

Formosan Rubber Group Inc.
and Subsidiaries
Consolidated Financial Statements
For the Years Ended December 31,2024 and 2023
With Independent Auditors' Report

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

REPRESENTATION LETTER

The Companies required to be included in the combined financial statements of Formosan Rubber Group Inc. as of and for the year ended December 31, 2024, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standards No. 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements. Consequently, Formosan Rubber Group Inc. and Subsidiaries do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

Formosan Rubber Group Inc.

By

HSU, ZHEN-TSAI

Chairperson

March 11, 2025

INDEPENDENT AUDITORS' REPORT

NO.00111130ECA

The Board of Directors and Shareholders

Formosan Rubber Group Inc.

Opinion

We have audited the accompanying consolidated financial statements of Formosan Rubber Group Inc. and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, 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 Formosan Rubber Group Inc. and its subsidiaries as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 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 Formosan Rubber Group Inc. and its subsidiaries in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. 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 Formosan Rubber Group Inc. and its subsidiaries' consolidated financial statements for the year ended December 31, 2024 are stated as follows:

Valuation of Net Realizable Value of Real Estate For Sale

Summary of key issues for auditing

As of December 31, 2024, the value of real estate for sale on the consolidated balance sheet was NT\$ 2,580,665 thousand primarily reflective of the cost with completed properties and land held for sale. These items accounted for approximately 17% of the consolidated total assets. Please refer to Notes 4, 5 and 10 of the consolidated financial statements for detailed information. Formosan Rubber Group Inc. uses the lower of the cost or net realizable value for the valuation of real estate for sale. As the valuation of real estate for sale is subject to the effects of the cycle in the real estate market and the changes of the government policy and the determination of net realizable values for real estate for sale requires major judgment and estimates, it was listed as one of the audit priorities this year.

Audit procedures

The audit procedures were carried out by CPAs as follows:

1. Acquisition of the data concerning the company's assessment of lower of the costs and net realizable value;
2. Random inspection of the ownership documents for the properties held for sale, in order to validate the integrity of the assessment;
3. Random inspection of the data concerning the estimated selling price and the sale records of the most recent period, so as to determine the basis and reasonability of the management's estimate of net realizable value.

Impairment of Property Investments

Summary of key issues for auditing

As of December 31, 2024, the value of property investments on the consolidated balance sheet was NT\$ 3,201,214 thousand accounting for approximately 21% of the consolidated total assets. Please refer to Notes 4, 5 and 15 of the consolidated financial statements for detailed information. Management complies with IAS 36 "Impairment of Assets" by evaluating whether there are any signs indicating the investment properties may be impaired on each balance sheet date. Given the numerous assumptions involved, and the high uncertainty of accounting estimates, it was listed as one of the audit priorities this year.

Audit procedures

The audit procedures were carried out by CPAs as follows:

1. Acquisition of the data concerning the company's assessment of asset impairments according to cash generating units;

2. Assessment of the reasonability of the management's identification of impairment signs, assumptions and estimates used, such as the division of cash generating units, forecasting of cash flows, the appropriateness of the discount rate.

Other Matter – Reference to the Audit Report from Other Independent Auditor

The financial statements of Formosan Construction Corp., an investee with investments accounted for using equity method for the year 2024, were audited by another independent auditor. Hereby our opinion on the consolidated financial statements, insofar as it relates to the investments accounted for using equity method and their share of other comprehensive income, is based solely on the audit report of the other auditor.

As of December 31, 2024, the carrying amount of the investments accounted for using equity method in the aforementioned investee was NT\$91,332 thousand, constituting 0.6% of the consolidated total assets. The share of other comprehensive income recognized as of December 31, 2024, was NT\$13,436 thousand, constituting 1.19% of the total consolidated other comprehensive income.

Other Matters –Issuance of Audit Report of Parent Company's Financial Statements

We have also audited the parent company only financial statements of Formosan Rubber Group Inc. as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including members of the Audit Committee) are responsible for overseeing Formosan Rubber Group Inc. and its subsidiaries' financial reporting process.

Auditors' 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 the Standards on Auditing of 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 that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Formosan Rubber Group Inc. and its subsidiaries' internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Formosan Rubber Group Inc. and its subsidiaries' 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 Formosan Rubber Group Inc. and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Formosan Rubber Group Inc. and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

BAKER TILLY CLOCK & CO.

March 11, 2025

Notes to Readers

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

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

Formosan Rubber Group Inc. and Its Subsidiaries

Consolidated Balance Sheet

Dec. 31, 2024 and 2023

Unit: In Thousands of NTD

Assets	Note	Dec. 31, 2024		Dec. 31, 2023	
Accounting item		Amount	%	Amount	%
Current assets					
Cash and cash equivalents	6	\$ 710,696	5	\$ 648,132	5
Financial assets at fair value through profit or loss-current	7	37,400	—	64,635	1
Financial assets at fair value through other comprehensive income - current	8	5,660,690	38	4,934,692	35
Notes receivable, net	9	23,825	—	38,804	—
Accounts receivable, net	9	119,295	1	100,762	1
Other receivables		38,603	—	50,961	—
Inventories	10	174,732	1	181,618	1
Inventories-Construction Industry	10	2,580,665	17	2,771,492	19
Prepayments		37,521	—	54,562	—
Other financial assets-current	11	743,135	5	711,296	5
Other current assets-other		1,055	—	973	—
Total current assets		10,127,617	67	9,557,927	67
Non-current assets					
Financial assets at fair value through other comprehensive income - non-current	8	743,504	5	821,967	6
Investments accounted for using equity method	12	148,721	1	127,642	1
Property, plant and equipment	13	725,526	5	747,845	6
Right-of-use assets	14	23,387	—	30,989	—
Investment property, net	15	3,201,214	21	2,847,586	20
Deferred tax assets	27	79,985	1	55,178	—
Prepayments for equipment		6,078	—	18,017	—
Refundable deposits		51,970	—	57,050	—
Other financial assets - non-current	11	20,000	—	20,000	—
Other non-current assets, others		211	—	633	—
Total non-current assets		5,000,596	33	4,726,907	33
Total assets		\$ 15,128,213	100	\$ 14,284,834	100

(The attached notes constitute a part of the consolidated financial statements.)

Formosan Rubber Group Inc. and Its Subsidiaries

Consolidated Balance Sheet (Continued)

Dec. 31, 2024 and 2023

Unit: In Thousands of NTD

Liabilities & equity	Note	Dec. 31, 2024		Dec. 31, 2023	
Accounting item		Amount	%	Amount	%
Current liabilities					
Short-term borrowings	16	\$ 1,075,000	7	\$ 1,140,000	7
Short-term notes and bills payable	18	149,807	1	189,881	2
Contract liabilities	10、21	6,049	—	—	—
Notes payable		75,506	1	81,599	1
Accounts payable		29,704	—	34,185	—
Other payables		127,348	1	133,006	1
Current tax liabilities		40,981	—	35,261	—
Lease liabilities-current	14	7,415	—	7,648	—
Long-term borrowings, current portion	17	198,000	2	—	—
Other current liabilities		18,628	—	18,155	—
Total current liabilities		1,728,438	12	1,639,735	11
Non-current liabilities					
Deferred tax liabilities	27	191,905	1	170,946	2
Non-current lease liabilities	14	16,650	—	24,065	—
Net defined benefit liability	19	1,598	—	2,131	—
Guarantee deposits received		48,667	—	45,685	—
Total non-current liabilities		258,820	1	242,827	2
Total liabilities		1,987,258	13	1,882,562	13
Equity attributable to owners of parent	20				
Share capital		3,035,934	20	3,035,934	21
Capital surplus		449,745	3	449,745	3
Retained earnings					
Legal reserve		1,874,381	12	1,812,711	13
Special reserve		296,475	3	296,475	2
Unappropriated retained earnings		6,357,798	42	5,873,998	41
Other equity interest					
Exchange differences on translation of foreign financial statements		54,444	—	4,539	—
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income		1,072,178	7	928,870	7
Total equity		13,140,955	87	12,402,272	87
Total liabilities & equity		\$ 15,128,213	100	\$ 14,284,834	100

(The attached notes constitute a part of the consolidated financial statements.)

Formosan Rubber Group Inc. and Its Subsidiaries
Consolidated Comprehensive Income Statement

From Jan. 1 to Dec. 31, 2024 and 2023

Unit: In Thousands of NTD

Accounting item	Note	2024		2023	
		Amount	%	Amount	%
Operating revenue	21	\$ 1,481,243	100	\$ 1,359,718	100
Operating costs	22	(1,008,435)	(68)	(939,107)	(69)
Gross profit		472,808	32	420,611	31
Operating expenses					
Selling expenses		(56,477)	(4)	(47,577)	(3)
General and administrative expenses		(158,784)	(10)	(164,158)	(12)
Research and development expenses		(9,801)	(1)	(9,270)	(1)
Total operating expense		(225,062)	(15)	(221,005)	(16)
Operating profit		247,746	17	199,606	15
Non-operating income and expenses					
Interest income		51,141	3	53,710	4
Other income	23	202,221	13	318,279	23
Other gains and losses	24	157,539	11	26,992	2
Finance costs	25	(20,158)	(1)	(26,326)	(2)
Expected credit impairment (loss) gain		(1)	—	284	—
Shares of profit of associate		15,142	1	19,655	2
Total non-operating income and expenses		405,884	27	392,594	29
Income before income tax		653,630	44	592,200	44
Income tax expense	27	(80,170)	(5)	(73,323)	(6)
Net income		573,460	39	518,877	38
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans	19	420	—	341	—
Unrealized gains on valuation of investments in equity instruments measured at fair value through other comprehensive income		483,106	33	735,027	54
Shares of other comprehensive income of associates		5,937	—	4,616	—
Income tax benefit related to items that will not be reclassified subsequently	27	22,686	2	18,799	1
Items that may be reclassified subsequently to profit or loss					
Exchange differences arising on translation of foreign operations		62,381	4	6,970	1
Unrealized loss on valuation of investments in debt instruments measured at fair value through other comprehensive income		(2,699)	—	(1,793)	—
Income tax related to items that may be reclassified subsequently	27	(11,936)	(1)	(1,033)	—
Other comprehensive income		559,895	38	762,927	56
Total comprehensive income for the year		\$ 1,133,355	77	\$ 1,281,804	94
Net income attributable to:					
Shareholders of the parent		\$ 573,460	39	\$ 518,877	38
Total comprehensive income attributable to:					
Shareholders of the parent		\$ 1,133,355	77	\$ 1,281,804	94
Earnings per share (NT dollars)	28				
Basic earnings per share		1.89 (NT dollars)		1.61 (NT dollars)	
Diluted earnings per share		1.89 (NT dollars)		1.60 (NT dollars)	

(The attached notes constitute a part of the consolidated financial statements.)

Formosan Rubber Group Inc. and Its Subsidiaries

Consolidated Statement of Changes in Equity

From Jan. 1 to Dec. 31, 2024 and 2023

Unit: In Thousands of NTD

Item	Equity attributable to owners of the parent							Total equity
	Share capital	Capital surplus	Retained earnings			Other equity interest		
			Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	
Balance of Jan. 1, 2023	\$ 3,373,260	\$ 449,745	\$ 1,745,695	\$ 296,475	\$ 5,729,100	\$ (1,037)	\$ 269,347	\$ 11,862,585
Legal reserve appropriated	—	—	67,016	—	(67,016)	—	—	—
Cash dividend	—	—	—	—	(404,791)	—	—	(404,791)
Net income in 2023	—	—	—	—	518,877	—	—	518,877
Other comprehensive income for 2023, net of income tax	—	—	—	—	273	5,576	757,078	762,927
Total comprehensive income (loss) in 2023	—	—	—	—	519,150	5,576	757,078	1,281,804
Capital Reduction	(337,326)	—	—	—	—	—	—	(337,326)
Disposal of financial assets at fair value through other comprehensive income - equity instruments	—	—	—	—	97,555	—	(97,555)	—
Balance of Dec. 31, 2023	3,035,934	449,745	1,812,711	296,475	5,873,998	4,539	928,870	12,402,272
Legal reserve appropriated	—	—	61,670	—	(61,670)	—	—	—
Cash dividend	—	—	—	—	(394,672)	—	—	(394,672)
Net income in 2024	—	—	—	—	573,460	—	—	573,460
Other comprehensive income for 2024, net of income tax	—	—	—	—	336	49,905	509,654	559,895
Total comprehensive income (loss) in 2024	—	—	—	—	573,796	49,905	509,654	1,133,355
Disposal of financial assets at fair value through other comprehensive income - equity instruments	—	—	—	—	366,346	—	(366,346)	—
Balance of Dec. 31, 2024	\$ 3,035,934	\$ 449,745	\$ 1,874,381	\$ 296,475	\$ 6,357,798	\$ 54,444	\$ 1,072,178	\$ 13,140,955

(The attached notes constitute a part of the consolidated financial statements.)

