the financial report period. These assumptions and estimates have the risk of causing significant adjustments in the carrying amounts of assets and liabilities in the next financial year.

(1) Recognition of operating income

The Group’s construction contract revenues are recognized using the percentage-of-completion method, and the percentage of completion is estimated by the proportion of the costs invested to the total estimated cost.

(2) Estimated impairment of financial assets

a. The estimated impairment of accounts receivable and investments in debt instruments is based on assumptions about risk of default and expected loss rates made by the Group, taking into consideration the Group's historical experiences as well as existing market conditions. If the actual cash flows are less than expected, a material impairment loss may arise.

b. For relevant information on the possible adjustments of the consolidated financial statements of the next period, due to the accounts receivable and other receivables to which the Group has taken corresponding legal actions, please refer to Note 6(3), Note 9(3) and Note 12.

(3) Realizability of deferred tax assets

Deferred tax assets are only recognized to the extent that it is probable that there will be sufficient taxable profits against which the benefits of the temporary differences can be utilized. Assessment of the realizability of the deferred tax assets involves subjective critical accounting judgments and estimates of the Management; thus, any change in global economic environment, industrial trends and relevant laws could result in significant adjustments in the deferred tax assets.

(4) Calculation of defined benefit obligation

The pension costs of the retirement benefit plan and the present value of defined benefit obligations are determined via actuarial valuation. The process of actuarial valuation involves various assumptions, including those for the discount rate, future salary growth, mortality rate and potential increases in future pension payments. For details of the assumptions used to evaluate pension costs and defined benefit obligations, please refer to Note 6(13).

(5) Impairment assessment of tangible, right-of use assets and intangible assets

In the course of impairment assessments, the Company determines, based on how assets are utilized and relevant industrial characteristics, the useful lives of assets and the future cash flows of a specific company of the assets. Changes in economic circumstances or the Company's strategy might result in material impairment or reversal of assets in the future.

6. Descriptions of Significant Accounting Items

(1) Cash and cash equivalents

	2025.12.31	2024.12.31
Cash and petty cash	$ 2,124	$ 3,041
Demand deposits	1,319,698	798,812
Check deposits	20	20
Time deposits	7,112	5,092
	$ 1,328,954	**$ 806,965**

Please refer to Note 12(2) for the disclosure of interest rate risk and sensitivity analysis of financial assets and liabilities of the Group.

(2) Financial assets

a. The details were as follows:

	2025.12.31	2024.12.31
Current:		
Financial assets measured at FVTPL		
Mutual funds	$ --	$ --
Financial assets measured at amortized cost		
Time deposits	1,434,999	1,395,908
Shorts-tern bills	10,000	10,041
Joint contract distribution	--	--
Total	1,444,999	1,405,949
Other financial assets		
Demand deposits	769,674	1,708,772
Joint contract distribution	250	250
Total	769,924	1,709,022
	$ 2,214,923	**$ 3,114,971**
Non-current		
Financial assets measured at amortized cost		
Time deposits	**$ --**	**$ --**

b. Other information was as follows:

	For the Years Ended December 31			
	2025		2024	
	Interest Rate Interval	Year of Maturity	Interest Rate Interval	Year of Maturity
Financial assets measured at amortized cost	0.66%～1.7%	2026	0.52%～1.725%	2025
Shorts-term bills	0.80%	2026	0.90%	2025

c. Explanations of the evaluation adjustments of the Group's investments at FVTPL were as follows:

	For the Years Ended December 31	
	2025	2024
Balance on January 1	$ --	$ --
Increase during the period	--	--
Write-off during the period	--	--
Balance on December 31	$ --	$ --

d. The Group discloses the exposures to risks of credits, foreign currencies and interest rates related to financial instruments in Note 12(2).

e. As of December 31, 2025 and 2024, the restricted prepayment account funds (listed in other financial assets) were 79,263 and 974,217 thousand dollars respectively; the purpose of the special account funds of the Corporation is restricted to pay the project costs and expenses (including equipment).

f. Please refer to Note 8 for the information regarding the Group's financial assets pledged as collateral as of December 31, 2025 and 2024.

(3) Notes receivable, accounts receivable and other receivables

a. The details were as follows:

	For the Years Ended December 31			
	2025		2024	
Notes receivable	$	42,638	$	21,461
Less: Allowance for impairment loss		(400)		(400)
		42,238		**21,061**
Account receivables:				
Account receivables for ready-mix concrete		311,369		234,968
Construction contract receivables		1,453,396		924,510
Total		1,764,765		1,159,478
Less: Allowance for impairment loss		(1,920)		(1,920)
	$	**1,762,845**	**$**	**1,157,558**
Other receivables:				
Prepayments to be receivable		26,140		68,283
Construction receivables under litigation		8,608		--
Advances and claims receivables		7,957		--
Interest receivable		3,482		1,447
Others		22,020		16,735
Total		68,207		86,465
Less: Allowance for impairment loss		(305)		(305)
	$	**67,902**	**$**	**86,160**

b. The Group's Allowance for impairment loss of accounts receivable and other receivables:

a) The loss allowances evaluated by the Group were as follows:

2025.12.31	**Not Past Due**		**Past Due Over 365 Days**		**Total**	
Gross carrying amount	$	1,875,610	$	--	$	1,875,610
Loss allowance		(2,625)		--		(2,625)
	$	**1,872,985**	**$**	**--**	**$**	**1,872,985**

2024.12.31	Not Past Due	Past Due Over 365 Days	Total
Gross carrying amount	$ 1,267,404	$ --	$ 1,267,404
Loss allowance	(2,625)	--	(2,625)
	$ 1,264,779	**$ --**	**$ 1,264,779**

b) The movements of the loss allowance of accounts receivable were as follows:

	For the Years Ended December 31	
	2025	2024
Balance on January 1	$ 2,625	$ 2,625
Add: Expected credit loss	--	--
Less: Amounts written off	--	--
Less: Reversal	--	--
Balance on December 31	**$ 2,625**	**$ 2,625**

c. The impairment recognized in loss allowance evaluation represents the difference between the carrying amount of the account receivable and the expected recovery amount. For the information related to credit risks, please refer to Note 12(2). The Group does not possess any collateral for the balance.

d. As of December 31, 2025 and 2024, none of the accounts receivable of the Group has been pledged as collateral.

(4) Inventories and construction in progress

a. Inventories & currently under construction

a) The details were as follows:

	2025.12.31	2024.12.31
Raw materials	$ 5,283	$ 3,767
Materials	3,558	2,443
Less: Allowance for obsolete inventory	--	--
	$ 8,841	**$ 6,210**

b) The inventory costs recognized as expenses by the subsidiary for the years ended December 31, 2025 and 2024, amounted to 1,128,657 thousand and 938,660 thousand dollars, respectively.

c) none of the inventories mentioned above has been pledged as collateral.

b. Construction contracts

a) The Corporation reported as Contract assets the contract consideration it has yet to obtain the unconditional right to receive, and as Contract liabilities the consideration received in advance for which the Corporation is obliged to offer construction service subsequently, as specified in the contract. As of December 31, 2025 and 2024, the details of the accounts ,please refer to Note 6(15).

b) For information on the credit risks regarding the construction retention receivables, please refer to Note 12(2).

c) Joint operations

I. The Corporation jointly contracted the port and embankment construction project of The Third Liquefied Natural Gas Terminal with PAN ASIA (ENGINEERS & CONSTRUCTORS) CO., LTD. and DREDGING INTERNATIONAL N.V. TAIWAN BRANCH (BELGIUM), in the form of joint operation. The capital contribution ratio between the Corporation and the joint contractors (respectively, PAN ASIA and DREDGING) is 40:45:15. Each of the joint contractors bears the costs incurred in proportion to its capital contribution and shares the project income and common expenses. The corporation recognizes its direct rights (and its share) to the assets, liabilities, income and expenses of the joint operation, which have been included in the applicable accounts of the financial statements.

II. The above construction project did not pass the referendum on “Three Connections Removal” on December 18, 2021. The owner will adopt an extrapolated plan and handle the contract change, but DREDGING INTERNATIONAL N.V. TAIWAN BRANCH (BELGIUM) ceased to continue to perform the contract on December 17, 2021. Accordingly, the joint contractor ratio between the Corporation and PAN ASIA (ENGINEERS & CONSTRUCTORS) CO., LTD. changed to 47.06:52.94 from that date.

III. The Corporation and PAN ASIA (ENGINEERS & CONSTRUCTORS) CO., LTD. jointly undertake the new project of the outer outline breakwater of Kwun Tong Receiving Station in the form of joint operation. The joint contractor ratio between the Corporation and the joint contractor is 73.83:26.17. Each of the joint contractors bears the costs incurred in proportion to its capital contribution and shares the project income and common expenses. The corporation recognizes its direct rights (and its share) to the assets, liabilities, income and expenses of the joint operation, which have been included in the applicable accounts of the financial statements.

(5) Refundable deposits

a.The details were as follows:

	2025.12.31	2024.12.31
Warranty deposits	$ 93,201	$ 93,627
Contract security deposits	31,896	2,616
Loans deposits	16,500	24,000
Bid bond	25,000	--
Rental deposit	12,371	14,493
Other refundable deposits	24,284	14,703
	$ 203,252	**$ 149,439**
Non-Current		
Other refundable deposits	**$ 9,035**	**$ 3,594**

b. As of December 31, 2025 , the loans deposits has been pledged as collateral for Leasing Company loans. Please refer to Note 8 for relevant information.