Formosan Rubber Group Inc. and Its Subsidiaries

Consolidated Statement of Cash Flows

From Jan. 1 to Dec. 31, 2024 and 2023

Unit: In Thousands of NTD

Item	2024	2023
	Amount	Amount
Cash flows from operating activities:		
Income before income tax	\$ 653,630	\$ 592,200
Adjustments for:		
Depreciation expense	104,919	102,855
Expected credit impairment loss (gain)	429	(284)
Net gain on financial assets at fair value through profit	(104,260)	(24,649)
Finance costs	20,158	26,326
Interest income	(51,141)	(53,710)
Dividend income	(195,806)	(312,827)
Share of profit of associates	(15,142)	(19,655)
Loss on disposal of property, plant and equipment	20,572	—
Other losses	17,631	—
Impairment loss on non-financial assets	7,654	—
Unrealized foreign exchange gain	(4,111)	(98)
Changes in operating assets and liabilities		
Notes receivable	15,130	36,298
Accounts receivable	(19,112)	(19,924)
Other receivables	12,105	(12,366)
Inventories	6,886	29,056
Inventories-Construction Industry	190,827	137,859
Prepayments	17,041	(2,216)
Other current assets	(82)	114
Contract liabilities	6,049	—
Notes payable	(6,093)	(10,533)
Accounts payable	(4,481)	275
Other payables	(5,658)	(7,989)
Other current liabilities	473	(298)
Net defined benefit liability	(113)	(103)
Cash generated from operations	667,505	460,331

Formosan Rubber Group Inc. and Its Subsidiaries
Consolidated Statement of Cash Flows (Continued)

From Jan. 1 to Dec. 31, 2024 and 2023

Unit: In Thousands of NTD

Item	2024	2023
	Amount	Amount
Interest received	51,651	54,297
Dividends received	195,549	312,821
Interest paid	(20,158)	(26,326)
Income tax paid	(67,548)	(118,431)
Net cash generated from operating activities	826,999	682,692
Cash flows from investing activities:		
Cash paid for acquisition of financial assets at fair value through other comprehensive income	(1,527,855)	(989,541)
Proceeds from financial assets at fair value through other comprehensive income	1,421,811	805,909
Return of capital from financial assets at fair value through other comprehensive income	900	4,000
Cash paid for financial assets at fair value through profit or loss	(846,549)	(38,042)
Proceeds from acquisition of financial assets at fair value through profit or loss	978,044	38,957
Acquisition of property, plant and equipment	(40,940)	(19,207)
Decrease (increase) in refundable deposits	5,080	(16,674)
Acquisition of Investment property	(429,320)	(215,354)
Increase in other financial assets	(31,839)	(711,296)
Decrease in other non-current assets	422	672
Decrease (increase) prepayments for equipment	11,939	(18,017)
Net cash used in investing activities	(458,307)	(1,158,593)
Cash flows from financing activities:		
Decrease in short-term borrowings	(65,000)	(100,000)
(Decrease) increase in short-term notes and bills payable	(40,074)	149,987
Increase in long-term borrowings	198,000	—
Increase (decrease) in guarantee deposits received	2,982	(2,956)
Payments of lease liabilities	(7,648)	(6,992)
Cash dividends paid	(394,672)	(404,791)
Capital Reduction	—	(337,326)
Net cash used in financing activities	(306,412)	(702,078)
Effect of exchange rate changes on cash and cash equivalents	284	6,926
Net Increase (Decrease) in cash and cash equivalents	62,564	(1,171,053)
Cash and cash equivalents at beginning of year	648,132	1,819,185
Cash and cash equivalents at end of year	\$ 710,696	\$ 648,132

(The attached notes constitute a part of the consolidated financial statements.)

Formosan Rubber Group Inc. and Its Subsidiaries

Notes to Consolidated Financial Statements

From Jan. 1 to Dec. 31, 2024 and 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. Company profile

Formosan Rubber Group Inc. (hereafter referred to as the “FRG”) was founded in 1963 under the Company Act of the Republic of China. The company produces and markets rubber sheets, plastic sheets, plastic foam sheets and PVC resin sheets, as well as the relevant materials. In order to diversity its operations, FRG started in September 1995 the property development business and the leasing, sale and management operations for its own properties and land. FRG became a listed company on the Taiwan Stock Exchange in March 1992.

The consolidated financial statements consist of FRG and its subsidiaries (collectively the “Company”).

2. Date and procedure approving financial statements

The consolidated financial statements were approved and published by the board of directors on March 11, 2025.

3. Application of new, amended and revised standards and interpretations

(1) Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Corporation and its subsidiaries’ accounting policies.

(2) The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

New, amended and revised standards and interpretations	Effective date announced by IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 1)
Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Corporation and its subsidiaries shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.	

The Group has assessed that the application of above standards and interpretations will not have a material impact on the Group’s financial position and financial performance.

(3) The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
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
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 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

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

IFRS 18 “Presentation and Disclosure in Financial Statements”

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

- 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.
- 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.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Corporation and its subsidiaries 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 Corporation and its subsidiaries shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Corporation and its subsidiaries label items as “other” only if it cannot find a more informative label.
- 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 Corporation and its subsidiaries as a whole, the Corporation and its subsidiaries 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 impact, as of the date the consolidated financial statements were authorized for issue, the Corporation and its subsidiaries are continuously assessing the other impacts of the above amended standards and interpretations on the Corporation and its subsidiaries’ financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. Summary of significant accounting policies

(1) Compliance statement

This is the Company's first set of consolidated financial statements prepared according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and IFRIC as well as interpretation announcements approved by the FSC.

(2) Preparation bases

Other than the financial assets measured at the fair value and the pension liability recognized with the net value (assets less the present value of the liabilities due to defined benefits), the consolidated financial statements are based on historical costs, usually the fair value paid for the acquisition of assets.

(3) Consolidated bases

The consolidated financial statements include the financials of FRG and the entities (subsidiaries) it controls.

The consolidated comprehensive income statement has incorporated the operating incomes or losses of the acquired or disposed subsidiaries as of the dates of acquisition or disposal. Other comprehensive incomes of the subsidiaries are contributions to the FRG's owner's equity and non-controlling interests. In other words, the non-controlling interests are the loss balance.

The financial reporting of subsidiaries has been appropriately adjusted so that their accounting policies are consistent with the Company.

All the major transactions, balances, gains and losses between the Company and consolidated entities have been completely eliminated upon consolidation.

In case of any change in the ownership' equity of subsidiaries without causing the Company to use the control over the subsidiaries, such changes are treated as equity transactions. In order to reflect the corresponding change to the Company's shareholders' equity and non-controlling interests, the book values shall be adjusted. The delta between the adjustment in non-controlling interests and the fair value paid or received shall be recognized as part of the Company's owners' equity.

Upon the loss of the control over a subsidiary, the gain or loss from the disposal is the delta between the following: (1) the sum of the fair values charged for the assets and the fair value for the residual investment into the former subsidiary as of the date of control loss; (2) the sum of the book values for the assets (including goodwill), liabilities and non-controlling interests of the former subsidiary as of the date of control loss. All the values recognized for the subsidiary concerned in other comprehensive incomes and the accounting treatment for the disposal of the relevant assets or liabilities must comply with the same basis.

The residual investment in the former subsidiary is based on the fair value on the date of control loss.

A. The detailed information of subsidiaries included in the consolidated financial statements, as follows:

Investing company	Subsidiary	Percentage of shares held by this Company	
		Dec. 31, 2024	Dec. 31, 2023
FRG	Ban Chien Development Co., Ltd. (Taiwan)	100%	100%
FRG	FRG US Corp. (San Francisco)	100%	100%

a. Ban Chien Development Co., Ltd. is engaged in the development of residential and commercial buildings for renting and selling. The construction of such buildings is outsourced.

b. In order to jointly invest in the development project of 950 Market Street in San Francisco, USA with Continental Construction Group, the establishment of FRG US Corp. was approved by the board of directors in 2017. As of December 31, 2024, with an investment limit of USD 37,500 thousand. Its main businesses are real estate investment, development and rental and sales of premises.

As of December 31, 2024 and 2023, FRG had cumulatively remitted Investment funds are NT\$993,446 thousand (USD32,474 thousand) and NT\$938,955 thousand (USD30,802 thousand).

c. The financial statements of the consolidated subsidiaries are based on their audited financial statements during the same period.

B. Subsidiaries not included in the consolidated financial statements:

The major business site of the Company's subsidiary Kingshale Industrial Limited is in Hong Kong and the Company has held 99.99% of the subsidiary's voting shares and ownership. The subsidiary is an intermediary company entrusted by the Company to transfer its investment in mainland China. For the current period, Kingshale Industrial Limited did not have any material transactions with the Company, and it did not have any material assets and liabilities left at the end of the period either. Hence, it was not included in the consolidated financial statement as an entity.

C. Subsidiaries that have non-controlling interests that are material to the Company: none

(4) Foreign Currency

The individual financial statements for the consolidated entities are prepared and presented in the functional currency for these entities (i.e. the currency used in the economy they operate in). The functional currency and the presentation currency of FRG's consolidated financial statements is NT Dollars. All the financial performances and statuses are converted into the NT dollars for the preparation of the consolidated statements.

Any transactions not in the functional currency shall be converted and recognized according to the exchange rate on the transaction dates in the preparation of the individual financial statements for the consolidated entities. The monetary items in foreign currencies shall be recalculated according to the spot exchange rate on the end-of-the-period date. Any difference resultant from exchange rates shall be recognized as profits or losses during the period. The non-monetary items in foreign currencies measured with the fair value shall be recalculated according to the exchange rate on the date of fair value determination. Any different resultant from exchange rates shall be recognized as profits or losses during the period. However, any difference as a result of changes in the fair value shall be recognized as other comprehensive incomes or losses. The non-monetary items in foreign currencies measured by historical costs shall not be recalculated.

For the purpose of presenting consolidated financial statements, the functional currencies of the group entities are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Corporation are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Corporation losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

(5) Standards to classify current and non-current assets and liabilities

The basis for current and non-current assets and liabilities for the real estate development business is based on the operating cycle. All the other items following the principles below: Current assets are the assets held for trading purposes or expected to be realized or exhausted within one year. Any assets not classified as current are non-current assets. Current liabilities are the liabilities held for trading purposes or expected to be repaid within one year. Any liabilities not classified as current are non-current liabilities.

(6) Cash equivalents

Cash equivalents can be converted into a fixed amount of cash at any time. They are short-term, highly liquid investments with minimum changes in value.

Bank overdrafts, a credit facility that can be immediately repaid, are part of the Company's cash management. They are reported under cash and cash equivalents in the statement of cash flows, and as an item in short term loans in current liabilities on the balance sheet.

(7) Inventory and real estate for sale and real estate under construction

Inventories include raw materials, supplies, finished goods and work-in-process. Inventories are measured at the lower of cost or net realizable value. Comparisons between cost and net realizable value are made on an item-by-item basis, except for inventories of the same type. Net realizable value is the estimated selling price under normal circumstances, less estimated costs to complete and estimated costs to sell. The cost of inventories is calculated using the weighted-average method.