(6) Property, plant and equipment

a. The details of the costs, depreciation and impairment of the Group's Property, plant and equipment were as follows:

Cost or deemed cost

	Balance on January 1, 2025	Additions	Disposals	Reclassification and Others	Balance on December 31, 2025
Land	$ 1,117,031	$ 1,505	$ --	$ 289,557	$ 1,408,093
Buildings	500,347	2,212	--	39,218	541,777
Machinery	1,257,737	512,023	(11,014)	615,708	2,374,454
Miscellaneous equipment	1,028,244	52,782	(49,291)	37,632	1,069,367
Vessels	3,141,834	61,568	--	728,520	3,931,922
Other equipment	772,815	157,901	(26,875)	60,604	964,445
Leasehold improvements	74,063	31,732	--	30,860	136,655
Construction in progress	23,407	43,145	--	(60,867)	5,685
	$ 7,915,478	**$ 862,868**	**$ (87,180)**	**$ 1,741,232**	**$ 10,432,398**

Accumulated depreciation

	Balance on January 1, 2025	Additions	Disposals	Reclassification and Others	Balance on December 31, 2025
Buildings	$ 99,309	$ 20,488	$ --	$ --	$ 119,797
Machinery	371,326	202,684	(10,522)	--	563,488
Miscellaneous equipment	576,158	59,792	(40,443)	--	595,507
Vessels	426,625	308,211	--	14,595	749,431
Other equipment	279,269	92,615	(24,586)	(14,595)	332,703
Leasehold improvements	5,871	8,907	--	--	14,778
	$ 1,758,558	**$ 692,697**	**$ (75,551)**	**$ --**	**$ 2,375,704**
Net amount	**$ 6,156,920**				**$ 8,056,694**

Cost or deemed cost

	Balance on January 1, 2024	Additions	Disposals	Reclassification and Others	Balance on December 31, 2024
Land	$ 747,788	$ 2,879	$ --	$ 366,364	$ 1,117,031
Buildings	489,159	10,187	--	1,001	500,347
Machinery	1,167,297	314,031	(367,818)	144,227	1,257,737
Miscellaneous equipment	1,020,677	53,010	(56,717)	11,274	1,028,244
Vessels	1,607,834	180,762	--	1,353,238	3,141,834
Other equipment	583,274	143,420	(49,299)	95,420	772,815
Leasehold improvements	39,422	30,158	(6,252)	10,735	74,063
Construction in progress	--	394,695	--	(371,288)	23,407
	$ 5,655,451	**$ 1,129,142**	**$ (480,086)**	**$ 1,610,971**	**$ 7,915,478**

Accumulated depreciation

	Balance on January 1, 2024	Additions	Disposals	Reclassification and Others	Balance on December 31, 2024
Buildings	$ 80,430	$ 18,879	$ --	$ --	$ 99,309
Machinery	534,895	125,336	(288,905)	--	371,326
Miscellaneous equipment	570,684	54,225	(48,751)	--	576,158
Vessels	204,602	222,023	--	--	426,625
Other equipment	251,924	70,573	(43,228)	--	279,269
Leasehold improvements	2,825	4,218	(1,172)	--	5,871
	$ 1,645,360	**$ 495,254**	**$ (382,056)**	**$ --**	**$ 1,758,558**
Net amount	**$ 4,010,091**				**$ 6,156,920**

b. The land and buildings listed above include the compensation of house division, related taxes and fees from the joint construction transaction with the related party, besides, The Corporation purchase parking spaces from the related party.

c. In January 2025, the Corporation purchased land and buildings with an amount of NT$264,000 thousand in Beitou Baxian 2nd Section for the purpose of material preparation and transportation, and steel bar processing and pre-assembly.

d. Due to operational needs, the subsidiary, Ho Chang Co., plans to construct the Xizhi Plant and has purchased land and buildings located in Bao'an and Baochangkeng Sections of Xizhi District, New Taipei City, at a transaction price of NT$361,839 thousand. The lease arrangement for the previously withheld land, which had not yet been acquired, has been terminated. Pursuant to a mutual agreement, the transaction price was determined at NT$7,205 thousand, and the transfer of registration was completed in April 2025.

e. Building improvements are included in Buildings account. The significant components of Other equipment include Transportation equipment, Furniture and fixtures, Construction materials such as piers and molds for prestressed beams, all of which are depreciated in accordance with their useful lives.

f. Information about capitalization interest, please refer to Note 6(16).

g. Property, plant and equipment has been pledged as collateral for borrowings, please refer to Note 8.

(7) Lease agreement

a. Right-of-use assets

The details of the costs and depreciation of the land, buildings, machinery leased by the Group were as follows:

	Land	Buildings	Machinery	Other Equipment	Total
Cost					
Balance on January 1, 2025	**$ 280,815**	**$ 255,273**	**$ 11,273**	**$ --**	**$ 547,361**
Additions	89,864	125,425	3,597	--	218,886
Disposals	(23,121)	(7,349)	--	--	(30,470)
Reclassification	--	--	(472)	472	--
Balance on December 31, 2025	**$ 347,558**	**$ 373,349**	**$ 14,398**	**$ 472**	**$ 735,777**
Depreciation					
Balance on January 1, 2025	**$ 140,432**	**$ 37,664**	**$ 9,065**	**$ --**	**$ 187,161**
Recognition	68,600	32,392	1,943	235	103,170
Derecognition	(22,788)	(7,194)	--	--	(29,982)
Reclassification	--	--	(26)	26	--
Balance on December 31, 2025	**$ 186,244**	**$ 62,862**	**$ 10,982**	**$ 261**	**$ 260,349**
Carrying amount					
December 31, 2025	**$ 161,314**	**$ 310,487**	**$ 3,416**	**$ 211**	**$ 475,428**

	Land	Buildings	Machinery	Transportation Equipment	Total
Cost					
Balance on January 1, 2024	**$ 260,532**	**$ 175,227**	**$ 10,801**	**$ --**	**$ 446,560**
Additions	135,833	80,046	472	--	216,351
Disposals	(115,550)	--	--	--	(115,550)
Balance on December 31, 2024	**$ 280,815**	**$ 255,273**	**$ 11,273**	**$ --**	**$ 547,361**
Depreciation					
Balance on January 1, 2024	**$ 182,357**	**$ 18,982**	**$ 7,116**	**$ --**	**$ 208,455**
Recognition	73,625	18,682	1,949	--	94,256
Derecognition	(115,550)	--	--	--	(115,550)
Balance on December 31, 2024	**$ 140,432**	**$ 37,664**	**$ 9,065**	**$ --**	**$ 187,161**
Carrying amount					
December 31, 2024	**$ 140,383**	**$ 217,609**	**$ 2,208**	**$ --**	**$ 360,200**

b. Lease liabilities

The lease liabilities of the Group were as follows:

	December 31, 2025					
	Future Minimum Lease Payments		Interest		Present Value of Minimum Lease Payments	
Within 1 year	$	105,251	$	13,601	$	91,650
1 – 5 years		253,623		32,637		220,986
Later than 5 years		188,825		16,004		172,821
	$	**547,699**	**$**	**62,242**	**$**	**485,457**
Current	**$**	**105,251**	**$**	**13,601**	**$**	**91,650**
Non-current	**$**	**442,448**	**$**	**48,641**	**$**	**393,807**

	December 31, 2024					
	Future Minimum Lease Payments		Interest		Present Value of Minimum Lease Payments	
Within 1 year	$	88,267	$	9,962	$	78,305
1 – 5 years		186,298		23,755		162,543
Later than 5 years		138,846		11,005		127,841
	$	**413,411**	**$**	**44,722**	**$**	**368,689**
Current	**$**	**88,267**	**$**	**9,962**	**$**	**78,305**
Non-current	**$**	**325,144**	**$**	**34,760**	**$**	**290,384**

The amount recognized in profit or loss was as follows:

	For the Years Ended December 31			
	2025		2024	
Interest expense of lease liabilities	$	11,463	$	10,869
Expenses relating to short-term leases	$	1,141	$	7,064
Expenses relating to low-value asset leases (excluding the short-term ones)	$	1,240	$	1,323

The amount recognized in statements of cash flows was as follows:

	For the Years Ended December 31			
	2025		2024	
Total cash outflow for leases	$	110,257	$	115,262

The intervals of the discount rates of the lease liabilities were as follows:

	December 31, 2025	December 31, 2024
Land	1.94%～3.38%	1.94%～3.40%
Buildings	1.92%～3.96%	1.92%～3.42%
Machinery	3.31%	3.31%
Other equipment	2.64%	2.64%

c. Significant leasing activities and terms

The Group leases a number of land, buildings and machinery for the operating of offices, branches, staff dormitories and storage yards, and the lease terms for these assets range from 1 to 15 years. Upon the lease maturity date, the Group does not possess the rights of first refusal for these assets.

d. Others

Part of the office equipment leased by the Group is classified as short-term leases, whose terms are within 1 year, or low-value asset leases. For these leases, The Group has elected to apply the recognition exemption, and thus did not recognize right-of-use assets and lease liabilities for these leases.

(8) Investment properties-net

a. The details of the costs, depreciation and impairment of the Group's Investment properties were as follows:

Cost or deem cost：

	Opening balance	Additions	Disposals	Reclassification and Others	Ending balance
Land	$ 130,358	$ --	$ --	$ --	$ 130,358
Buildings	71,344	--	--	--	71,344
2025.12.31	$ 201,702	$ --	$ --	$ --	$ 201,702

Accumulated depreciation and impairment：

	Opening balance	Additions	Disposals	Reclassification and Others	Ending balance
Buildings	$ 3,821	$ 1,273	$ --	$ --	$ 5,094
2025.12.31	$ 3,821	$ 1,273	$ --	$ --	$ 5,094
Net	$ 197,881				$ 196,608

Cost or deem cost：

	Opening balance	Additions	Disposals	Reclassification and Others	Ending balance
Land	$ 130,358	$ --	$ --	$ --	$ 130,358
Buildings	71,344	--	--	--	71,344
2024.12.31	$ 201,702	$ --	$ --	$ --	$ 201,702

Accumulated depreciation and impairment：

	Opening balance	Additions	Disposals	Reclassification and Others	Ending balance
Buildings	$ 2,547	$ 1,274	$ --	$ --	$ 3,821
2024.12.31	$ 2,547	$ 1,274	$ --	$ --	$ 3,821
Net	$ 199,155				$ 197,881

b. The investment properties are compensation of house division, related taxes and fees from the joint construction transaction with the related party, besides, The Corporation purchase parking spaces from the related party; The land and buildings listed above had been traded in 2021 at a fair value.

c. Investment properties is not measured at fair value, but only discloses information about its fair value; and as of December 31, 2025 and 2024 the fair value of Investment properties was 233,042 and 219,954 thousand dollars which is based on the evaluation results using the comparison method and the income method. of independent evaluation experts.

d. Rental benefit：

	For the Years Ended December 31	
	2025	2024
Rental income	$ --	$ --
Direct operating expenses-- No rental income generated in the current period	(2,439)	(2,390)
Net	$ (2,439)	$ (2,390)

e. Collateral

As of December 31, 2025 and 2024 , the investments properities has been pledged as collateral, please refer to Note 8.

(9) Prepayments for land and equipment

a. The details were as follows:

	December 31,2025	December 31,2024
Prepayments for equipment	$ 922,263	$ 575,362
Prepayments for land	968,933	533,280
	$ 1,891,196	$ 1,108,642

b. Due to regulatory restrictions or other reasons, the land is temporarily held under the name of a related party. Relevant safeguarding procedures have been completed. The Corporation will proceed with the title transfer once the land is reclassified for specific business use or upon completion of construction and the receipt of the occupancy permit. Accordingly, the amount is recorded under prepaid land payments, as detailed in Note 7.

c. Information about capitalization interest, please refer to Note 6(16).

d. Please refer to Note 8 for the information regarding the above land was pledged as collateral.

(10) Financial liabilities and loans

a. The details on the amount, terms and provisions of the loans were as follows:

	December 31, 2025		
	Interest Rate Interval	Year of Maturity	Amount
Collateralized loans	2.22%～3.80%	2026～2044	$ 2,325,963
Non-collateralized loans	2.975%～3.95106%	2026～2029	791,860
Short-term notes and bills payable	2.102%～2.83%	2026	299,477
Leasing Company Guaranteed loans	3.75%～5.3017%	2026～2030	303,636
			$ 3,720,936
Recognized as:			
Current			
Short-term loans			$ 1,854,142
Short-term notes and bills payable			299,477
Long-term loans - current portion			129,867
Long-term notes payable - current portion			68,934
Non-current			
Long-term loans			1,133,814
Long-term notes payable			234,702
			$ 3,720,936

	December 31, 2024			
	Interest Rate Interval	Year of Maturity	Amount	
Collateralized loans	2.22%～3.848%	2025～2044	$	1,935,270
Non-collateralized loans	2.975%～3.93577%	2025～2027		167,200
Short-term notes and bills payable	1.55%～2.81%	2025		318,885
Leasing Company Guaranteed loans	3.75%～3.87%	2025～2026		90,564
			$	**2,511,919**
Recognized as:				
Current				
Short-term loans			$	944,994
Short-term notes and bills payable				318,885
Long-term loans - current portion				92,969
Long-term notes payable - current portion				83,496
Non-current				
Long-term loans				1,064,507
Long-term notes payable				7,068
			$	**2,511,919**

b. Due to the need for construction guarantees and operating funds, the Corporation entered a joint credit contract arranged by Mega bank in April, 2020, which is for the guarantee of contract security, guarantee of advance payments and mid-term loans, with the amounts limited to 440,000, 810,000 and 400,000 thousand dollars, respectively.

Within the duration of this case, the Corporation shall maintain the following financial indicators, which are reported in the annual and semiannual consolidated financial statements verified/audited by the auditors:

a)	Current ratio	≧ 100%
b)	Debt ratio	≦ 250%
c)	Time interest earned	≧ 2
d)	Total equity	＞ 1,900,000 thousand dollars

The financial indicators mentioned above are reviewed semiannually. If any of the indicators fails to meet the corresponding requirement, the interest rates will increase by 0.1% from the day after the end of the reporting period to the day before the requirement is met again. As of December 31, 2025, part of the financial indicators of the Corporation did not meet the requirements; therefore, the Group will pay for the guarantee fees of 2,757 thousand .

c. In May 2022, due to the need for working capital, the Corporation signed a loan contract with the Land Bank, with an amount of 100,000 thousand dollars. The

Corporation made a written commitment to ensure that its related matters such as environmental protection, pollution prevention, and waste disposal were in compliance with relevant laws and regulations at all times. During the continuation of this case, if any violation of the above-mentioned relevant laws and regulations (based on the Corporation ′s listed pollution projects listed on the website of the Environmental Protection Administration), the interest rate of the loan should be increased by 0.01%.

d. Due to the need for construction working capital and guarantees, the Corporation signed a joint credit contract arranged by Mega bank in April 2023, which is for the guarantee of contract security, guarantee of advance payments and mid-term loans, with the limit to 935,000, 4,110,000 and 500,000 thousand dollars, respectively.

Within the duration, the mandated leader arranger will review the following financial indicators semiannually:

a)	Current ratio	≧ 80% (Between 2024 to 2026) ≧ 100% (Since 2027)
b)	Debt ratio	≦ 250% (Between 2024 to 2026) ≦ 200% (Since 2027)
c)	Time interest earned	≧ 2
d)	Total equity	≧ 1,900,000 thousand dollars

The financial indicators base on the annual and semiannual financial statements verified/audited by the auditors. Since semiannual financial statement of 2023. ((a) and (b) will be reviewed since 2024 annual report), if any of the indicators fails to meet the corresponding requirement, the interest rates will increase by 0.05% from the date after the end of the reporting period or interest lift date or guarantee fee paid date to the day before the requirement is met again.

e. Due to the need for construction working capital and guarantees, the Corporation signed a joint credit contract arranged by Chang Hwa Bank in September 2023, which is for the guarantee of contract security and construction working capital, with the limit to 695,000 and 2,305,000 thousand dollars, respectively.

Since annual report date of 2024, the Corporation shall maintain the following financial indicators:

a)	Debt ratio	≦ 350% (Between 2024 to 2027) ≦ 250% (Since 2028)
b)	Time interest earned	≧ 2
c)	Total equity	≧ 2,600,000 thousand dollars

The financial indicators base on the annual and semiannual financial statements verified/audited by the auditors. If any of the indicators fails to meet the corresponding requirement, it dose not be regard as Breach of contract, the interest rates will increase by 0.05% from the date after the end of the reporting period or interest lift date or guarantee fee paid date to the day before the requirement is met again.

f. Due to the need for construction working capital and guarantees, the Corporation signed a joint credit contract arranged by Mega bank in December 2024, which is for the guarantee of contract security, guarantee of advance payments and mid-term loans, with the limit to 819,000, 2,744,000 and 2,500,000 thousand dollars, respectively.

Within the duration, the mandated leader arranger will review the following financial indicators semiannually:

a)	Debt ratio	≦ 250%
b)	Time interest earned	≧ 2
c)	Total equity	≧ 5,000,000 thousand dollars

The financial indicators base on the annual and semiannual financial statements verified/audited by the auditors. Since semiannual financial statement of 2025. If any of the indicators fails to meet the corresponding requirement, it dose not be regard as Breach of contract, the interest rates will increase by 0.05% from the date after the end of the reporting period or interest lift date or guarantee fee paid date to the day before the requirement is met again.

g. Due to the need for construction working capital and guarantees, the Corporation signed a contract by Far Eastern Bank in February 2025, which is for the short-term comprehensive and medium-term guarantee credit cases, with the limit to 50,000 and 150,000 thousand dollars, respectively.

Within the duration, the mandated leader arranger will review the following financial indicators semiannually:

a)	Debt ratio	≦ 350% (Between 2024 to 2027)
		≦ 250% (Since 2028)
b)	Time interest earned	≧ 2
c)	Total equity	≧ 5,500,000 thousand dollars

The financial indicators base on the annual and semiannual financial statements verified/audited by the auditors. Since semiannual financial statement of 2025. If any of the indicators fails to meet the corresponding requirement, it dose not be regard as Breach of contract, the interest rates will increase by 0.05% from the date after the end of the reporting period or interest lift date or guarantee fee paid date to the day before the requirement is met again.

h. Due to the need for construction working capital and guarantees, the Corporation signed a joint credit contract arranged by Taiwan Cooperative Bank in June 2025, which is for the guarantee of contract security, guarantee of advance payments and mid-term loans, with the limit to 800,000, 1,500,000 and 2,200,000 thousand dollars, respectively.

Within the duration, the mandated leader arranger will review the following financial indicators semiannually:

d) Debt ratio ≦ 250%
e) Time interest earned ≧ 2
f) Total equity ≧ 5,000,000 thousand dollars

The verification of financial ratios is base on the Corporation's annual and semiannual financial statements verified/audited by the auditors. Since semiannual financial statement of 2025. If any of the indicators fails to meet the corresponding requirement, the borrower shall remedy the deficiency through a cash capital increase account or by other means. Furthermore, a one-time compensation fee equivalent to six months' charge, calculated at an annual rate of 0.05% on the credit balance as of the inspection date, shall be paid. Under such circumstances, the shortfall shall not be deemed an event of default.

i. The details of short-term notes and bills payable not yet matured:

Guarantees/Paying Agent	Par value	Discount	Net	Rate
TCB /TDCC	$ 100,000	$ 12	$ 99,988	2.102%
IBFC /TDCC	100,000	157	99,843	2.50%
Mega Bills /TDCC	50,000	292	49,708	2.60%
Mega Bills /TDCC	50,000	62	49,938	2.83%
	$ 300,000	$ 523	$ 299,477	

Guarantees/Paying Agent	Par value	Discount	Net	Rate
CBF /TDCC	$ 100,000	$ 234	$ 99,766	1.55%
IBFC /TDCC	120,000	439	119,561	2.30%
Mega Bills /TDCC	100,000	442	99,558	2.81%
	$ 320,000	$ 1,115	$ 318,885	

j. The details of notes payable of the leasing loans were as follows:

	2025.12.31			
Item	Notes Period	Notes Payable	Discount	Net
Repurchase after sale	2024.01.11~2026.01.11	$ 3,870	$ 10	$ 3,860
Guaranteed loans	2024.01.11~2026.01.11	3,215	7	3,208
Repurchase after sale	2025.05.05~2030.05.05	63,441	6,659	56,782
Guaranteed loans	2025.06.10~2030.06.10	45,371	3,912	41,459
Repurchase after sale	2025.10.18~2029.09.18	38,417	3,461	34,956
Guaranteed loans	2025.01.05~2030.12.05	63,408	6,037	57,371
Repurchase after sale	2025.01.05~2029.12.05	61,054	5,054	56,000
Repurchase after sale	2025.01.24~2030.12.24	55,950	5,950	50,000
		334,726	31,090	303,636
Less：current portion		(80,912)	(11,978)	(68,934)
Net		$ 253,814	$ 19,112	$ 234,702

	2024.12.31			
Item	Notes Period	Notes Payable	Discount	Net
Repurchase after sale	2024.01.11~2026.01.11	$ 50,313	$ 883	$ 49,430
Guaranteed loans	2024.01.11~2026.01.11	41,795	661	41,134
		92,108	1,544	90,564
Less：current portion		(85,023)	(1,527)	(83,496)
Net		$ 7,085	$ 17	$ 7,068

k. In June 2024, the Corporation applied for a medium- to long-term loan facility in the amount of NT$336,760 thousand. The loan has a term of 60 months and bears interest at a floating rate. The principal will be repaid upon maturity or upon completion of the building construction, at which time it will be reclassified as a "Long-term secured loan – real estate collateral." The drawdown amount was used for the purchase of land located in Guanxin Section, Guanyin District, Taoyuan City, which is recorded under prepaid land payments.

l. The subsidiary, Ho Chang Co., applied for financing from Taiwan Cooperative Bank for the construction of the Guanyin Plant, including the purchase of land, construction of the plant, and acquisition of machinery and vehicles. The total credit facility for medium- to long-term loans amounts to NT$336,000 thousand, with credit terms ranging from 2 to 7 years and interest calculated based on a floating rate. Of this amount, NT$225,000 thousand is a long-term secured loan with a credit period from January 15, 2020 to January 15, 2038. Interest is payable monthly for the first two years, and from the third year onward, the loan is repaid in 192 equal monthly installments of principal and interest.

m. In July 2024, the subsidiary, Ho Chang Co., applied for a long-term secured loan of NT$285,110 thousand from Changhua Commercial Bank for purchasing land in Baoan Section and Baochangkeng Section of New Taipei City. The loan period is 20 years (including a grace period of 3 years), with floating interest rates and monthly payments. Starting from the 37th month, the principal will be evenly amortized in 204 months.

n. For the information on the Group's exposures to interest rate and liquidity risk, please refer to Note 12(2). For the information on the pledged assets, please refer to Note 8.

o. As of December 31, 2025 and 2024, the loan quotas yet to be used by the Group are 16,802,903 and 4,587,917 thousand dollars, respectively.