If a house is exchanged for land under a subdivision contract and is classified as land for sale, no gain or loss is recognized on the exchange and revenue is not recognized until the land is sold to the buyer.

(8) Investments accounted for under equity method

Investments in associates are reported according to the equity method.

Associates are the companies over which FRG has significant influence. Associates are not entitles of subsidiaries.

The investment in associates shall be recognized as costs under the equity method. After the asset acquisition, the book value shall change in line with the Company's share of profits and losses, other comprehensive income and profit distributions. Meanwhile, the recognized equity value of the associates also changes in line with any increase or decrease in the Company's shares.

If the Company does not subscribe to the new shares of associates on a pro-rata basis according to existing holdings, and any increase or decrease is incurred to the percentage of the Company's holdings and hence net equity value of the investment, the adjustment shall be reflected with the change in capital surplus and according to the equity method. If the Company has not subscribed or acquired to new shares on a pro-rata basis and seen a reduction in its stake in the associates, the amounts recognized in other comprehensive income and the reclassification as a result of the values for the associates concerned should have the same basis for accounting treatment as if the assets or the liabilities of the associates were directly disposed. Any debit should be made from the capital surplus. However, if the capital surplus is insufficient for debits incurred by investments under the equity method, the debit may be drawn from retained earnings.

The residual investment of the previous associates should be measured with the fair value on the date of loss of significant influence. The delta between the sum of the fair value of the residual investment and the disposal amounts and the book value of the investment on the date of loss of significant control shall be recognized in the income statement during the period. Meanwhile, the values recognized in relation to the associates concerned in other comprehensive income shall have the same accounting basis as if the assets or the liabilities of the associates were directly disposed.

Only the profits and losses resultant from upstream, downstream and lateral transactions with associates not relevant to the Company's stake in the associates can be recognized in the consolidated financial statements.

(9) Property, plant and equipment

The property, plant and equipment are listed in accordance with cost less depreciation and accumulated impairment. Cost shall include the incremental cost able to be directly attributed to acquisition or asset implementation.

Straight-line method is applied to depreciation, by indicating the amount of an asset within the durable service life offset its cost and less its residual value. All the major components of the non-current assets shall be depreciated on a standalone basis. Depreciation is accrued in accordance with the following durable service years: building, 3-55 years; machinery equipment, 3-24years; transportation and other equipments, 3-10 years.

Estimated durable service life, residual value and depreciation method shall be reviewed at the end of the reporting period; prospective application shall be made for any impact on estimation change.

The profit or loss incurred during disposition or obsolescence of property, plant and equipment shall be recognized in the income statement with the differential amount between the disposition price and asset book account.

(10) Investment property

Only if investment properties is attempted for earning rental or capital appreciation or both may it be classified as the investment properties. The investment properties shall be measured according to its original cost, including related transaction cost, and related interest capitalization shall be made during the construction period. Cost model shall be applied to follow-up measurement, to be measured by cost less the amounts of accumulated depreciation and accumulated impairment.

In case straight-line method is applied to depreciation and building depreciation accrued by 3-50 years.

Estimated durable service life, residual value and depreciation method shall be reviewed at the end of the reporting period; prospective application shall be made for any impact on estimation change.

The profit or loss incurred during disposition or obsolescence of property, plant and equipment shall be recognized in the income statement with the differential amount between the disposition price and asset book account.

(11) Lease

A. The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

When a lease includes both land and building elements, the Group assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

B. The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated 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, which comprise fixed payments and variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

(12) Impairment of non-financial assets

The Group shall review the book amounts of tangible assets and intangible financial assets at the end of the reporting period to decide whether there is any impairment with such assets. In case it shows any impairment situation, the estimated recoverable amount of assets shall decide the recognized loss amount. In case there is no way of estimating the recoverable amount of an individual asset, the Group shall estimate the recoverable amount of the cash-generating unit of the said asset. In case it can be amortized according to a reasonable and conforming basis, shared assets shall also be amortized to an individual cash product sector. Otherwise it shall be amortized to the minimal cash-generating unit group according to a reasonable and conforming basis.

The recoverable amount shall be fair value less sales cost and its use value whichever is higher.

In case the recoverable amount of an asset or cash-generating unit is anticipated to be lower than the book amount, the book amount of the said asset or cash-generating unit shall be adjusted and decreased to its recoverable amount; any impairment loss shall be immediately recognized to the current profit and loss.

When any impairment loss reverses in a subsequent period, the book amount of asset or cash-generating unit shall be adjusted and increased to the estimated recoverable amount after revision, provided the book amount after increase shall be limited to the reasonable book amount under the situation when the said asset or cash-generating unit did not recognize an impairment loss in the past years (except for goodwill). The reversed impairment loss shall be immediately recognized to the current profit and loss.

(13) Employee benefits cost

The short-term employee benefits obligation is measured with the basis without discount, and shall be recognized as expenses when providing the related service. Concerning the anticipated payable amount concerning short-term cash bonus or a bonus sharing plan, if it is a current legal or prescribed obligation to be borne by a company due to the past service provided by employees, and the said obligation can be estimated in a reliable manner, such amount shall be listed as liability.

When an expense belongs to defined contribution plans, during the service period provided by employees, it is required to recognize the pension amount contributable as the current expense.

The cost of defined benefits (including service costs, net interests and re-measurements) shall be calculated according to the projected unit credit method. Service costs and net interests of the defined benefits liabilities shall be recognized as employee benefits expenses when incurred, or when the defined benefit plans is modified, shortened or repaid. The re-measurement shall be recognized as other comprehensive income and the retained earnings. There is not reclassification into profits and losses during subsequent periods.

Net defined benefit liabilities refer to the shortfall appropriation of the defined benefit retirement plan, whereas net defined benefit assets shall not exceed the plan's refunded amount or may reduce the present value of the future appropriation amount.

(14) Financial Instrument

Financial assets and financial liabilities shall be recognized when the Group becomes a party of the said financial instrument clause.

Upon the original recognition of financial assets and financial liabilities, they shall be measured according to fair values. Upon the original recognition, concerning the acquired or distributed transaction cost directly attributable to financial assets and financial liabilities (except for the financial assets and financial liabilities classified as measurement according to fair value of profit and loss), it shall be increased or decreased from the fair values of the said financial assets or financial liabilities. The transaction costs of financial assets and financial liabilities directly attributable to the ones measured according to fair values through profit and loss shall be immediately recognized as profit and loss.

(15) Financial assets

The convention trading of financial assets is recognized and removed by trading day accounting.

A. Type of measurement

Financial assets are classified into the following categories: financial assets at FVTPL, financial assets at amortized cost, investment in debt instruments measured at FVTOCI, and investments in equity instruments at FVTOCI.

a. Financial asset at FVTPL

Financial assets measured at fair value through profit or loss are financial assets mandatorily measured at fair value through profit or loss and financial assets at fair value through profit or loss, designated as upon initial recognition. Financial assets mandatorily measured at fair value through profit or loss include investments in equity instruments that are not designated by the Company to be measured at fair value through other comprehensive income and investments in debt instruments that fail to meet the criteria as to be measured at amortized cost or at fair value through other comprehensive income.

Financial assets measured at fair value through profit or loss are measured at fair value. The dividends and interests generated are recognized in other income and interest income, respectively, and any gain or loss arising from remeasurement is recognized in other gains and losses.

b. Measured at amortized cost

When a company after merger simultaneously meets the following two conditions in its investment in financial assets, the financial assets are classified as the ones carried at cost after amortization:

A) The financial assets are held under a specific operation mode, in which the purpose of the mode is to hold the financial assets in order to collect contract cash flows.

- B) The cash flow generated on a specific date due to contract clauses is completely for the payment of the principal and the interest accrued from the outstanding principal amount.

Subsequent to initial recognition, financial assets measured at amortized cost are measured at amortized cost, which equals to carrying amount determined by the effective interest method less any impairment loss. Foreign exchange gains and losses are recognized in profit or loss.

Except for the two conditions below, the interest income is calculated by multiplying the effective interest rate by the total book value of the financial assets:

- A) The interest income of the purchased or originated credit-impaired financial assets is calculated by multiplying the credit-adjusted effective interest rate by the cost of amortized financial assets.
- B) The interest income of the financial assets which are not purchased or originated credit-impaired but subsequently become credit-impaired financial assets is calculated by multiplying the effective interest rate by the cost of amortized financial assets.

c. Investment in debt instruments measured at FVTOCI

Debt instruments that meet the following two conditions are classified as financial assets at fair value through other comprehensive income:

- A) The debt instruments are held within a business model whose objective is to collect the contractual cash flows and to sell the financial assets; and
- B) The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments at fair value through other comprehensive income are measured at fair value. Changes in the carrying amount of investments in debt instruments at fair value through other comprehensive income, such as interest revenue calculated using the effective interest method, gain (loss) on foreign exchange and impairment loss or gain on reversal, are recognized in profit or loss. Other changes in the carrying amount of such instruments are recognized in other comprehensive income and will be reclassified to profit or loss when such instruments are disposed of.

d. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is 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 disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments at FVTOCI are recognized in profit or loss when the Company'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

At the end of each reporting period, a loss allowance for expected credit loss is recognized for financial assets at amortized cost (including accounts receivable) investments in debt instruments at fair value through other comprehensive income, lease payments receivable due, and contract assets based on their expected credit losses on each balance sheet date.

The loss allowance for accounts receivable and lease payments receivable due is measured at an amount equal to lifetime expected credit losses. For financial assets at amortized cost, when the credit risk on the financial instrument has not increased significantly since initial recognition, a loss allowance is recognized at an amount equal to expected credit loss resulting from possible default events of a financial instrument within 12 months after the reporting date. If, on the other hand, there has been a significant increase in credit risk since initial recognition, a loss allowance is recognized at an amount equal to expected credit loss resulting from all possible default events over the expected life of a financial instrument.

The expected credit loss is calculated according to the average weighted credit loss in which the risk rated ratio of default occurrence is used in calculation. The 12-month expected credit loss represents the credit loss expected to occur to the financial instruments within 12 months after their reporting day due to possible default. The expected credit loss in the duration period refers to the credit loss expected to occur to the financial instruments in the expected duration period due to possible default.

The Company recognizes an impairment loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the financial assets.

(16) Income recognition

After identifying the performance obligations of contracts with the customers, the Company allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are met.

(17) Borrowing costs

The cost of borrowing for the funds directly used to acquire, construct or produce the assets (which will reach the status ready for use or available for sale after a long period of time) can be treated as part of the asset costs, until the completion of almost all the necessary activities to get the assets ready for use or available for sale.

Other than the above, all the borrowing costs shall be recognized in the income statement during the current period.

(18) Income tax

Income tax expenses include income taxes during the period and deferred income taxes, and should be recognized as income taxes in the profit and loss income, except for the income taxes during the period and deferred income taxes recognized as other comprehensive incomes or directly as an equity item.

A. Current tax

The current income tax is based on the taxed income of the said year. Since partial income and expense is taxable item or deductible of other years, or not attributing to taxable or deductible item in accordance with related tax laws, it causes the taxable income to differ from the reported net profit in the consolidated income statement. The related liabilities of the current income tax are calculated by the legislated or substantially legislated tax rate at the end of the reporting period. It is estimated by the income tax of the previous year, serving as the adjustment of the current income tax.

According to the provisions of Income Tax Law, The unallocated earnings of the Company adding profit-seeking enterprise income tax shall be recognized as the current expense in the allocated earning year resolved in the shareholders' meeting

B. Deferred tax

Deferred income tax is recognized by the temporary differential calculation generated from the taxation basis of book amounts of the recorded assets and liabilities and income through taxation calculation. Deferred income tax liabilities in general are recognized by the temporary differences of all future taxes payable. Deferred income tax assets are recognized by all likely future taxes less the deductible temporary difference in use.