(11) Other payables

The details were as follows:

	December 31, 2025	December 31, 2024
Salary expense	$ 423,007	$ 353,491
Remuneration of employees	57,743	80,306
Remuneration of directors and supervisors	21,965	54,231
Interest expense	6,171	3,327
Accounts payable for equipment	164,981	58,225
Payable for securities settlement	41,969	--
Sales tax payable	15,045	34,726
Insurance payable	27,878	33,945
Accounts payable for shipping costs	8,412	12,374
Accounts payable for repair and maintenance fees	41,796	42,460
Accounts payable for professional fees	8,989	5,703
Overtime pay payable	12,339	10,967
Employment Service payable	9,483	8,741
Miscellaneous purchases payable	9,625	9,263
Pension payable	10,379	8,083
Vessel staging fee payable	15,191	33,166
Others	88,602	57,790
	$ 963,575	$ 806,798

(12) Provision

a. The details were as follows:

	For the Years Ended December 31	
	2025	2024
Opening balance	$ 142,186	$ 59,663
New liability provisions for the current period	94,810	143,835
Liability reverse used in the current period	(87,205)	(61,312)
Ending balance	$ 149,791	$ 142,186

b. The Group adopted the IFRS 15 for onerous contracts, when the future payment exceed the revenue expected to be earned , the provision for onerous contracts should be evaluate according to IAS 37"Provisions, Contingent Liabilities and Contingent Assets".

(13) Retirement benefit plans

a. Defined benefit plan

a) The Group adopted the defined benefit plan under the Labor Standards Law, under which pension benefits are calculated on the basis of the length of service (base number) and the average monthly salaries of the six months before retirement. The Group contributed an amount equal to 4% of salaries and wages paid each month to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. In addition, the contribution rate has been increased from 4% to 8% since October, 2018.

b) The expenses regarding defined benefit plans for the years ended December 31, 2025 and 2024, are recognized as administrative expenses and operating costs, the details of which were as follows:

	For the Years Ended December 31	
	2025	2024
Operating costs	$ 60	$ 106
Administrative expenses	527	449
	$ 587	**$** 555

c) The amount of Remeasurement of Net defined benefit liabilities (assets) recognized in other comprehensive income was as follows:

	2025	2024
Balance on January 1	$ (76,779)	$ (75,084)
Remeasurement of Net defined benefit liabilities (assets)	1,325	(1,695)
Balance on December 31	$ (75,454)	$ (76,779)

d) The reconciliation of the present value of defined benefit obligation and the fair value of plan assets was as follows:

	2025.12.31	2024.12.31
Present value of defined benefit obligation	$ 149,272	$ 143,762
Fair value of plan assets	(114,689)	(100,696)
Net defined benefit liability	34,583	43,066
Unrecognized prior service costs	--	--
Net amount	$ 34,583	$ 43,066
Amount recognized as defined benefit assets	**$ 660**	**$ 518**
Amount recognized as defined benefit liabilities	**$ 35,243**	**$ 43,584**

The details of the present value of defined benefit obligation were as follows:

	For the Years Ended December 31	
	2025	2024
Balance on January 1	$ 143,762	$ 132,866
Current service cost	--	--
Net interest expense	1,465	1,176
Remeasurement of net defined benefit liabilities (assets)		
Actuarial (gain) loss - changes in financial assumptions	1,629	4,104
Actuarial (gain) loss - changes in demographic assumptions	--	--
Actuarial (gain) loss – experience adjustments	4,531	5,815
Payments for defined benefit obligation		
Paid by the Group	--	--
Paid from plan assets	(2,115)	(199)
Balance on December 31	**$ 149,272**	**$ 143,762**

The details of the fair value of the plan assets were as follows:

	For the Years Ended December 31	
	2025	2024
Balance on January 1	$ 100,696	$ 84,766
Interest income	877	618
Return on plan assets	7,484	8,057
Contributions from the employer	7,747	7,454
Benefits paid	(2,115)	(199)
Balance on December 31	**$ 114,689**	**$ 100,696**

e) As of December 31, 2025, the Group plans to contribute 2,487 thousand dollars to the defined benefit plans by the end of 2026.

f) The weighted-average duration of the defined benefit obligation was as follows:

	2025.12.31	2024.12.31
The Corporation	5.8 years	6.44 years
Ho Chang International Contractor Co., Ltd.	9.1 years	10.9 years
Hong Chang Infrastructure Technology CO., LTD.	4.0 years	4.9 years

g) The major classes of the plan assets and the proportion of their fair values to the plan assets' total fair value are stated as follows:

	2025.12.31	2024.12.31
Cash	12.00	14.40
Short-term notes	3.00	5.50
Government bonds, bank debentures, corporate bonds and securitized assets	8.00	7.40
Stocks and beneficiary certificates (including futures)	12.00	11.60
Foreign investments	8.00	8.30
Domestic outsourcing	14.00	11.60
Foreign outsourcing	43.00	41.20
	100.00	100.00

The actual returns on the plan assets in 2025 and 2024 were 8,362 and 8,675 thousand dollars, respectively. The employee pension fund is entirely deposited in the Bank of Taiwan's trust department. The expected rate of return of the plan assets is determined mainly based on the actuary's estimation of the yield to maturity of government bond within the duration of the defined benefit obligation, taking into consideration the trends of historical return, the prediction of the market where the assets are invested, the details of how the pension fund monitoring committee manages the pension fund, and the lower bound of return rate, which is the two-year time deposit rates of the local banks.

Actuarial assumptions:

Discount rate	**2025.12.31**	**2024.12.31**
The Corporation	1.20%	1.50%
Ho Chang International Contractor Co., Ltd.	1.38%	1.50%
Hong Chang Infrastructure Technology Co., Ltd.	1.30%	1.50%
Future expected rate of salary increase		
The Corporation	3.50%	3.50%
Ho Chang International Contractor Co., Ltd.	2.75%	2.75%
Hong Chang Infrastructure Technology Co., Ltd.	2.75%	2.75%

Changes of 0.25% in the discount rate will lead to the following impacts on the defined benefit obligation:

	For the Years Ended December 31			
	2025		**2024**	
	Increase	**Decrease**	**Increase**	**Decrease**
Impact on defined benefit obligation	$ 1,436	$ 1,404	$ 1,552	$ 1,513

Changes of 0.25% in the rate of salary increase will lead to the following impacts on the defined benefit obligation:

	For the Years Ended December 31			
	2025		**2024**	
	Increase	**Decrease**	**Increase**	**Decrease**
Impact on defined benefit obligation	$ 1,460	$ 1,435	$ 1,532	$ 1,502

h) The historical information on the experience adjustments was as follows:

	2025.12.31	**2024.12.31**
Present value of defined benefit obligation at the end of the period	$ 149,272	$ 143,762
Fair value of plan assets at the end of the period	(114,689)	(100,696)
Deficit of the defined benefit plan at the end of the period	$ 34,583	$ 43,066
Actuarial gains or losses on defined benefit obligation arising from experience	$ 4,531	$ 5,815
Actuarial gains or losses on changes in assumption of defined benefit obligation		
Actuarial gains or losses on changes in financial assumptions	$ 1,629	$ 4,104
Experience gains or losses on plan assets	$ 7,484	$ 8,057

b. Defined contribution plan

The Group adopted the pension plan under the Labor Pension Act (the "LPA"), which is a state-managed defined contribution plan. According to the LPA, the Group is obliged to contribute an amount no less than 6% of the salaries of employees to the labor pension accounts. The Group makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages, in compliance with the LPA.

The details of the amounts recognized as the expenses of defined contribution plan by the Group were as follows:

	For the Years Ended December 31	
	2025	**2024**
Operating costs	$ 48,424	$ 38,494
Selling expense	160	140
Administrative expenses	8,374	5,932
	$ 56,958	**$** 44,566

(14) Equity

a. Ordinary shares (Amounts in NT$)

a) As of December 31, 2025 and 2024, the total authorized capital stock of the Corporation is NT$7,000,000,000 and NT$5,000,000,000, and the total paid-in capital amounts to NT$5,323,839,610 and NT$4,200,290,270, respectively. Every share is entitled to the right to vote and to receive dividends.

b) On May 29, 2025, the Annual General Meeting of Shareholders of the Corporation resolved to capitalize retained earnings in the amount of NT$773,549,340, and on August 13, 2025, the Financial Supervisory Commission of the Executive Yuan approved the proposal. The Corporation issued 77,355 thousand common shares, with a par value of NT$10 per share. The related registration procedures were completed on September 26, 2025.

c) On December 20, 2024, the Board of Directors of the Corporation resolved to proceed with a cash capital increase by issuing 35,000 thousand common shares, with a par value of NT$10 per share. The shares were issued at a premium price of NT$58.10 per share, with February 19, 2025, as the record date for the capital increase. The related registration procedures were completed on March 4, 2025. In addition, in accordance with Article 267 of the Company Act, the Corporation has reserved 15% of the newly issued shares for employee subscription and recognized labor costs of NT$133,665,000 as of the grant date.

d) On September 23, 2024, the Extraordinary General Meeting of Shareholders of the Corporation resolved to capitalize retained earnings in the amount of NT$892,975,090, and on September 26, 2024, the Financial Supervisory Commission of the Executive Yuan approved the proposal. The Corporation issued 89,298 thousand common shares, with a par value of NT$10 per share. The related registration procedures were completed on November 14, 2024.

e) On April 30, 2024, the Annual General Meeting of Shareholders of the Corporation resolved to capitalize retained earnings in the amount of NT$332,477,303, and on May 6, 2024, the Financial Supervisory Commission of the Executive Yuan approved the proposal. The Corporation issued 33,248 thousand common shares, with a par value of NT$10 per share. The related registration procedures were completed on June 19, 2024.

f) On March 28, 2024, the Board of Directors of the Corporation resolved to proceed with a cash capital increase by issuing 60,000 thousand common shares, with a par value of NT$10 per share. The shares were issued at a premium price of NT$33 per share, with June 21, 2024, as the record date for the capital increase. The related registration procedures were completed on July 22, 2024. In addition, in accordance with Article 267 of the Company Act, the Corporation has reserved 10% of the newly issued shares for employee subscription, and recognized labor costs of NT$63,360,000 as of the grant date.

g) As of December 31, 2025, each capital increase of the Corporation over the years has been approved and registered by the competent authority. The relevant information on the sources of funding was as follows:

	Amount (NT$)
Registered capital upon establishment	$ 24,000,000
Capital increase in cash	1,985,000,000
Capital increase by retained earnings capitalization	2,933,528,300
Capital transferred from capital surplus	103,652,700
Conversion of convertible bonds	344,868,610
Capital reduction by retirement of treasury shares	(67,210,000)
	$ 5,323,839,610

b. Capital surplus

	December 31,2025	December 31,2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital		
Issuance of Shares and Conversion of Convertible Bonds	$ 3,083,252	$ 1,399,752
Treasury Stock Transactions	12,099	12,099
Expired Warrants	32,011	16,735
Other	1,423	1,303
May not be used for any purpose		
Employee share options	169,541	51,152
	$ 3,298,326	$ 1,481,041

Under Company Act, the capital surplus generated from donations and the excess of the issuance price over the par value of capital stock (including the stock issued for new capital, mergers and convertible bonds) may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or stock dividends in proportion to each shareholder's shareholding ratio. Moreover, according to the Securities and Exchange Act, the amount of capital surplus transferred to capital must not exceed 10% of the paid-in capital each year. The capital surplus shall not be used for recovery of deficit of the capital, unless the earned surplus reserve has been fully used for the recovery of deficit.

c. Distribution of profits

a) On August 6, 2024, the Board of Directors of the Corporation proposed an amendment to the Articles of Incorporation, stipulating that the distribution of earnings or the allocation of losses may be carried out after the end of each semi-annual accounting period. If earnings are distributed in cash, the Board of Directors shall resolve the matter in accordance with Articles 228-1 and 240, Paragraph 5 of the Company Act and report to the shareholders' meeting. If the distribution is made through the issuance of new shares, it shall be submitted for approval at the shareholders' meeting before the distribution. The amendment to the Articles of Incorporation was approved by the Extraordinary General Meeting of Shareholders held on September 23, 2024.

b) According to the Corporation's amended Articles of Incorporation regarding the profit distribution policy, if there is a profit at the end of the fiscal year, after paying taxes and compensating accumulated losses, 10% shall be allocated to the legal reserve. However, if the legal reserve has reached the Corporation's paid-in capital, no further allocation is required. The remaining profits will be allocated or reversed into special reserves in accordance with applicable laws and regulations. If there is any remaining balance, it, together with the accumulated undistributed earnings, will be submitted by the Board of Directors for a profit distribution proposal to be approved by the shareholders' meeting. The Corporation operates in a mature and stable industry, and the dividend policy takes into account factors such as investment funding needs, financial structure, and profits. The proportion of cash dividends shall not be less than 10% of the total dividends proposed to be distributed for the year. The Corporation's policy on employee and director/supervisor compensation distribution is detailed in Note 6(17).

c) The interim earnings distribution plan for the first half of 2025, as approved by the Board of Directors on August 14, 2025, was as follows:

	For the First Half of 2025	
	Amount (in thousnd)	Dividends Per Share (NT$)
Stock dividends	$ --	$ --
Cash dividends	$ 266,192	$ 0.5

d) The 2024 interim earnings distribution plan approved in the board of Annual general meeting on May 29, 2025 and in the board of extraordinary general meeting on September 23, 2024 were as follows:

	For the Second Half of 2024		For the First Half of 2024	
	Amount (in thousnd)	Dividends Per Share (NT$)	Amount (in thousnd)	Dividends Per Share (NT$)
Stock dividends	$ 773,549	$ 1.7	$ 892,975	$ 2.7
Cash dividends	$ 136,509	$ 0.3	$ 99,219	$ 0.3

e) The Company's profit distribution plan for 2023 was as follows:

	For the Year Ended December 31,2023	
	Amount (in thousnd)	Dividends Per Share (NT$)
Stock dividends	$ 332,478	$ 1.4
Cash dividends	$ 94,994	$ 0.4

f) For the information on the profit-distribution plan proposed by the board of directors and the corresponding resolution of the shareholders' meeting, please visit the Market Observation Post System (MOPS), the information-disclosing website launched by Taiwan Stock Exchange (TWSE).

d. Treasury shares

a) To safeguard the Company's credit standing and shareholders' interests, the Board of Directors approved, on November 13, 2025, a share repurchase program in accordance with the relevant provisions of the Securities and Exchange Act. As of December 31, 2025, the Company had repurchased a total of 2,359 thousand shares of its own stock, with an aggregate cost of NT$143,139 thousand.

b) According to the Securities and Exchange Act, a company's repurchase of its outstanding shares must not exceed ten percent of the total issued shares. Additionally, the total amount spent on repurchasing shares must not exceed the sum of retained earnings, share premium, and realized capital surplus.

c) According to the Securities and Exchange Act, the treasury stocks held by the Group shall not be pledged and shall not be entitled to the rights of shareholders before they are transferred.

(15) Operating revenue

a. The details were as follows:

	For the Years Ended December 31	
	2025	**2024**
Concrete sales revenue	$ 1,247,577	$ 1,014,729
Less: sales allowance	(237)	(147)
Construction contract revenue	10,577,154	11,403,136
Rent revenue	14,171	13,420
	$ 11,838,665	**$ 12,431,138**

b. The relevant information on Revenues from contracts was as follows:

a) Classified by the timing of revenue recognition

	For the Years Ended December 31, 2025		
	Construction Segment	**Concrete Segment**	**Total**
Engineering service revenue	$ 10,577,154	$ --	$ 10,577,154
Rent revenue	14,171	--	14,171
Sales of goods	--	1,247,340	1,247,340
	$ 10,591,325	$ 1,247,340	$ 11,838,665

	For the Years Ended December 31, 2025		
	Construction Segment	**Concrete Segment**	**Total**
At a specific point in time	$ --	$ 1,247,340	$ 1,247,340
Gradually recognized over time	10,591,325	--	10,591,325
	$ 10,591,325	$ 1,247,340	$ 11,838,665

	For the Years Ended December 31, 2024		
	Construction Segment	**Concrete Segment**	**Total**
Engineering service revenue	$ 11,403,136	$ --	$ 11,403,136
Rent revenue	13,420	--	13,420
Sales of goods	--	1,014,582	1,014,582
	$ 11,416,556	$ 1,014,582	$ 12,431,138

	For the Years Ended December 31, 2024		
	Construction Segment	Concrete Segment	Total
At a specific point in time	$ --	$ 1,014,582	$ 1,014,582
Gradually recognized over time	11,416,556	--	11,416,556
	$ 11,416,556	$ 1,014,582	$ 12,431,138

b) Contract balances

	For the Years Ended December 31	
	2025	2024
Construction contract receivables (Note 6(3))	$ 1,453,396	$ 924,510
Contract assets - current		
Construction retention receivable	$ 1,098,046	$ 1,324,988
Construction contract receivables	2,503,165	1,784,546
	$ 3,601,211	$ 3,109,534
Contract liabilities - current		
Construction contract payables	$ 1,517,883	$ 2,495,165
Pre-mixed concrete contract payables	70,764	143,939
	$ 1,588,647	$ 2,639,104

I. Contract assets – current

	Opening Balance	Ending Balance	Difference
Construction contracts	$ 3,109,534	$ 3,601,211	$ 491,677

II. Contract liabilities – current

	Opening Balance	Ending Balance	Difference
Construction contracts	$ 2,495,165	$ 1,517,883	$ (977,282)
Pre-mixed concrete contract payables	$ 143,939	$ 70,764	$ (73,175)

(I) The changes in the balance of contract assets and contract liabilities primarily result from the timing difference between the Corporation's satisfaction of performance obligations (namely, the recognition of revenue, including the recognized costs and profits (losses)) and the customer's corresponding payment). As of the balance sheet date, the Corporation did not yet have an unconditional right to receive the contract consideration, resulting in an increase in contract assets for the year 2025. As revenue was recognized when the performance obligations were satisfied for advance payments received under the contract, contract liabilities decreased for the year 2025.

(II) The Group recognized 10,577,154 thousand dollars of construction contract revenue, since it has satisfied the contract obligations.

(III) Contract consideration allocated to contract obligations yet to be fulfilled: As of December 31, 2025, the total transaction price of the Company's outstanding performance obligations was 105,764,519 thousand, which will be gradually recognized as revenue with the completion of construction projects such as bridges, MRT, and social housing. It was completed from 2026 to 2035.

(16) Non-operating income and expense

a. Interest income

	For the Years Ended December 31	
	2025	**2024**
Interest of bank deposits	$ 27,665	$ 22,093
other	694	1,473
	$ 28,359	$ 23,566

b. Other income

	For the Years Ended December 31	
	2025	**2024**
Rent revenue income	$ 1,306	$ 1,200
Other income -litigation Fee (Note)	107,849	--
Other income -machinery subsidy	2,564	11,803
Other income - others	17,875	10,788
	$ 129,594	**$ 23,791**

Note: Income from litigation judgments related to the new social housing projet on the north side of Central New Village, Xindian District, and the Airport MRT Project (Contract CE01C).

c. Other gains and losses

	For the Years Ended December 31	
	2025	**2024**
Gain on disposal and retirement of property, plant and equipment, net	$ 26,827	$ 32,857
Loss on foreign exchange, net	(2,196)	--
Lease Modification Benefit	22	--
Depreciation expense of Investment properties	(1,273)	(1,274)
Others(Note)	(1,846)	(11,348)
	$ 21,534	**$ 20,235**

Note：For the year 2024, it includes a settlement amount of NT$8,000 thousand related to a work safety accident in maritime engineering.

d. Finance costs

	For the Years Ended December 31	
	2025	2024
Interest expense		
Bank loans	$ 75,068	$ 51,733
Leasing company Financing	4,632	3,971
Short-term notes and bills payable	3,774	3,952
Lease liabilities	11,463	10,869
Others	134	264
Financial expense	2,471	860
Less：Capitalized interest	(17,055)	(7,180)
	$ 80,487	**$ 64,469**

Capitalized interest related information is as follows:

	For the Years Ended December 31	
	2025	2024
Rate	2.64%～4.08%	3.24%～3.44%

(17) Employee benefits, depreciation, depletion and amortization expenses

a. Depreciation and amortization:

	For the Years Ended December 31	
	2025	2024
Property, plant and equipment	$ 692,697	$ 495,254
Right-of-use asset	103,170	94,256
Investment properties	1,273	1,274
Intangible asset	1,971	1,083
Total	$ 799,111	$ 591,867
An analysis of depreciation by function		
Operating costs	$ 754,153	$ 561,560
Operating expenses	41,714	27,950
Other profit and loss	1,273	1,274
Total	$ 797,140	$ 590,784
An analysis of amortization by function		
Operating costs	$ 597	$ 484
Operating expenses	1,374	599
Total	$ 1,971	$ 1,083

b. Employee benefit expenses

	For the Years Ended December 31	
	2025	2024
Post-employment benefits		
Defined benefit plans (Note6(13))	$ 587	$ 555
Defined contribution plans (Note6(13))	56,958	44,566
	57,545	45,121
Short-term benefits (Note)	2,243,907	1,911,370
Total	$ 2,301,452	$ 1,956,491
An analysis of employee benefits expense by function		
Operating costs (Note)	$ 1,985,775	$ 1,685,078
Operating expenses (Note)	315,677	271,413
Total	$ 2,301,452	$ 1,956,491