Deferred income tax assets and deferred income tax liabilities may only be mutually offset when concurrently conforming to the following conditions: (1) a company has legal execution right to mutually offset the current income tax assets and income tax liabilities; and (2) deferred income tax assets and deferred income tax liabilities are levied by the same taxation authority towards the same tax payment major entity, or levied towards different tax payment corporate entities, yet each major entity attempts to, at each future period of the deferred income tax liabilities or assets pay-off or recovery of the major amount, pay off the current income tax liabilities and assets on net-amount basis, or concurrently realize assets and pay off liabilities.

The temporary differences in tax payables related to invested subsidiary company and associates are all recognized as deferred income tax liabilities, provided if the Company can control the time point of temporary difference reverse, and the said temporary differences may very likely not be reversed in the foreseeable future are excluded. The deferred income tax assets generated from the related deductible temporary differences to this kind of investment and equity can only be recognized in the gains very likely with sufficient taxable income used to realize the temporary differences, and be within the scope of reverse within the anticipated future.

The book amounts of deferred income tax assets shall be reviewed at the end of the reporting period, and adjust and decrease the book amounts for all or partial assets without sufficiently taxable income to serve it to recover. Concerning the ones originally not recognized deferred income tax assets, they shall also be reviewed at the end of the reporting period, and adjust and increase the book amounts for all or partial assets very likely to generate taxable income to serve it to recover.

The deferred income tax assets and liabilities are measured by expected liabilities pay-off or assets in realizing the current tax rate, while the said tax rate shall be based on the legislated or already substantially legislated tax rate at the end of the reporting period. The measurement of deferred income tax liabilities and assets shall reflect the tax consequences of a company generated in expected recovery or pay-off of the book amounts of its assets and liabilities at the end of the reporting period.

(19) Treasury stocks

The recovered issued stock shall be recognized as treasury stocks in accordance with the paid cost upon buy-back. In case the disposition price in disposing treasury stocks is higher than the book value, its difference shall be listed as capital surplus – treasury stocks trade; in case the disposition price in disposing treasury stocks is lower than the book value, its difference shall be offset the capital surplus generated from the trade of the treasury stocks of the same category of treasury stocks; in case of any deficit, it shall be debited to keep the surplus. Weighted average shall be applied to the book value of treasury stocks and be separately calculated in accordance with the recovery reasons.

Upon cancellation of treasury stocks, it shall be debited to keep the capital surplus – stock issue premium and share capital; in case its book value is higher than the total sum of par value and stock issue premium, its difference shall offset the capital surplus generated from the trade of the treasury stocks of the same category of treasury stocks; in case of any deficit, it shall be debited to offset retained earnings; in case the book value of treasury stocks is lower than the total amount of par value and stock issue premium, it shall be credited as the capital surplus generated from the trade of the treasury stocks of the same category of treasury stocks.

5. Critical Accounting Judgements, And Key Sources Of Estimation And Uncertainty

The Group upon applying the accounting policy stated in Note 4 provides related judgments, estimations and assumptions for the information acquired from other resources which are based on historical experience and other factors deemed crucial. The actual result may differ from what is estimated.

The Company shall be continuously reviewing estimations and basic assumptions. In case the revision of estimations would influence the current period, then the current recognition shall be revised in accounting estimations. In case the revision of accounting estimations would concurrently influence the current period and future period, then the estimations revision shall be recognized in both the current period and future period.

The following shows the information related to major assumptions made in the future, and other major sources of uncertainty at the end of the financial reporting period; the said assumptions and estimations have risks of causing book amounts of assets and liabilities to incur major adjustments in the following fiscal year.

(1) Evaluation of inventory and real estate for sale

Since inventory and real estate for sale shall be priced by cost and net cash realizable value whichever is lower, therefore the Company shall use judgments and estimations to determine the net cash realizable value at the end of the financial reporting period.

Since industry rapidly changes, the inventory and real estate for sale of the Company at the end of the financial reporting period due to the amounts of normal wear and tear, obsolescence, or without market selling price, offsets its cost to decrease to its net cash realizable value. The evaluation of this inventory and real estate for sale mainly based on the product demand in the future specific period as estimation basis; therefore, it may generate major changes.

(2) Impairment evaluation of tangible assets and intangible assets (except for goodwill)

During the asset impairment evaluation process, the Company shall rely on subjective judgments and, with basis on asset use mode and rubber, real estate industry characteristics, determine independent cash flow asset durable years and future likely generated revenues and expenses of specific asset groups; any change in estimations from changes in economic status or corporate policies may likely cause major impairment in the future.

6. Cash and cash equivalents

	Dec. 31, 2024	Dec. 31, 2023
Cash and petty cash	\$ 522	\$ 445
Cash in bank	497,643	337,838
Cash equivalent		
Commercial paper	162,531	309,849
Time deposits with maturity	50,000	—
Total	\$ 710,696	\$ 648,132

7. Financial assets at fair value through profit or loss-current

	Dec. 31, 2024	Dec. 31, 2023
Current financial assets at fair value through profit or loss, designated as upon initial recognition		
Fund	\$ 37,400	\$ 64,635

8. Financial assets at fair value through other comprehensive income

	Dec. 31, 2024	Dec. 31, 2023
Equity instruments		
Stock of domestic listed (OTC) companies	\$ 5,305,816	\$ 4,829,994
Stock of foreign listed (OTC) companies	295,111	46,346
Stock not classified to listed (OTC) and emerging companies	67,329	117,356
Stock of foreign companies	676,175	704,611
Debt instruments		
Financial bond	59,763	58,352
Total	\$ 6,404,194	\$ 5,756,659
Current	\$ 5,660,690	\$ 4,934,692
Non-current	\$ 743,504	\$ 821,967

(1) The Company signed a securities lending agreement with SinoPac Securities Corporation on April 10, 2020. Dividends and bonuses, being generated during the loan period should be repaid to the company. According to the agreement, when there is no loan transaction for more than three consecutive years, the agreement would be terminated. As of December 31, 2024 and 2023, the book value of stock lending were NT\$0 thousand and NT\$83,722 thousand respectively.

(2) Credit risk management for investments in debt instruments

Investments in debt instruments were classified as at FVTOCI :

	Dec. 31, 2024	Dec. 31, 2023
Gross carrying amount	\$ 64,996	\$ 60,885
Adjustment to fair value	(5,233)	(2,533)
Total	<u>\$ 59,763</u>	<u>\$ 58,352</u>

The Company only invests in debt instruments that have low credit risk for the purpose of impairment assessment. The Company continuously tracks information to monitor changes in the credit risk of the debt instruments that it invests in, and also reviews other information such as material information about the debtor to assess whether there is a significant increase in credit risk since the investment was recognized.

The Company considers the historical default rates of each credit rating supplied by external rating agencies to estimate 12-month or lifetime expected credit losses.

The book amounts of investments in each credit level debt instrument and the applicable expected credit loss rates are as follows:

Dec. 31, 2024		
Credit Rating	Expected credit loss rate	Through other comprehensive income measured at fair value of book amount
Performing	0%~0.09%	\$ 64,996
Dec. 31, 2023		
Credit Rating	Expected credit loss rate	Through other comprehensive income measured at fair value of book amount
Performing	0%~0.1%	\$ 60,885

The allowance for impairment loss of investments in debt instruments at FVTOCI is as follows:

	For the Year Ended December 31, 2024	For the Year Ended December 31, 2023
Balance, beginning of year	\$ 12	\$ 41
Provision in this period	—	—
Derecognise in this period	—	—
Changes in risk parameters	1	(29)
Balance, end of year	<u>\$ 13</u>	<u>\$ 12</u>

9. Notes and accounts receivable ,net

	Dec. 31, 2024	Dec. 31, 2023
Notes receivable	\$ 24,066	\$ 39,196
Allowance for doubtful accounts	(241)	(392)
Net amount	<u>\$ 23,825</u>	<u>\$ 38,804</u>

	Dec. 31, 2024	Dec. 31, 2023
Accounts receivable	\$ 121,732	\$ 102,620
Allowance for doubtful accounts	(2,437)	(1,858)
Net amount	<u>\$ 119,295</u>	<u>\$ 100,762</u>

(1) The crediting period of the Company to a customer in principle shall be 30 days after the invoice date, while partial customers are credit time 30 days to 90 days. In addition to the actual credit impairment of individual customers, the Company makes reference to historical experience, considers the financial situation of individual customers and the industry, competitive advantage and prospects, and differentiates customers into different risk groups and incorporates forward-looking information. The expected loss rate of the Company recognizes the allowance loss.

(2) Aging analysis of accounts receivable of the Company is stated as follows:

	Dec. 31, 2024		
	Carrying amount of accounts receivable	Expected credit loss rate	Loss allowance for lifetime expected credit losses
Non past due	\$ 144,579	1~2%	\$ 2,618
Past due less than 90 days	1,219	2~5%	60
Past due 91-180 days	—	10~20%	—
Past due 181-365 days	—	50%	—
More than 366 days past due	—	100%	—
	<u>\$ 145,798</u>		<u>\$ 2,678</u>

	Dec. 31, 2023		
	Carrying amount of accounts receivable	Expected credit loss rate	Loss allowance for lifetime expected credit losses
Non past due	\$ 139,599	1~2%	\$ 2,100
Past due less than 90 days	2,151	2~5%	84
Past due 91-180 days	—	10~20%	—
Past due 181-365 days	—	50%	—
More than 366 days past due	66	100%	66
	<u>\$ 141,816</u>		<u>\$ 2,250</u>

(3) Movements of the loss allowance of notes and accounts receivable were as follow:

	2024	2023
Balance, beginning of year	\$ 2,250	\$ 2,505
Expected credit impairment loss (gain)	428	(255)
Balance, end of year	\$ 2,678	\$ 2,250

10. Inventories

(1) Inventories - Manufacturing

A. The inventory details related to the rubber department is as follows:

	Dec. 31, 2024	Dec. 31, 2023
Raw materials	\$ 63,352	\$ 67,456
Work-in-process	11,585	10,204
Finished goods	99,795	103,958
Total	\$ 174,732	\$ 181,618

B. The cost of sales related to the rubber department is as follows:

	2024	2023
Cost of inventories sold	\$ 679,460	\$ 675,866
Provision for (Reversal of) loss on inventories	(725)	666
Unamortized fixed manufacturing costs	11,064	10,692
Total	\$ 689,799	\$ 687,224

For the year ended December 31, 2024, the reversal of loss on inventories is due to the removal part of the inventory that has been listed for decline in price

(2) Inventories-Construction Industry

A. The inventory details and contract liabilities related to the construction department is as follows:

	Real estate for sale		Contract liabilities	
	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Bridge Upto Zenith Project at Banqiao	\$ 34,016	\$ 34,016	\$ —	\$ —
Modesty Home Project at Banqiao	14,923	14,923	—	—
Legend River Project at Xindian	92,728	92,728	—	—
Treasure Garden Project in Taichung City	236,653	236,653	—	—
55 TIMELESS Project in Taipei City	174,433	262,289	—	—
La Bella Vita Project in Taichung City	587,550	690,521	6,049	—
Ambassador Hotel Project in Kaohsiung City-Real estate under construction	1,440,362	1,440,362	—	—
	\$ 2,580,665	\$ 2,771,492	\$ 6,049	\$ —

- a. The Ambassador Hotel Co., Ltd. and Continental Engineering Corporation signed the Ambassador Hotel Project in Kaohsiung City, a collaborative development agreement in November 2021. The reconstruction plan is set out by the Statute for Expediting Reconstruction of Urban Unsafe and Old Buildings and related regulations and requesting demolition and rebuild to the Authority which the new building would be developed, constructed, and sold tripartite mutually. The completion date of the reconstruction building is expected to be 1,600 work days after the approval date of the layout inspection.
- b. The recognition of contract liabilities arises from the timing difference between the transfer of goods or services to customers, thereby satisfying the performance obligation, and the receipt of payment from customers. When the Company satisfies its performance obligation, the contract liabilities are reclassified as revenue.
- c. The situation of pledge & guarantee in detail is shown in Note 32.