Note : For the year 2025, it includes the labor costs associated with the cash capital increase reserved for employee subscription, with NT$112,533 thousand classified under operating costs and NT$21,132 thousand classified under operating expenses. For the year 2024, it includes the labor costs associated with the cash capital increase reserved for employee subscription, with NT$48,977 thousand classified under operating costs and NT$14,383 thousand classified under operating expenses.

c. Short-term compensated absences liabilities

The accrued liabilities regarding compensated absences for the years ended December 31, 2025 and 2024, are respectively 83,008 thousand and 68,072 thousand dollars.

d. Employees’ compensation and remuneration of directors and supervisors

a) According to the Corporation’s Articles, the Corporation accrues compensation of employees and remuneration of directors and supervisors at rates of 3% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors and supervisors, provided that the Corporation has recovered all of the accumulated losses.

b) For the years ended December 31, 2025 , the Corporation estimated its employee remuneration amounting to $53,467 thousand,and the directors’ remuneration amounting to $17,822 thousand, respectively. If there is any change in the amounts after the annual consolidated financial statements are authorized for issue, the difference is recorded as a change in the accounting estimate and recognized as an adjustment in the next fiscal year.

c) For the years ended December 31, 2024 , the Corporation estimated its employee remuneration amounting to $78,224 thousand,and the directors' remuneration amounting to $52,149 thousand, respectively. For the years ended December 31, 2023 , the Corporation estimated its employee remuneration amounting to $18,183 thousand,and the directors' remuneration amounting to $12,122 thousand, respectively. Which resolution was approved by the Company's Board of Directors in its meeting and it was no difference with financial report.

d) For the information on Employees' compensation and remuneration of directors and supervisors, please visit the Market Observation Post System (MOPS), the information-disclosing website launched by Taiwan Stock Exchange (TWSE).

(18) Income taxes

a. The reconciliation of the income tax calculated from pre-tax income at statutory tax rate and the income tax expense was as follows:

	For the Years Ended December 31	
	2025	2024
Income tax calculated from pre-tax income at statutory tax rate	$ 366,752	$ 517,403
Adjustments for		
Permanent difference	1,779	2,149
Temporary difference	(1,971)	23,616
Surtax on unappropriated earnings	--	--
Less: Investment deduction	--	--
Loss deduction	(283)	--
Carry forward of unused tax losses	--	--
Income tax expense recognized in profit or loss	$ 366,277	$ 543,168

b. The details of income tax expense were as follows:

	For the Years Ended December 31	
	2025	2024
Income tax expense for the current period		
In respect of the current year	$ 366,277	$ 543,168
Adjustments for prior years	--	--
Deferred gain		
The origination and reversal of temporary differences	--	--
Income tax expense	$ 366,277	$ 543,168

c. The changes in current income tax assets and liabilities recognized on the balance sheets for the current period were as follows:

	2025.12.31	2024.12.31
Current tax assets, opening balance	$ 5,073	$ 5,436
Current tax liabilities, opening balance	(488,264)	(107,977)
Income tax expense	(366,277)	(543,168)
Approved tax refunds	--	(5,436)
Income tax paid	641,687	167,954
Current tax assets, ending balance	(5,073)	(5,073)
Current tax liabilities, ending balance	$ (212,854)	$ (488,264)

d. Income tax expenses recognized by the Group in other comprehensive income for the fiscal years 2025 and 2024 are 0 thousand dollars.

e. The analysis of net deferred income tax assets and liabilities was as follows:

	2025.12.31	2024.12.31
Recognized as deferred tax assets (liabilities)		
Shares of operating revenue of associates and joint ventures	$ 320	$ 337
Allowance for bad debts in excess of limit	375	375
Unrealized construction losses	29,958	28,437
Unrealized expense	3,038	6,633
Unrealized depreciation expense	234	132
	33,925	35,914
Less: Taxable losses estimated to be non-deductible	(33,925)	(35,914)
Amount recognized as deferred tax assets (non-current)	**$ --**	**$ --**

f. The tax authorities have examined income tax returns of the Corporation and Ho Chang International Contractor Co., Ltd. for the years ended 2023, and neither does not owe any tax; Hong Chang Infrastructure Technology Co., Ltd. was approved for establishment at fiscal year 2024. The income tax returns have not yet been examined by the tax authorities.

(19) Earnings per share

a. Basic EPS

Basic earnings per share of the Group are calculated by dividing the profit and loss attributable to the parent company's common equity holders by the weighted average number of outstanding common shares in the current period.

b. Diluted EPS

Diluted earnings per share are calculated by adjusting the profit and loss attributable to the common equity holders of the parent company and the weighted average number of outstanding common shares to the effects of all potentially dilutive securities.

c. The details of EPS were as follows:

	For the Year Ended December 31, 2025		
	After-tax Amount	Number of Outstanding Shares (in thousands)	EPS (NT$)
Consolidated basic EPS			
Net income available to common shareholders of the parent company	$ 1,414,893	526,746	$ 2.69
Consolidated diluted EPS			
Effect of potentially dilutive ordinary shares			
Bonuses issued to employees	--	301	
Net income available to common shareholders of the parent, adjusted for the effect of potentially dilutive ordinary shares	$ 1,414,893	527,047	$ 2.68

	For the Year Ended December 31, 2024		
	After-tax Amount	Number of Outstanding Shares (in thousands)	EPS (NT$)
Basic EPS			
Net income available to common shareholders of the parent company	$ 2,017,813	449,422	$ 4.49
Diluted EPS			
Effect of potentially dilutive ordinary shares			
Bonuses issued to employees	--	1,093	
Net income available to common shareholders of the parent, adjusted for the effect of potentially dilutive ordinary shares	$ 2,017,813	450,515	$ 4.48

d. Weighted average number of common shares outstanding (in thousands)

	2025.1.1～12.31	2024.1.1～12.31
Common shares outstanding, beginning (Note)	491,434	402,280
Effect in cash capital increase (Note)	35,453	47,142
Effect of treasury shares held	(141)	--
	526,746	449,422

Note：For the first half of 2025, the Corporation distributed earnings in the form of stock dividends, amounting to NT$1.7 per share, and for the year 2024, the Corporation distributed earnings in the form of stock dividends, with NT$1.40 per share for the first half and NT$2.70 per share for the second half. As a result, the weighted average number of outstanding common shares for 2024 was retrospectively adjusted to 402,280 thousand shares. The impact of the stock dividends distributed from the earnings for the first half of 2025 and second half of 2024 on the cash capital increase has also been retrospectively adjusted retroactively.

7. Related Party Transactions

(1) Names and relationships of the related parties

Name	Relationship to the Group
FENG XIN DEVELOPMENT & INVESTMENT CO., LTD.	The Investor of the Corporation using the equity method
TAICHANG MARITIME ENERGY TECHNOLOGY CO., LTD.	Related party in substance
CHIANG, CHENG-CHIN	The Company's chairman
HUANG, CHUNG-LEA	The Company's general manager
CHENG, FU-WEN	An in-law of the Company's Chairman

(2) Operating transactions

a. Office rental from related party - Feng Xin Development & Investment Co., Ltd.：

	Right-of-use asset	Interest	Lease liabilities
	2025.12.31	For the years ended December 31,2025	2025.12.31
2022.6.1～2037.5.31	$ 85,967	$ 2,656	$ 90,339
2025.6.1～2031.5.31	$ 116,133	$ 960	$ 114,092
2024.10.1～2034.9.30	$ 25,696	$ 733	$ 26,447
2024.9.1～2034.8.31	$ 21,926	$ 628	$ 22,761

	Right-of-use asset	Interest	Lease liabilities
	2024.12.31	For the years ended December 31,2024	2024.12.31
2022.6.1～2027.5.31	$ 93,496	$ 2,820	$ 96,203
2024.10.1～2034.9.30	$ 28,633	$ 64	$ 28,900
2024.9.1～2034.8.31	$ 24,456	$ 55	$ 24,894

Note: The amount of rent and the payment method, specified in the rent agreement mentioned above, were negotiated by both parties. The amounts of deposit as of December 31, 2024 and 2023, was 4,243 and 2,372 thousand dollars.

b. Project contracting (For the years ended December 31, 2024：None)

	2025.12.31		
	Total contract price (excluding tax)	Construction costs (recognized for the current period)	Cumulative costs incurred and recognized to date
TAICHANG MARITIME ENERGY TECHNOLOGY CO., LTD.	$ 63,106	$ --	$ --

Construction contracts between the Group and related parties are awarded under terms and conditions consistent with those applicable to third parties, following evaluation, negotiation, and approval by authorized management. In accordance with the contracts, performance guarantee notes amounting to NT$6,626 thousand were obtained.

c. Prepayments for land

As of December 31, 2025, part of the Group’s land is temporarily held under the name of a related party. The details are as follows :

	2025.12.31	2024.12.31
CHIANG, CHENG-CHIN	$ 358,586	$ 250,735
HUANG, CHUNG-LEA	283,195	250,735
CHENG, FU-WEN	76,811	--
	$ 718,592	$ 501,470

(3) Remuneration of the major members of the Management

	For the Years Ended December 31	
	2025	**2024**
Short-term employee benefits	$ 93,750	$ 112,658
Retirement benefits	1,987	1,591
	$ 95,737	**$ 114,249**

For detailed information on the major members of the Management, please refer to the Group’s annual report.

8. Pledged Assets

The details of the assets pledged as collateral or for security of the Group were as follows:

Name of the Asset	Object Pledged as Collateral	2025.12.31	2024.12.31
Demand deposits and reserve accounts	Bank loan	$ 156,747	$ 150,100
Demand deposits and reserve accounts	Warranty and guarantee of construction performance、Advance payment bond	533,664	584,455
Short-term bills	Short-term notes and bills payable	10,000	10,041
Time deposits	Bank loan、Short-term notes and bills payable	50,890	28,560
Time deposits	Warranty and guarantee of construction performance、Advance payment bond	1,384,109	1,367,348
Refundable deposits	Warranty and guarantee of construction performance、Bid security	166,597	120,243
Property, plant and Equipment (including prepayments of land)	Bank loan, Equipment Financing	3,146,186	2,364,324
Investment properties	Bank loan	196,608	197,881
		$ 5,644,801	**$ 4,822,952**

9. Significant Contingent Liabilities and Unrecognized Contractual Commitments

(1) As of December 31, 2025, construction contracts entered into between the Group and related parties, please refer to Note 7. The total amount of construction contracts signed with non-related parties by the Corporation was NT$22,573,842 thousand dollars, and the accumulated payments made by the Corporation amounted to NT$6,764,306 thousand.

(2) As of December 31, 2025, the guaranteed notes issued by the Group for bank loans, material purchases and construction guarantees amounted to NT$4,341,040 thousand.