B. The cost of sales related to the construction department is as follows:

	2024	2023
Cost of inventories sold	\$ 208,343	\$ 141,753

11. Other financial assets

	Dec. 31, 2024	Dec. 31, 2023
Pledged time deposits	\$ 20,000	\$ 20,000
Time deposits with maturity over three months	743,135	711,296
Total	\$ 763,135	\$ 731,296
Current	\$ 743,135	\$ 711,296
Non-current	\$ 20,000	\$ 20,000
Interest rate range %	0.84~4.9	0.715~5.6

The pledged time deposit serves as guaranty for logistics business and it is shown in Note 32.

12. Investments accounted for using equity method

The investment of associates is listed as follows:

Name of Investee	Book value		The percentage of ownership interest and voting right directly held by the Company	
	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
<u>Unlisted (OTC) companies</u>				
Formosan Construction Corp. (Taiwan)	\$ 91,332	\$ 77,897	26.20	26.20
Fenghe Development Co., Ltd. (Taiwan)	47,030	40,433	39.90	39.90
Rueifu Development Co., Ltd. (Taiwan)	10,359	9,312	48.26	48.26
Total	\$ 148,721	\$ 127,642		

Information about associates that are not individually material was as follows

	2024	2023
The Company's share of:		
Net profit from continuing operations for the year	\$ 15,142	\$ 19,655
Other comprehensive income	5,937	4,616
Total comprehensive profit (loss)	\$ 21,079	\$ 24,271

The investment gains and losses and other comprehensive income for the associates under the equity method have been recognized according to their audited financials.

13. Property, plant and equipment

For the Year Ended December 31, 2024					
Item	Balance, Beginning of Year	Additions	Disposals	Reclassification	Balance, End of Year
<u>Cost</u>					
Land	\$ 419,977	\$ —	\$ —	\$ —	\$ 419,977
Building	602,859	5,152	(11,476)	132	596,667
Machinery equipment	801,984	16,605	(42,524)	1,571	777,636
Transportation equipment	12,779	—	—	—	12,779
Other equipment	170,375	17,377	(1,398)	—	186,354
Unfinished construction and equipment to be inspected	—	1,806	—	(1,703)	103
Total	2,007,974	40,940	(55,398)	—	1,993,516
<u>Accumulated depreciation & impairment</u>					
Building	401,651	14,630	(8,771)	—	407,510
Machinery equipment	714,029	18,295	(24,943)	—	707,381
Transportation equipment	11,586	308	—	—	11,894
Other equipment	132,863	9,454	(1,112)	—	141,205
Total	1,260,129	\$ 42,687	\$ (34,826)	\$ —	1,267,990
Net	\$ 747,845				\$ 725,526

For the Year Ended December 31, 2023					
Item	Balance, Beginning of Year	Additions	Disposals	Reclassification	Balance, End of Year
<u>Cost</u>					
Land	\$ 444,026	\$ —	\$ —	\$ (24,049)	\$ 419,977
Building	599,700	3,159	—	—	602,859
Machinery equipment	798,819	3,165	—	—	801,984
Transportation equipment	11,849	930	—	—	12,779
Other equipment	158,422	11,953	—	—	170,375
Unfinished construction and equipment to be inspected	372	—	—	(372)	—
Total	2,013,188	19,207	—	(24,421)	2,007,974
<u>Accumulated depreciation & impairment</u>					
Building	387,009	14,642	—	—	401,651
Machinery equipment	695,998	18,031	—	—	714,029
Transportation equipment	11,406	180	—	—	11,586
Other equipment	125,357	7,506	—	—	132,863
Total	1,219,770	\$ 40,359	\$ —	\$ —	1,260,129
Net	\$ 793,418				\$ 747,845

- (1) The book values of land are adjusted with basis on the government published land value of 1975, 1979, 1980 and 1981 as well as current government-declared land value of 1992 and 2000; plant buildings and various equipments are re-evaluated in accordance with the commodity price indices in 1973 and 1980. Besides, the original revaluation increments are adjusted in relation to the tax rates of land value increment in compliance with land tax laws in January 2005.
- (2) For the year ended December 31, 2023, reclassification is transferred to Investment property.
- (3) The situation of pledge & guarantee in detail is shown in Note 32

14. Lease

(1) Right-of-use assets

For the Year Ended December 31, 2024				
	Balance, Beginning of Year	Additions	Disposals	Balance, End of Year
<u>Cost</u>				
Building	\$ 51,552	\$ —	\$ —	\$ 51,552
Transportation equipment	7,422	—	—	7,422
Total	58,974	—	—	58,974
<u>Accumulated depreciation & impairment</u>				
Building	25,775	5,156	—	30,931
Transportation equipment	2,210	2,446	—	4,656
Total	27,985	\$ 7,602	\$ —	35,587
Net	\$ 30,989			\$ 23,387

For the Year Ended December 31, 2023				
	Balance, Beginning of Year	Additions	Disposals	Balance, End of Year
<u>Cost</u>				
Building	\$ 51,552	\$ —	\$ —	\$ 51,552
Transportation equipment	1,965	5,457	—	7,422
Total	53,517	5,457	—	58,974
<u>Accumulated depreciation & impairment</u>				
Building	20,620	5,155	—	25,775
Transportation equipment	328	1,882	—	2,210
Total	20,948	\$ 7,037	\$ —	27,985
Net	\$ 32,569			\$ 30,989

(2) Lease liabilities

For the Year Ended December 31, 2024

	Future minimum lease payments	Interest	Present value of minimum lease payments
Less 1 year	\$ 7,646	\$ 231	\$ 7,415
Over 1 years	16,909	259	16,650
Total	<u>\$ 24,555</u>	<u>\$ 490</u>	<u>\$ 24,065</u>

Range of discount rate for lease liabilities were as 1.09%~2.07%.

For the Year Ended December 31, 2023

	Future minimum lease payments	Interest	Present value of minimum lease payments
Less 1 year	\$ 7,980	\$ 332	\$ 7,648
Over 1 years	24,555	490	24,065
Total	<u>\$ 32,535</u>	<u>\$ 822</u>	<u>\$ 31,713</u>

Range of discount rate for lease liabilities were as 1.09%~2.07%.

(3) Other lease information

	2024	2023
Expenses relating to short-term leases	<u>\$ (57)</u>	<u>\$ (57)</u>
Total cash outflow for all lease agreements	<u>\$ (8,037)</u>	<u>\$ (7,446)</u>

(4) Please see note 31 for the status of transactions with related parties.

15. Investment property, net

For the Year Ended December 31, 2024

Item	Balance, Beginning of Year	Additions	Disposals	Impairment	Reclassification	Effect of exchange rate changes	Balance, End of Year
<u>Cost</u>							
Land	\$ 1,150,786	\$ —	\$ (17,631)	\$ —	\$ —	\$ 1,882	\$ 1,135,037
Building	2,706,357	—	—	—	—	3,581	2,709,938
Unfinished construction	215,726	429,320	—	—	—	—	645,046
Total	<u>4,072,869</u>	<u>429,320</u>	<u>(17,631)</u>	<u>—</u>	<u>—</u>	<u>5,463</u>	<u>4,490,021</u>
<u>Accumulated depreciation & impairment</u>							
Land	237,060	—	—	7,654	—	372	245,086
Building	988,223	54,630	—	—	—	868	1,043,721
Total	<u>1,225,283</u>	<u>\$ 54,630</u>	<u>\$ —</u>	<u>\$ 7,654</u>	<u>\$ —</u>	<u>\$ 1,240</u>	<u>1,288,807</u>
Net	<u>\$ 2,847,586</u>						<u>\$ 3,201,214</u>
Fair value	<u>\$ 4,825,150</u>						<u>\$ 5,449,075</u>

For the Year Ended December 31, 2023							
Item	Balance, Beginning of Year	Additions	Disposals	Impairment	Reclassification	Effect of exchange rate changes	Balance, End of Year
<u>Cost</u>							
Land	\$ 1,126,728	\$ —	\$ —	\$ —	\$ 24,049	\$ 9	\$ 1,150,786
Building	2,706,340	—	—	—	—	17	2,706,357
Unfinished construction	—	215,354	—	—	372	—	215,726
Total	3,833,068	215,354	—	—	24,421	26	4,072,869
<u>Accumulated depreciation & impairment</u>							
Land	237,058	—	—	—	—	2	237,060
Building	932,784	55,459	—	—	—	(20)	988,223
Total	1,169,842	\$ 55,459	\$ —	\$ —	\$ —	\$ (18)	1,225,283
Net	\$ 2,663,226						\$ 2,847,586
Fair value	\$ 4,306,918						\$ 4,825,150

(1) Details of land:

	Dec. 31, 2024		Dec. 31, 2023	
	Ping	Cost	Ping	Cost
Oiashui Section, Longtan	16,691	\$ 66,692	16,691	\$ 66,692
Dahu Section, Miaoli	230,253	473,971	230,253	473,971
Shuiwei Section, Luzhu	11,298	248,148	14,696	265,779
Xinban Section, Banqiao	140	311,775	140	311,775
Zhuangjing Section, Xindian	53	4,694	53	4,694
Serif Project in San Francisco	—	29,757	—	27,875
Total		\$ 1,135,037		\$ 1,150,786

- (2) The Company leases the real estate held for investment, with the lease period as January 1, 2008 to December 31, 2033. Provisions for the lessee to adjust the rent based on market rents when exercising the renewal rights. The lessee does not have a preferential purchase right for the real property at the end of the lease term.

The maturity analysis of lease payments receivable under operating leases of investment properties as of was as follows:

	Dec. 31, 2024	Dec. 31, 2023
Year 1	\$ 141,946	\$ 162,053
Year 2	79,356	83,787
Year 3	58,847	25,713
Year 4	26,119	18,106
Year 5	22,913	3,177
Over 5 years	91,652	—
Total	\$ 420,833	\$ 292,836

(3) As of December 31, 2024 and December 31, 2023, the book value of the investment properties let out stood at NT\$2,281,606 thousand and NT\$2,269,093 thousand, respectively. The rent incomes during 2024 and 2023 totaled NT\$230,204 thousand and NT\$220,411 thousand, respectively.

(4) The Unfinished Construction is the company entrusting Engtown Construction Corp with Longtan Intelligent Park - Area A. Please see note 31 for the status of transactions with related parties.

	Dec. 31, 2024	Dec. 31, 2023
The capitalized interest	\$ 8,305	\$ 1,404
Interest rate range %	1.63~2.32	1.30~2.26

(5) The fair value of investment properties is based on the transaction prices of adjacent assets, the economic environment and changes in the current land values published by the Taiwanese government. The assessment is based on market comparators and discounted cash flows. It is Level 3 fair value according to IFRS.

(6) As of December 31, 2024 and 2023, the land at Dahu Section of Miaoli accumulated losses of reduction were NT\$239,203 thousand and NT\$231,549 thousand, respectively.

(7) Details of the farm land lots registered in others' names due to legal restrictions:

	Dec. 31, 2024	Dec. 31, 2023
Oiashui Section, Longtan	\$ 35,100	\$ 35,100
Dahu Section, Miaoli	94,241	94,241
Shuiwei Section, Luzhu	—	17,631
Total	\$ 129,341	\$ 146,972

For the security measures of the aforementioned pieces of farm land, the Company has already periodically checked relevant land transcripts and dispatched its personnel to conduct investigation at any time in order to keep abreast of the use of the land. Part of the land has been pledged to the Company. Please see note 31 (2) D for the status of transactions with related parties.

(8) The situation of already providing to serve as loan guarantees from financial industries in detail is shown in Note 32.

16. Short-term borrowings

	Dec. 31, 2024	Dec. 31, 2023
Bank unsecured borrowings	\$ 1,035,000	\$ 1,140,000
Bank guaranteed loan	40,000	—
Total	\$ 1,075,000	\$ 1,140,000
Interest rate range %	1.72~2.36	1.69~2.46

The situation of pledge & guarantee in detail is shown in Note 32.