(3) As of December 31, 2025, the Group had outstanding unused letters of credit issued for the purchase of equipment amounting to NT$53,476 thousand.

(4) Litigations and other contingencies

Litigation cases arising from the construction of the port facilities and reclamation works for the Third Liquefied Natural Gas (LNG) Receiving Terminal, which were jointly undertaken by the Corporation and other contractors (hereinafter collectively referred to as "the Team").

a. Chau-Hsen Enterprise Co., Ltd. ("Chau-Hsen") provided maritime labor services for the construction of this project. Due to Chau-Hsen's inability to perform its contractual obligations and significant differences in the interpretation of the parties' rights and obligations following the termination of the contract, Chau-Hsen filed a lawsuit with the District Court in December 2022, claiming that the Team should refund project payments totaling NT$240,620 thousand, of which NT$113,236 thousand pertains to the Corporation. The case is currently under litigation.

b. In November 2024, the Team filed a lawsuit with the District Court against Jun Yi Engineering Co., Ltd. ("Jun Yi") regarding the recovery of prepaid project funds. In May 2025, Jun Yi filed a counterclaim in the same proceedings, demanding that the Team pay NT$119,632 thousand, of which NT$56,299 thousand pertains to the Corporation. The case is currently under litigation.

10. Significant Losses from Disasters: None

11. Significant Subsequent Events:

a. The actual period of the Corporation's share repurchase was from November 14, 2025 to January 13, 2026. A total of 3,842 thousand shares, at an average repurchase price of NT$61.47 per share, with an aggregate cost of NT$236,152 thousand. The actual number of shares repurchased, 3,842 thousand shares, was lower than the planned repurchase quantity of 10,000 thousand shares. This was due to the Corporation's consideration of safeguarding shareholders' interests while taking into account market conditions. The repurchases were executed in tranches based on fluctuations in share price and trading volume; accordingly, the repurchase program was not fully completed.

b. With respect to the treasury shares repurchased as described above, the Board of Directors resolved on March 10, 2026 to proceed with a capital reduction through the cancellation of such shares, and set March 13, 2026 as the record date for the capital reduction.

12. Others

(1) Capital risk management

The Group's fundamental goals of capital management are to maintain a high credit rating and healthy capital ratios to support the Group's operation and the maximization of the shareholders' equity. The capital management strategy of the Group in 2024 is consistent with those in prior years.

The Management regularly reviews the capital structure and considers the costs and risks involved in different capital structures. The Group adjusts the amount of debt according to the progress of construction and the funds required for operation, and adjusts the overall capital structure through means such as the issuance of new shares.

(2) Financial instruments

a. Information on the fair values of the financial instruments

	2025.12.31	2024.12.31
Financial assets		
Financial assets at fair value through profit or loss	**$ --**	**$ --**
Financial assets at amortized cost		
Cash and cash equivalents	$ 1,328,954	$ 806,965
Financial assets at amortized cost	1,444,999	1,405,949
Notes receivable	42,238	21,061
Accounts receivable (including construction retention receivable)	2,860,891	2,482,545
Other receivables	79,945	86,160
Refundable deposits (including due within one year)	212,287	153,033
Other financial assets	769,924	1,709,022
	$ 6,739,238	**$ 6,664,735**

	2025.12.31	2024.12.31
Financial liabilities		
Short-term loans	$ 1,854,142	$ 944,994
Short-term notes and bills payable	299,477	318,885
Notes payable	162,755	245,139
Accounts payable	2,706,982	2,146,104
Other payables	963,575	806,798
Deposit received (other current liabilities and other non-current liabilities)	55,499	54,727
Long-term loans (including the current portion)	1,263,681	1,157,476
Long-term notes payable (including the current portion)	303,636	90,564
	$ 7,609,747	**$ 5,764,687**
Lease liabilities (including due within one year)	**$ 485,457**	**$ 368,689**

b. Information on the fair values

a) Techniques and assumptions adopted in the process of fair value measurement

The fair value of a financial instrument refers to the price at which a willing buyer and seller trade the instrument. The methods and assumptions adopted by the Group for the estimation of the fair values of financial assets and liabilities were as follows:

I. The fair values of cash and cash equivalents, receivables, payables and other current liabilities approximately equal their carrying amounts due to their short terms to maturity.

II. The fair values of financial assets and liabilities traded in active markets with standardized terms and conditions are determined by reference to the market quotation.

III. The fair values of financial derivatives are determined using the public quotations. When public quotations are not available, the fair values of non-option financial derivatives are calculated by discounting the cash flows using the yield curves applicable in their durations. The fair values of options, on the other hand, are calculated using option pricing models.

b) Levels of fair values

The definitions of different levels of fair values are as follows:

I. Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

II. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

III. Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table presents the Group's financial assets and liabilities measured at fair value on a recurring basis:

2025.12.31	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets at FVTPL	$ --	$ --	$ --	$ --

2024.12.31	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets at FVTPL	$ --	$ --	$ --	$ --

Except for those mentioned above, the fair values of other financial assets and liabilities measured at amortized cost are approximately equal to their carrying amounts.

c. Natures of significant financial risks and the Group's exposure to the risks

a) Market risk

Market risk refers to the risk arising from changes in market quotations of exchange rate and interest rate, causing the Group's profits or the values of financial instruments held to fluctuate. The objectives of market risk management are to control the extent of the exposure to market risk within an affordable range and to optimize the return on portfolio simultaneously.

I. Exchange rate risk

The construction projects contracted by the Group consist primarily of domestic public construction, and the materials are acquired primarily from the domestic market as well. Therefore, the Group is not exposed to significant exchange rate risk.

II. Interest rate risk

Interest rate risk refers to the risk arising from changes in market interest rate, leading to volatility in the fair values or future discounted cash flows of financial instruments. The Group's exposure to interest rate risk pertains primarily to floating-rate loans. If interest rates had been 1% higher and all other variables were held constant, the influence would have been as follows:

	2025.12.31	**2024.12.31**
Profit or loss	$ 57,498	$ 40,633

b) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations, resulting in financial losses to the Group. The Group's exposure to credit risk pertains primarily to accounts receivable and other receivables.

<u>Accounts receivable and other receivables</u>

I. The Group is mainly engaged in the contracting business of governmental public constructions and other projects from other entities with superior reputation. In addition, the Group's business units manage the clients' credit risks in compliance with the Group's relevant policies, procedures and internal controls. The evaluation of a client's credit risk takes into consideration the client's financial position, historical transactions, as well as current economic situation. The Group utilizes certain credit enhancement instruments, such as advance receipts, at appropriate times to mitigate the credit risk of specific customers. The Group supervises its exposure to credit risks and the credit ratings of its counterparties on a continuous basis.

II. The Group applies the simplified approach in IFRS 9, estimating the loss allowance for receivables according to lifetime expected credit losses. When calculating the lifetime expected credit loss, the Group determines the expected credit loss rate, taking into consideration both current conditions and individual customer's characteristics, and recognizes 100% loss allowance for the receivables later than 365 days past due without other credit guarantees.

III. Individual risk assessment

The Group has set up an allowance for bad debt account to reflect the impairment loss and bad debt expense recognized from the estimation of the losses incurred for accounts receivable, other receivables, overdue receivables and investments. Except for the following cases, significant doubts about the recoverability of assets do not exist, and thus exposures to credit risk are not significant.

i. Regarding accounts receivable, the allowance for bad debts was assessed and recognized on an individual basis for cases such as delayed payments due to the owner's financial issues and special scenarios that payments were frozen by the owner.

ii. Jun Yi Engineering Co., Ltd ("Jun Yi) undertook maritime labor services for the construction of the third liquefied natural gas (LNG) reception terminal and associated reclamation works, in collaboration with the Corporation and other contractors (hereinafter referred to as "the Team"). The Team made an advance payment in accordance with the contract and requested corresponding collateral from Junyi. However, due to Junyi's inability to fulfill its contractual obligations, the Team terminated the contract with Junyi in November 2023 and issued a demand letter requesting the return of the unfulfilled advance payment amounting to NT$57,215 thousand (of which NT$26,925 thousand pertains to the Corporation), recorded under other receivables. In addition to the court-ordered enforcement of the collateral provided by Junyi in May 2024, the Team filed a lawsuit in November 2024 with the District Court, which is currently under review. Subsequently, Jun Yi filed a counterclaim in the same procedure with the District Court, seeking payment of construction costs and other related claims. See Note 9(3)

iii. The Group possesses preference shares of THE CHINESE BANK CO., LTD., who suffers from a significant financial crisis. Hence, impairment loss was recognized in full of the principals and interest. THE CHINESE BANK CO., LTD. is currently in the process of liquidation.

iv. The Group has assessed and recognized relevant allowance for bad debts for the overdue receivables due to the client's lack of liquidity.

IV. The credit policy of the Group in the fiscal year 2025 is consistent with that in the fiscal year 2024. Please refer to Note 6(3) for details of impairment loss.

Short-term bills

The Corporation's investments in short-term bills are with financially stable institutions, which are considered to have minimal credit risk, as there are no concerns regarding the fulfillment of contractual obligations.

c) Liquidity risk

The Group manages its financial flexibility using cash and cash equivalents, collection of construction contract revenues and contracts such as bank borrowings, and finances its operations by maintaining adequate cash and cash equivalents. The following table summarized the maturity of the payments stated in the Group's financial liability contracts. The Group ensures that sufficient funds are available to cover the due liabilities, so that unaffordable loss will not occur and damages the Group.

2025.12.31	**Carrying Amount**	**Contractual Cash Flow**	**Less than 1 Year**	**1-3 Years**	**More than 3 Years**
Short-term loans	$ 1,854,142	$ (1,901,486)	$ (1,901,486)	$ --	$ --
Short-term notes and bills payable	299,477	(300,000)	(300,000)	--	--
Notes payable	162,755	(197,668)	(197,668)	--	--
Accounts payable	2,706,982	(3,271,698)	(2,777,719)	(356,865)	(137,114)
Other payables	963,575	(984,118)	(984,118)	--	--
Long-term loans (including the current portion)	1,263,681	(1,440,051)	(164,725)	(350,355)	(924,971)
Long-term notes payable (including the current portion)	303,636	(334,725)	(80,911)	(218,916)	(34,898)
Lease liabilities (including due within one year)	485,457	(547,699)	(105,251)	(149,382)	(293,066)
	$ 8,039,705	$ (8,977,445)	$ (6,511,878)	$ (1,075,518)	$ (1,390,049)

2024.12.31	Carrying Amount	Contractual Cash Flow	Less than 1 Year	1-3 Years	More than 3 Years
Short-term loans	$ 944,994	$ (968,489)	$ (968,489)	$ --	$ --
Short-term notes and bills payable	318,885	(320,000)	(320,000)	--	--
Notes payable	245,139	(245,139)	(245,139)	--	--
Accounts payable	2,146,104	(2,146,104)	(1,771,983)	(243,303)	(130,818)
Other payables	806,798	(806,798)	(806,798)	--	--
Long-term loans (including the current portion)	1,157,476	(1,341,394)	(124,253)	(242,820)	(974,321)
Long-term notes payable (including the current portion)	90,564	(92,107)	(85,022)	(7,085)	--
Lease liabilities (including due within one year)	368,689	(400,890)	(85,975)	(102,814)	(212,101)
	$ 6,078,649	$ (6,320,921)	$ (4,407,659)	$ (596,022)	$ (1,317,240)

The Group does not expect that the time points at which cash flows occur in the maturity analysis will advance significantly or that the actual amounts will differ significantly.