17. Long-term borrowings

	Dec. 31, 2024	Dec. 31, 2023
Long-term borrowings	\$ 198,000	\$ —
Long-term borrowings, current portion	(198,000)	—
Total	\$ —	\$ —
Interest rate range %	2.32	—

The situation of pledge & guarantee in detail is shown in Note 32.

18. Short-term notes and bills payable

	Dec. 31, 2024	Dec. 31, 2023
Commercial paper payable	\$ 150,000	\$ 190,000
Less: Unamortized discount	(193)	(119)
Net amount	\$ 149,807	\$ 189,881
Interest rate range %	1.5~1.9	1.4~1.75

The situation of pledge & guarantee in detail is shown in Note 32.

19. Employee pensions

(1) Defined contribution plans

The employee retirement plan established by the Company in accordance with “Labor Pension Act” belongs to a defined contribution plans. Concerning the above, the Company would contribute 6% of the monthly salaries of employees to the exclusive individual accounts of Labor Insurance Bureau. In accordance with the above related regulations, the pension costs recognized as expenses in the consolidated comprehensive income statement in 2024 and January 1 to December 31, 2023 are respectively NT\$6,263 thousand and NT\$6,372 thousand.

(2) Defined benefit plans

A. The employee retirement plan established by the Company in accordance with “Labor Standard Act” is a defined benefit plans. In accordance with the regulations of the said plan, the employee pensions are calculated by service years and the average wage of six months prior to retirement. For the above, the Company would contribute 2% of the total employee salaries as employee pension fund, to the Supervisory Committee of Workers’ Pension Preparation Fund to be deposited into an exclusive account of Bank of Taiwan. Before the end of year, if it is estimated the balance in the exclusive account is insufficient to pay the estimated labors conforming to retirement conditions in the following year, the Company would contribute the differential amount at once before the end of March in the following year.

The retired pension cost amount in consolidated comprehensive income statement listed to expense related to defined benefit plan is as follows:

	2024	2023
Service cost	\$ —	\$ 10
Net interest cost	26	33
List to (profit) loss	<u>\$ 26</u>	<u>\$ 43</u>
Re-measurements		
Plan assets returns (excl. amount that covered in net interest income)	254	24
Actuarial loss-Change of the demographic assumption	—	(3)
Actuarial profit (loss)-Change of the financial assumption	187	(25)
Actuarial (loss) profit- Adjustment with experience	(21)	345
Listed to other comprehensive income	<u>\$ 420</u>	<u>\$ 341</u>

The details of the various costs and expenses recognized in profit or loss are as follows:

	2024	2023
Operating costs	\$ 20	\$ 26
Operating expenses	6	17
Total	<u>\$ 26</u>	<u>\$ 43</u>

The amount listed in the consolidated balance sheet for the obligation occurring from the defined benefit plan is as follows

	Dec. 31, 2024	Dec. 31, 2023
Defined benefit obligation present value	\$ 4,901	\$ 5,005
Plan asset fair value	(3,303)	(2,874)
Net defined benefit liability (assets)	<u>\$ 1,598</u>	<u>\$ 2,131</u>

The changed of defined benefit obligation present value of this Company is as follows:

	2024	2023
Beginning defined benefit obligation	\$ 5,005	\$ 5,387
Interest expense	62	70
Re-measurements		
Actuarial loss- Change of the demographic assumption	—	3
Actuarial (profit) loss- Change of the financial assumption	(187)	25
Actuarial loss (profit) - Adjustment with experience	21	(345)
Planned repayments	—	(135)
Ending defined benefit obligation	<u>\$ 4,901</u>	<u>\$ 5,005</u>

The changed of plan asset fair value of this Company is as follows:

	2024	2023
Beginning plan asset fair value	\$ 2,874	\$ 2,812
Interest income	36	38
Re-measurements		
Plan assets returns (excl. amount that covered in net interest income)	254	24
Contribution by employer	139	146
Redemption or curtailments payment	—	(146)
Ending plan asset fair value	\$ 3,303	\$ 2,874

The assets of defined benefits held by our company are deposited in financial institutions and invested in equity securities in Taiwan and overseas within the percentages and absolute amounts stipulated by the Bank of Taiwan for the discretionary investment of the funds for specific years. The operation of the funds is under the oversight by the Labor Pension fund Supervisory Committee. The minimum yields on the funds p.a. shall not fall below the two-year time deposit rates offered by local banks. Any insufficiency shall be made up by the national treasury following the approval from competent authorities.

Classification of Fair Values for Planned Assets

	2024	2023
Cash and cash equivalents	\$ 3,303	\$ 2,874

B. The main assumptions of the Company's actuarial valuation are as follows:

	Dec. 31, 2024	Dec. 31, 2023
Discount rate	1.65%	1.25%
Expected increase in future salaries	2.00%	2.00%

The Company is exposed to the following risks due to the pension system stipulated by the Labor Standards Act:

- a. The impact of the book value of the retirement pensions is as follows for any delta of each 0.25 basis points between the discount rate (or the expected increase in future salaries) and management estimates in 2024 and 2023.

Dec. 31, 2024	Effect on present value of defined benefit obligation	
	Actuarial assumption increased 0.25%	Actuarial assumption decreased 0.25%
Discount rate	\$ (112)	\$ 116
Expected increase in future salaries	\$ 115	\$ (112)

Dec. 31, 2023	Effect on present value of defined benefit obligation	
	Actuarial assumption increased 0.25%	Actuarial assumption decreased 0.25%
Discount rate	\$ (123)	\$ 127
Expected increase in future salaries	\$ 126	\$ (122)

Since actuarial assumptions may be mutually related, the possibility of change in an only one assumption is not high. Therefore, the above sensitivity analysis may be unable to reflect the actual change situation of the current value of defined benefits. Besides, in the above sensitivity analysis, the actuary of current value of defined benefits obligations at the end of the reporting period applies projected unit credit method, measured by the same basis of defined benefits liabilities listed in the consolidated balance sheet.

- b. The Company expects to contribute the amount of NT\$128 thousand to the defined benefit plans within one year after December 31, 2024; the weighted average duration of defined benefits obligations is 9 years.

20. Equity

(1) Share capital - common stock

	Dec. 31, 2024	Dec. 31, 2023
Authorized capital	\$ 6,800,000	\$ 6,800,000
Issued capital	\$ 3,035,934	\$ 3,035,934

- The face value of the issued ordinary shares is NT\$10 per share. Each share has one vote and the right to dividends.
- In June 9, 2023, the Corporation's Board of Stockholders resolved to reduce cash capital to NT\$337,326 thousand with the elimination of 33,733 thousand shares and a 10% capital reduction for increasing equity and EPS, which was approved by the Authority on August 8, 2023.

(2) Capital surplus

	Dec. 31, 2024	Dec. 31, 2023
Premium on capital	\$ 716	\$ 716
Conversion premium of corporate bonds	444,133	444,133
Gains of disposal of assets	1,238	1,238
Equity net value change of associates by equity method	3,658	3,658
Total	\$ 449,745	\$ 449,745

In accordance with regulations in laws, the capital surplus shall not be used except for covering company losses, but concerning the overage obtained from issued stock over par value (including issuance of common stock above par value, the premium on capital stock of stock issued for merge, corporate bond conversion premium and treasury stocks transaction, etc.) and capital surplus generated from income of receiving gifts. In the absence of accumulated losses, the Company may issue cash dividends or bonus shares to existing shareholders on a pro rata basis. Per the requirements of the Securities and Exchange Act, the appropriation of capital surplus to share capital is limited to 10% of the paid-in capital.

(3) Retained earnings

A. In accordance with the FRG's Articles of Incorporation, any earnings during the year should be used to pay all the due taxes and make up the prior losses before distributions as follows:

- a. Provide 10% legal reserve, but it is not applicable to the case where the legal reserve already attains the total capital amount.
- b. If necessary, in accordance with regulations of laws, allowance or reversal of special reserve shall be provided.
- c. The earnings during the year available for distributions, along with the undistributed earnings from previous years, shall be distributed according to the proposal from the board. The distribution to shareholders shall be no less than 5% of the distributable accumulated earnings and shall be approved by the shareholders' meetings.

The enterprise life cycle of FRG belongs to "maturity period". However, in order to pursue business sustainable development, respond to the future market demands and consider the future capital expenditure budget of the Company as well as maintenance stable dividend allocation, in which cash dividend shall be no lower than 10% of the total amount of shareholders' dividend. But in case of fund requirements concerning any major investment plan, major operation change matters and productivity expansion or other major capital expenditures, etc., the board may propose it to be changed to distribution in stock dividend form in whole, and actions may be taken after a report to and consent from the shareholders' meeting.

The Board of Directors is authorized to pass a resolution for the Company to distribute all or part of dividends or statutory surplus reserves and capital reserves in cash with the attendance of two thirds of the directors and the consent of more than half of the directors in attendance, which shall be reported to the shareholders' meeting.

B. Legal reserve

Per the regulations set forth by the Company Act, the Company shall appropriate 10% of after-tax earnings as the legal reserve, until the amount of legal reserve is equivalent to that of paid-in capital, or use the earnings to reverse prior losses. In the absence of losses, the portion of reserves exceeding 25% of the paid-in capital can be used to issue cash dividends or bonus shares.

C. Special reserve

	Dec. 31, 2024	Dec. 31, 2023
The number of appropriation arising from the first adoption of IFRSs	\$ 296,475	\$ 296,475

Official Letter “Securities Issue” No. 1010012865 and No. 1010047490 released by the Financial Supervisory Commission and the IFRS standards provide answers to the questions regarding the appropriation, utilization and reversal of special reserve. If there is any reversal of the reduction of shareholders’ equity, the reserved portion may be used for earnings distributions.

D. FRG’s earnings distribution plans and cash dividends per share for 2024 and 2023 were resolved by the board of directors on March 11, 2025, and March 12, 2024, respectively, as follows:

	2024	2023
Cash dividend	\$ 425,031	\$ 394,672
Dividend per share (NT dollars)	1.4	1.3

E. FRG’s earnings for 2023 and 2022 were appropriated with 10% allocated to the legal reserve and were approved by the shareholders’ meetings on June 7, 2024, and June 9, 2023, respectively. The approvals remained the same as the original distribution proposals.

	2023	2022
Legal reserve	\$ 61,670	\$ 67,016

F. The board of the Company had resolved to approve the appropriation of the 2024 Legal Reserve on March 11, 2025, as follows:

	2024
Legal reserve	\$ 94,014

The Company’s earnings distribution for 2024 is still pending for the approval from the shareholders’ meeting in 2025.

(4) Other equity interest

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance on Jan. 1, 2024	\$ 4,539	\$ 928,870	\$ 933,409
Exchange differences on translation of foreign financial statements	49,905	—	49,905
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	—	503,717	503,717
Share of loss (profit) of associates accounted for using equity method	—	5,937	5,937
Disposal of financial assets at fair value through other comprehensive income - equity instrument	—	(366,346)	(366,346)
Balance on Dec. 31, 2024	<u>\$ 54,444</u>	<u>\$ 1,072,178</u>	<u>\$ 1,126,622</u>

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance on Jan. 1, 2023	\$ (1,037)	\$ 269,347	\$ 268,310
Exchange differences on translation of foreign financial statements	5,576	—	5,576
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	—	752,462	752,462
Share of loss (profit) of associates accounted for using equity method	—	4,616	4,616
Disposal of financial assets at fair value through other comprehensive income - equity instrument	—	(97,555)	(97,555)
Balance on Dec. 31, 2023	<u>\$ 4,539</u>	<u>\$ 928,870</u>	<u>\$ 933,409</u>

21. Operating revenue

	2024	2023
Net sales revenue	\$ 884,540	\$ 880,166
Construction revenue	294,753	192,350
Rental and logistics revenue	301,950	287,202
Total	<u>\$ 1,481,243</u>	<u>\$ 1,359,718</u>

The amount of revenue recognized at the beginning from the contractual liabilities for the period from January 1 to December 31, 2024 and 2023 are both NT\$0 thousand.

22. Operating costs

	2024	2023
Cost of sales	\$ 689,799	\$ 687,224
Cost of construction sales	208,343	141,753
Cost of rental and logistics	110,293	110,130
Total	<u>\$ 1,008,435</u>	<u>\$ 939,107</u>

23. Other income

	2024	2023
Dividend income	\$ 195,806	\$ 312,827
Other	6,415	5,452
Total	<u>\$ 202,221</u>	<u>\$ 318,279</u>

24. Other gains and losses

	2024	2023
Gains on disposals of investments	\$ 28,567	\$ 107
Foreign currency exchange gain	73,494	3,566
Net gain on financial assets and liabilities at fair value through profit or loss	104,260	24,649
Miscellaneous expense	(2,925)	(1,330)
Other losses	(17,631)	—
Loss on disposal of property, plant and equipment	(20,572)	—
Impairment loss	(7,654)	—
Total	<u>\$ 157,539</u>	<u>\$ 26,992</u>

25. Finance costs

	2024	2023
Interest of bank loan	\$ 27,392	\$ 26,675
Interest of lease liabilities	332	397
Interest calculation on deposits	739	658
Capitalized interest	(8,305)	(1,404)
Total	<u>\$ 20,158</u>	<u>\$ 26,326</u>

26. Extra information on the items with the expense characteristics

The employee benefits, depreciation, depletion and amortization expenses incurred in this period are summarized below:

	2024			2023		
	Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Salary expense	\$ 95,763	\$ 88,228	\$ 183,991	\$ 92,977	\$ 92,806	\$ 185,783
Labor and health insurance expenses	7,490	4,928	12,418	7,559	5,132	12,691
Pension expense	4,023	2,266	6,289	4,131	2,284	6,415
Other Personnel expense	1,924	970	2,894	1,737	908	2,645
Personnel expense	\$ 109,200	\$ 96,392	\$ 205,592	\$ 106,404	\$ 101,130	\$ 207,534
Depreciation expense	\$ 85,277	\$ 19,642	\$ 104,919	\$ 83,904	\$ 18,951	\$ 102,855

The compensations to employees and the remunerations to directors determined by the board on March 11, 2025 for the year 2024 and March 12, 2024 for the year 2023 are as follows:

	2024		2023	
	Amount	Estimated proportion	Amount	Estimated proportion
Compensations to employees	\$ 6,571	1%	\$ 6,014	1%
Remunerations to directors	6,571	1%	6,014	1%

FRG shall allocate from annual profits no less than 1% for compensations to employees and no more than 2% for remunerations to directors. However, annual profits should be prioritized for the reversal of cumulated losses if any.

The abovementioned compensations to employees may be paid with cash or shares. The employees include the employees of subsidiaries which meet the criteria set by the board. However, the remunerations to directors shall be paid in cash only.

Any changes to the published consolidated financial statements shall be treated as changes to accounting estimates and adjusted during the following year. There was no difference between the distributed amount of compensations to employees and remunerations to directors for 2022 and 2023, the recognized amount on the consolidated financial statements for 2022 and 2023.

Please refer to the details published on TSE Market Observation Post System for the information regarding the decisions by the board and annual general meetings on compensations to employees and remunerations to directors.

27. Income tax

(1) Income tax recognized in loss

The income tax expense listed as profit & loss is composed of as follows:

	2024	2023
Income tax current period:		
Occurred in current year	\$ (66,872)	\$ (60,320)
Additionally imposed undistributed earnings	(10,261)	(13,795)
Tax Refund for Substantial Investment Deduction	11,557	—
Adjustments for prior year	(4,032)	(33)
Paid for land value increment tax	(3,660)	(3,185)
Total	(73,268)	(77,333)
Deferred income tax:		
Occurred in current year	(6,902)	4,010
Income tax expense listed as loss	\$ (80,170)	\$ (73,323)

The accounting benefit and income tax expense of current period are adjusted as follows:

	2024	2023
Income tax calculated according to the regulated tax rate of before-tax net income	\$ 134,314	\$ 123,524
The effect of tax in reconciliation items of income tax:		
When determining taxable income, adjustments should be made to increase	80,119	21,766
Tax-exempt income	(133,261)	(81,812)
Additionally imposed undistributed earnings	10,261	13,795
Adjustments for prior year	4,032	33
Paid for land value increment tax	3,660	3,185
Tax Refund for Substantial Investment Deduction	(11,557)	—
Other	(14,300)	(3,158)
Income tax expense current period	\$ 73,268	\$ 77,333

(2) Income tax expense recognized in other comprehensive income

	2024	2023
Remeasurement of defined benefit plans	\$ (84)	\$ (68)
Unrealized loss on valuation of investments in equity instruments measured at fair value through other comprehensive income	22,770	18,867
Exchange differences on translation of foreign financial statements	(12,476)	(1,394)
Unrealized loss on valuation of investments in debt instruments measured at fair value through other comprehensive income	540	361
Income tax related to other comprehensive income	\$ 10,750	\$ 17,766

(3) Deferred tax assets and liabilities

The analysis on deferred income tax assets and liabilities in balance sheet is as follows:

	2024			
	Balance, beginning of year	Recognized in profit (loss)	Recognized in other comprehensive income	Balance, end of year
Net defined benefit liability	\$ 426	\$ (22)	\$ (84)	\$ 320
Unrealized loss on valuation of investments in equity instruments measured at fair value through other comprehensive income	30,518	—	27,554	58,072
Unrealized loss on valuation of investments in debt instruments measured at fair value through other comprehensive income	507	—	540	1,047
Unrealized exchange loss	8,321	(8,321)	—	—
Other	15,406	5,140	—	20,546
Deferred income tax assets	\$ 55,178	\$ (3,203)	\$ 28,010	\$ 79,985
Unrealized loss on valuation of investments in equity instruments measured at fair value through other comprehensive income	\$ (263)	\$ —	\$ (4,784)	\$ (5,047)
Exchange differences on translation of foreign financial statements	(1,135)	—	(12,476)	(13,611)
Unrealized exchange gain	—	(6,890)	—	(6,890)
Other	(3,191)	3,191	—	—
Land value increment tax	(166,357)	—	—	(166,357)
Deferred income tax (liabilities)	\$ (170,946)	\$ (3,699)	\$ (17,260)	\$ (191,905)

	2023			
	Balance, beginning of year	Recognized in profit (loss)	Recognized in other comprehensive income	Balance, end of year
Net defined benefit liability	\$ 515	\$ (21)	\$ (68)	\$ 426
Unrealized loss on valuation of investments in equity instruments measured at fair value through other comprehensive income	11,388	—	19,130	30,518
Exchange differences on translation of foreign financial statements	259	—	(259)	—
Unrealized loss on valuation of investments in debt instruments measured at fair value through other comprehensive income	146	—	361	507
Unrealized exchange loss	4,857	3,464	—	8,321
Other	15,704	(298)	—	15,406
Deferred income tax assets	<u>\$ 32,869</u>	<u>\$ 3,145</u>	<u>\$ 19,164</u>	<u>\$ 55,178</u>
Unrealized loss on valuation of investments in equity instruments measured at fair value through other comprehensive income	\$ —	\$ —	\$ (263)	\$ (263)
Exchange differences on translation of foreign financial statements	—	—	(1,135)	(1,135)
Unrealized exchange gain	(499)	499	—	—
Other	(3,557)	366	—	(3,191)
Land value increment tax	(166,357)	—	—	(166,357)
Deferred income tax (liabilities)	<u>\$ (170,413)</u>	<u>\$ 865</u>	<u>\$ (1,398)</u>	<u>\$ (170,946)</u>

(4) The Company's and its subsidiaries Ban Chien Development Co., Ltd.'s income tax settlement application case approved by the competent authority is approved to 2022.

28. EPS

(1) Basic earnings per share

	2024	2023
Net income for the period attributable to owners of the Corporation	<u>\$ 573,460</u>	<u>\$ 518,877</u>
Weighted average number of ordinary shares (in thousand shares)	<u>303,593</u>	<u>323,271</u>
Basic EPS (NT dollars)	<u>\$ 1.89</u>	<u>\$ 1.61</u>

(2) Diluted earnings per share

	2024	2023
Net income for the period attributable to owners of the Corporation	<u>\$ 573,460</u>	<u>\$ 518,877</u>
Weighted average number of ordinary shares (in thousand shares)	<u>303,593</u>	<u>323,271</u>
Potentially ordinary stock- Employee bonus (in thousand shares)	<u>304</u>	<u>322</u>
Number of shares of diluted EPS (in thousand shares)	<u>303,897</u>	<u>323,593</u>
Diluted EPS (NT dollars)	<u>\$ 1.89</u>	<u>\$ 1.60</u>

If the Company can choose to distribute stocks or cash as the bonus for the employees, when calculating the earnings per share, the distribution of shares to the employees should be taken into consideration. In addition, the potential common shares which will dilute the earnings should be added into the weighted average number to calculate the diluted earnings per share. The distributed number of shares is estimated by the closing price of the common shares at the end of the reporting period (the effect of exclude right and exclude dividends is considered). The dilutive effect of the potential shares distributed to the employees will be taken into consideration when calculating the diluted EPS before the resolution concerning the number of shares to be delivered as bonus for employees is made in the shareholder meeting the following year.

29. Capital Management

The enterprise life cycle of the Company belongs to “maturity period”. However, in order to pursue business sustainable development, respond to the future market demands and consider the future capital expenditure budget of the Company as well as maintenance stable dividend allocation, on the whole, the Company applies a prudent risk management policy.

30. Financial instruments

(1) The types of financial instruments

	Dec. 31, 2024	Dec. 31, 2023
<u>Financial assets</u>		
Financial assets at fair value through profit or loss	\$ 37,400	\$ 64,635
Financial assets at fair value through other comprehensive income	6,404,194	5,756,659
Amortized cost		
Cash and cash equivalents	710,696	648,132
Trade receivables	181,723	190,527
Other financial assets	763,135	731,296
Refundable deposits	51,970	57,050
Total	<u>\$ 8,149,118</u>	<u>\$ 7,448,299</u>
<u>Financial liabilities</u>		
Amortized cost		
Long&short-term borrowings	\$ 1,273,000	\$ 1,140,000
Short-term bills payable	149,807	189,881
Trade payables	232,558	248,790
Guarantee deposits received	48,667	45,685
Lease liabilities	24,065	31,713
Total	<u>\$ 1,728,097</u>	<u>\$ 1,656,069</u>

(2) Fair values of financial instruments

A. Financial instruments not measured with the fair value

The financial assets and financial liabilities not measured by fair values of this company include cash and equivalent cash, accounts receivable, other financial assets, long&short-term borrowings, short-term bonds payable and accounts payable. The maturity dates of this kind of financial products are rather short that their book values should belong to a reasonable foundation of estimating fair values. The above financial products shall not include refundable deposits and deposit received either, because their repayment dates are uncertain; therefore, their fair values are evaluated by the book values in balance sheets.

B. Fair value measurement of recognitions in balance sheet

The following table provides related analysis of financial instruments measured by fair values after original recognition, and the observable levels of fair values are divided into the first to the third level.

- a. The first-level fair value measurement refers to an open offer of the same asset or liability from an active market (without being adjusted).
- b. The second-level fair value measurement refers to a derived fair value of an observable input value belong to the said asset or liability either directly (i.e., price) or indirectly (i.e., to be derived from price) in addition to a first-level open offer.
- c. The third-level fair value measurement refers to a derived fair value of an input value of asset or liability not based on observable market data (non-observable input value) as the evaluation technique.