(3) Policies of financial risk management

The main objectives of the Group's financial risk management are to manage market risk, credit risk and liquidity risk related to operating activities and to identify, evaluate and manage the aforementioned risks in accordance with the Group's policies and risks.

The Group has established suitable policies, procedures and internal control for the aforementioned financial risk management in accordance with relevant regulations. Under the policies, all significant financial activities must be reviewed by the board of directors in accordance with relevant regulations and internal control systems. During the execution of the financial management activities, the Group must comply with the established regulations concerning financial risk management.

13. Supplementary Disclosures

(1) Significant Transactions and Relevant Information

a. Financings provided: None

b. Endorsement/guarantee provided: None

c. Marketable securities held (excluding investments in subsidiaries and associates): See Table 1 attached

d. Total purchases from or sales to related parties of at least NT$100 million or 20% of the paid-in capital: See Table 2 attached

e. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: See Table 3 attached

(2) Information on Investees

a. Information on the investees over which the Group directly or indirectly exercises significant influence or controls: See Table 4 attached

b. Intercompany relationships and significant intercompany transactions: See Table 5 attached

(3) Information on Investments in Mainland China: None

14. Segment Information

(1) General information and the evaluation of segment information

The Group consists of the following two reportable segments:

a. Construction segment, which is mainly engaged in the contracting business of civil engineering projects, and

b. Concrete segment, which is mainly engaged in the manufacturing and selling business of ready-mix concrete.

The segment information of the Group and the internal management report offered to the operating decision makers are prepared in a consistent manner. The operating decision makers are in charge of allocating resources to operating segments and evaluating their performances. The board of directors is identified as the decision maker of the Corporation and the subsidiary.

(2) Information on segment revenues, assets and liabilities

a. The analyses of the revenues and operating results of the Group's operating units by reportable segment were as follows:

	2025.1.1～12.31			
	Construction Segment	**Concrete Segment**	**Adjustments and Write-offs**	**Total**
Revenues from clients other than the parent company and the subsidiary	$ 10,591,325	$ 1,247,340	$ --	$ 11,838,665
Segment from the parent company and the subsidiary	480,886	907,929	(1,388,815)	--
Net revenue	$ 11,072,211	$ 2,155,269	$ (1,388,815)	$ 11,838,665
Segment profit or loss	$ 1,752,982	$ 161,264	$ --	$ 1,914,246
Gains or losses on investments				--
General income and expenses				--
Interest expense				(80,487)
Pre-tax income of operating units				$ 1,833,759

	2024.1.1～12.31			
	Construction Segment	**Concrete Segment**	**Adjustments and Write-offs**	**Total**
Revenues from clients other than the parent company and the subsidiary	$ 11,416,556	$ 1,014,582	$ --	$ 12,431,138
Segment from the parent company and the subsidiary	53,055	727,581	(780,636)	--
Net revenue	$ 11,469,611	$ 1,742,463	$ (780,636)	$ 12,431,138
Segment profit or loss	$ 2,563,333	$ 88,150	$ --	$ 2,651,483
Gains or losses on investments				--
General income and expenses				--
Interest expense				(64,469)
Pre-tax income of operating units				$ 2,587,014

b. The revenues reported above were the external revenues reported to the chief operating decision maker, prepared in the same manner as the revenues in the income statement.

c. Segment assets and liabilities

Since the assessed amount of the Group's assets and liabilities are not offered to the chief operating decision maker, the assessed amount is zero.

(3) Information on the adjustments of segment profit or loss

Since the amount of segment profit or loss is identical with the amount reported in the financial statements, no adjustment is required.

(4) Information on major customers

Major customers representing at least 10% of net revenue:

	2025.1.1～12.31		2024.1.1～12.31	
Name	**Amount**	**% of Revenue**	**Amount**	**% of Revenue**
CPC Co., Ltd.	$ 3,936,906	33.25 %	$ 6,636,541	53.39 %
Taipei City Government	3,449,447	29.14 %	1,827,800	14.70 %
Freeway Bureau, Ministry of Transportation and Communications	1,451,363	12.26 %	1,533,020	12.33 %
	$ 8,837,716	**74.65 %**	**$ 9,997,361**	**80.42 %**

HWANG CHANG GENERAL CONTRACTOR CO., LTD.

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND SOOCIATES)

FOR THE YEAR ENDED DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Marketable securities	Relationship with the securities issuer	Financial statement account	Ending				Note
				Number of shares(Board lot)	Book value	Ownership(%)	Fair value	
Hong Chang Infrastructure Technolgy CO., LTD.	Short-term bills： 105 CGBs 4 A05104	--	Financial assets at amortized cost-current	--	10,000	--	--	Collaterals pledged for borrowings

TABLE 2

HWANG CHANG GENERAL CONTRACTOR CO., LTD.

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Nature of Relationships	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable	
			Purchases / Sales	Amount	% to Total	Payment Terms	Abnormal Transaction	Notes/Accounts Payable or Receivable	Ending Balance	% to Total
Hwang Chang General Contractor Co., Ltd.	Ho Chang International Contractor Co., Ltd.	Subsidiaries	Purchases	908,607	9.44%	Net 60 days from the 20th day after the month of when invoice is issued Cash payments on the 30th day after the month of when invoice is issued	--	Net 60 days end of month or payments depending on the Corporation's funding conditions	Notes payable 34,914 Accounts payable 350,127	13.42%
Hwang Chang General Contractor Co., Ltd.	Hong Chang Infrastructure Technolgy CO., LTD.	Subsidiaries	Purchases	541,337	5.62%	Payment within 30 days after receiving payment from the owner	--	--	Accounts payable 214,591	7.48%

Note: The amount has been offset during the preparation of consolidated financial statements.

TABLE 3

HWANG CHANG GENERAL CONTRACTOR CO., LTD.

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Nature of Relationships	Ending Balance	Turnover Days	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Ho Chang International Contractor Co., Ltd.	Hwang Chang General Contractor Co., Ltd.	Subsidiaries	Notes receivable 34,914	2.54%	--	--	34,914 (Note 1)	--
			Accounts receivable 353,095		--	--	241,079 (Note 1)	--
Hong Chang Infrastructure Technolgy CO., LTD.	Hwang Chang General Contractor Co., Ltd.	Subsidiaries	Accounts receivable (including construction retention receivable) 214,591	4.03%	--	--	183,147 (Note 1)	--

Note 1: The amounts are the received amounts as of March 6, 2026.

Note 2: The amounts have been offset during the preparation of consolidated financial statements.

HWANG CHANG GENERAL CONTRACTOR CO., LTD.

INFORMATION ON THE INVESTEES OVER WHICH THE CORPORATION DIRECTLY OR INDIRECTLY EXERCISES SIGNIFICANT INFLUENCE OR CONTROL FOR THE YEAR ENDED DECEMBER 31, 2025 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2025			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2025	December 31, 2024	Shares	Percentage of Ownership	Carrying Amount			
Hwang Chang General Contractor Co., Ltd.	Ho Chang International Contractor Co., Ltd.	Taipei, Taiwan	Manufacturing of ready mixed concrete	70,106	81,431	23,781,143	49.00%	334,372	102,074	50,021	See Note
Hwang Chang General Contractor Co., Ltd.	Hong Chang Infrastructure Technolgy CO., LTD.	Taipei, Taiwan	Soil-retaining & Supporting and Earthworks	360,000	45,000	36,000,000	90.00%	362,179	5,370	4,833	See Note

Note: The amount of investment in subsidiaries over which the Corporation exercises control has been offset during the preparation of consolidated financial statements.

TABLE 5

HWANG CHANG GENERAL CONTRACTOR CO., LTD.

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Company Name	Counterparty	Nature of Relationship (Note 1)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets
0	The Corporation	Ho Chang International Contractor Co., Ltd.	2	Purchases	907,929	Note 2	7.67 %
0	The Corporation	Ho Chang International Contractor Co., Ltd.	2	Notes payable	34,914	Note 2	0.17 %
0	The Corporation	Ho Chang International Contractor Co., Ltd.	2	Accounts payable	350,127	Note 2	1.73 %
0	The Corporation	Ho Chang International Contractor Co., Ltd.	2	Accrued expenses	189	--	0.00 %
0	The Corporation	Ho Chang International Contractor Co., Ltd.	2	Prepayment for purchases	190,894	Note 4	0.93 %
0	The Corporation	Ho Chang International Contractor Co., Ltd.	2	Deposits received	319,557	Note 4	1.56 %
0	The Corporation	Ho Chang International Contractor Co., Ltd.	2	Other receivables	460	--	0.00 %
0	The Corporation	Ho Chang International Contractor Co., Ltd.	2	Rent income	209	Note 4	0.00 %
0	The Corporation	Ho Chang International Contractor Co., Ltd.	1	Realized gross profit	85	Note 2	0.00 %
0	The Corporation	Hong Chang Infrastructure Technolgy CO., LTD.	2	Contract Project	480,886	Note 3	4.06 %
0	The Corporation	Hong Chang Infrastructure Technolgy CO., LTD.	2	Accounts payable	214,591	Note 3	1.05 %
0	The Corporation	Hong Chang Infrastructure Technolgy CO., LTD.	2	Other receivables	873	--	0.00 %
0	The Corporation	Hong Chang Infrastructure Technolgy CO., LTD.	2	Prepayment for purchases	189,524	Note 4	0.93 %
0	The Corporation	Hong Chang Infrastructure Technolgy CO., LTD.	1	Rent income	6,158	Note 4	0.05 %

Note 1: No. 1 represents the transactions from the parent company to the subsidiary. No. 2 represents the transactions from the subsidiary to the parent company.

Note 2: The purchases mentioned above were made on general terms and conditions for purchase, via the procedures of evaluation, negotiation and supervisory approval. The payment terms are 60 days End of Month and Net Monthly Account or depending on the Corporation’s funding conditions.

Note 3: The purchases mentioned above were made on general terms and conditions for purchase, via the procedures of evaluation, negotiation and supervisory approval. The payment t shall be made within 30 days upon receipt of the corresponding proceeds from the project owner.

Note 4: According to the contract or mutual agreement.

Note 5: The amounts have been offset during the preparation of consolidated financial statements.