C. Concerning the financial instruments measured by fair values, the basic classification analysis of the Company in accordance with the nature, characteristics and risk as well as fair value level of asset and liability shall be as follows:

- a. The financial asset and liability measured by fair value on repeatable foundation:

Dec. 31, 2024				
	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
Fund	\$ 37,400	\$ —	\$ —	\$ 37,400
<u>Financial assets at fair value through other comprehensive income</u>				
Stock of Listed (OTC) companies	\$ 5,600,927	\$ —	\$ —	\$ 5,600,927
Stock not classified to listed (OTC) and emerging companies	—	—	67,329	67,329
Financial bond	59,763	—	—	59,763
Stock of foreign companies	—	—	676,175	676,175
Total	\$ 5,660,690	\$ —	\$ 743,504	\$ 6,404,194

Dec. 31, 2023				
	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
Fund	\$ 64,635	\$ —	\$ —	\$ 64,635
<u>Financial assets at fair value through other comprehensive income</u>				
Stock of Listed (OTC) companies	\$ 4,876,340	\$ —	\$ —	\$ 4,876,340
Stock not classified to listed (OTC) and emerging companies	—	—	117,356	117,356
Financial bond	58,352	—	—	58,352
Stock of foreign companies	—	—	704,611	704,611
Total	\$ 4,934,692	\$ —	\$ 821,967	\$ 5,756,659

b. The financial asset and liability measured by fair value on non-repeatable foundation:
none

D. The first-level fair value measurement item applies a market offer as the fair value input value, with breakdown as follows:

Item	Market quoted
Stock of Listed (OTC) companies	Close price
Fund and Financial bond	The net assets

E. There was no change between Level 1 and Level 2 fair value measurements in 2023.

F. In November 2024, Mercuries F&B Co., Ltd., which the Group holds an investment in equity shares of, listed its equity shares on a stock exchange and they are currently actively traded in the market. Because the equity shares now have published price quotation in an active market, the fair value measurement was transferred from Level 3 to Level 1 of the fair value hierarchy since the fourth quarter of 2024.

G. Adjustment of financial assets with the third-level fair value measurement:

	2024	2023
Beginning balance	\$ 821,967	\$ 482,225
Purchases	51,462	438,177
Capital return due to disinvestment	(900)	(4,000)
Listed to other comprehensive income of this year	(133,752)	(94,435)
Transfer out of Level 3	(53,147)	—
Disposal for the current period	57,874	—
Ending balance	\$ 743,504	\$ 821,967

H. Level 3 fair value measurement is based on net asset values. The Company takes great caution in the selection of valuation models and valuation parameters for the key, non-observable values. Therefore, the measurement of fair values should be reasonable. The use of different valuation models or valuation parameters may result in different numbers. For example, If the evaluation parameter's share price net multiplier increases, the market liquidity discount decreases, and the weighted average capital cost discount rate decreases, the fair value of the investment will be increased.

(3) Objective of financial risk management

The financial risk management of the Company is to manage currency exchange rate risk, interest rate risk, credit risk and liquidity risk related to operation activities. In order to reduce related financial risks, the Company has devoted to identification, evaluation and avoiding uncertainty of market, to reduce any potential unfavorable impact of market changes on the corporate financial performance.

The important financial activities of the Company are specified by the board and in accordance with related specifications and double checked through an internal control system. During the execution period of financial planning, the Company shall scrupulously observe the related financial operation procedures concerning comprehensive financial risk management and division of authority and responsibility.

(4) Market risk

The Company mainly exposes to such market risks as changes in foreign currency exchange rate and changes in interest rate, etc.

A. Foreign currency exchange rate risk

The foreign currency exchange rate risk of the Company mainly comes from Cash and cash equivalents, accounts receivable, other payables priced by foreign currency exchange, Financial assets at fair value through profit or loss as fund, Financial assets at fair value through other comprehensive income as overseas company stock and financial bond, and foreign currency time deposit with maturity period above three months.

The information concerning foreign currency financial assets and liabilities under material impacts of foreign currency exchange rate fluctuation shall be as follows:

	Dec. 31, 2024			Dec. 31, 2023		
	foreign currency	Exchange rate	Amount	foreign currency	Exchange rate	Amount
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	30,158	32.73	987,057	55,883	30.66	1,713,376
HKD	315	4.195	1,323	1,179	3.904	4,603
JPY	131,486	0.208	27,349	132,520	0.2154	28,545
RMB	1,699	4.453	7,573	7,120	4.304	30,653
<u>Non-monetary items</u>						
USD	377	32.73	12,354	357	30.66	10,931
JPY	1,406,170	0.208	292,483	206,108	0.2154	44,396
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	63	32.83	2,050	50	30.76	1,531
HKD	—	4.255	—	2	3.964	8
JPY	16	0.2121	3	55	0.2195	12
RMB	—	4.503	1	—	4.354	1

The sensitivity analysis concerning foreign currency exchange rate risk is calculated mainly for the monetary items of foreign currency at the end of the financial reporting period. When the appreciation/ depreciation of NT Dollar vs. foreign currency reaches 1%, the pre-tax profit and loss of the Company from January 1 to December 31, 2024 and 2023 would separately increase/decrease by NT\$10,212 thousand and NT\$17,756 thousand, respectively.

B. Interest rate risk

The interest rate risk refers to the risk in fair values of non-derivative financial instruments cause by changes of market interest rate. The interest rate risk of the Company mainly comes from long&short-term borrowings and short-term bonds payable. Concerning the sensitivity analysis of interest rate risk, it is calculated on basis of the fixed interest rate loan at the end of the financial reporting period, and it is assumed to be held for one year. In case the interest rate rises/drops 1%, the pre-tax profit and loss of the Company from January 1 to December 31, 2024 and 2023 would separately increase/ decrease by NT\$14,228 thousand and NT\$13,299 thousand, respectively.

C. Other price risks

The price risk of equity instruments of the Company mainly comes from the investment classified as Financial assets at fair value through other comprehensive income; and all major equity instrument investments may only be conducted after the approval of the board of the Company.

Concerning the sensitivity analysis of equity instrument price risks, it is calculated on basis of the changes in fair values at the end of the financial reporting period. In case the price equity instruments rises/drops 1%, the profit and loss of the Company from January 1 to December 31, 2024 and 2023 would separately increase/decrease by NT\$63,444 thousand and NT\$56,983 thousand, respectively.

(5) Credit risk management

The credit risk management refers to the opposing party of trade violates contract obligations and causes risks of financial loss to the Company. The credit risk of the Company comes mainly from the accounts receivable generated from operation activities, and bank deposits generated from investment activities and other financial instruments. Operation related credit risks and financial credit risks are under separate management.

A. Operation related credit risks

In order to maintain the quality of accounts receivable, the Company already establishes the procedures of operation related credit risks. The risk evaluation of an individual customer considers such numerous factors with potential impacts on customer payment abilities as the financial status of the said customer, internal credit ratings of the Company, historical trade record and current economic status, etc. The Company would also in due time uses certain credit enhancement tools, such as sales revenue received in advance and credit insurance, etc., to reduce credit risks of specific customers.

Up to December 31, 2024 and December 31, 2023, the accounts receivable balances of the top 10 major customers account for the accounts receivable balances of the Company respectively as 58% and 54%; the risk concentration risks of the rest accounts receivable are relatively not major.

B. Financial credit risk

The credit risks of bank deposit and other financial instruments are measured and supervised by the Finance Department of the Company. Since the trade parties of the Company are all domestic banks with commendable credit, there is no suspicion of major contract performance; therefore, there is no major credit risk.

(6) Liquidity risk management

The object of liquidity risk management of the Company is to maintain cash and equivalent cash required for operation, securities with high liquidity, and sufficient bank financing quota, etc., to ensure the Company to possess sufficient financial flexibility, operation fund sufficient to cope up with the financial liabilities with agreed repayment periods.

A. The liquidity of non-derivative financial assets and liabilities

Dec. 31, 2024					
	Less than 1 year	2~3 years	4~5 years	Over 5 years	Total
<u>Non-derivative financial liabilities</u>					
Long&short-term borrowings	\$ 1,281,916	\$ —	\$ —	\$ —	\$ 1,281,916
Short-term notes and bills payable	150,000	—	—	—	150,000
Trade payables	232,558	—	—	—	232,558
Lease liabilities	7,646	11,469	5,440	—	24,555
Guarantee deposits received	31,223	11,549	1,885	4,010	48,667
Total	<u>\$ 1,703,343</u>	<u>\$ 23,018</u>	<u>\$ 7,325</u>	<u>\$ 4,010</u>	<u>\$ 1,737,696</u>
Dec. 31, 2023					
	Less than 1 year	2~3 years	4~5 years	Over 5 years	Total
<u>Non-derivative financial liabilities</u>					
Short-term borrowing	\$ 1,146,004	\$ —	\$ —	\$ —	\$ 1,146,004
Short-term notes and bills payable	190,000	—	—	—	190,000
Trade payables	248,790	—	—	—	248,790
Lease liabilities	7,980	13,676	10,879	—	32,535
Guarantee deposits received	25,781	16,822	3,082	—	45,685
Total	<u>\$ 1,618,555</u>	<u>\$ 30,498</u>	<u>\$ 13,961</u>	<u>\$ —</u>	<u>\$ 1,663,014</u>

B. Loan commitments

	Dec. 31, 2024	Dec. 31, 2023
Unsecured bank overdraft limit		
-Amount used	\$ —	\$ —
-Amount unused	60,000	60,000
	<u>\$ 60,000</u>	<u>\$ 60,000</u>
Unsecured bank loan limit		
-Amount used	\$ 1,185,000	\$ 1,300,000
-Amount unused	1,610,000	2,710,000
	<u>\$ 2,795,000</u>	<u>\$ 4,010,000</u>
Secured bank loan limit		
-Amount used	\$ 238,000	\$ —
-Amount unused	1,072,000	170,000
	<u>\$ 1,310,000</u>	<u>\$ 170,000</u>

31. Related party transaction

(1) Name and relation ship with related parties

Name of related parties	Relationship with the Company
Formosan Construction Corp. (Formosan Construction)	Investee company accounted for using the equity method
Eurogear Corporation (Eurogear)	The president is the representative of the Company's legal person director
Chen Hsi Investment CO, LTD (Chen His Investment)	The president is the spouse of the general manager of the Company
Hung He Development CO, LTD (Hung He Development)	The president is the spouse (1st degree of kinship) of the Company's president
Fenghe International Co., Ltd. (Fenghe International)	The president is the general manager of the Company
Engtown Construction Corp (Engtown Construction)	The president is the representative of the Company's legal person director
HSU, ZHEN-TSAI	President of Company
KHL Architects & Planners (KHL)	The representative is the representative of the Company's legal person director

(2) Major transaction with related parties

A. Operating revenue -Rental

	2024	2023
Other	\$ 1,128	\$ 1,127
	Dec. 31, 2024	Dec. 31, 2023
Guarantee deposits received	\$ 274	\$ 274

The related enterprise leases the office to the Company, and the lease content is determined by the agreement between the two parties, and the rent is collected monthly.

B. Lease agreement

Lease agreement signed by the Company with Formosan Construction, Eurogear, Chen Hsi Investment and Hung He Development in December 2018., with the lease period as of December, 2018 to December, 2028. The lease agreement is based on the Consumer Price Index (CPI) in the sixth, and it adjusts the rent according to the accumulated average CPI increase in the previous year. The Company does not have a preferential purchase right for the real property at the end of the lease term. The rent is the monthly payment.

lease liabilities	Dec. 31, 2024	Dec. 31, 2023
Formosan Construction	\$ 4,229	\$ 5,257
Eurogear	4,055	5,042
Chen Hsi Investment	8,610	10,705
Hung He Development	4,405	5,476
Total	<u>\$ 21,299</u>	<u>\$ 26,480</u>

	Dec. 31, 2024	Dec. 31, 2023
Refundable deposits	<u>\$ 1,167</u>	<u>\$ 1,167</u>

	2024	2023
Interest expense	<u>\$ 259</u>	<u>\$ 315</u>
Depreciation expense	<u>\$ 5,155</u>	<u>\$ 5,155</u>

C. Labor remuneration and expenses

	2024	2023
KHL	<u>\$ —</u>	<u>\$ 2,576</u>

D. As of December 31, 2024 and 2023, the farmland of investment property held in the name of the major management of FRG amount to NT\$109,204 thousand. Its ownership certificate is under custody of FRG, and its pledge is set to FRG for security purpose.

E. Acquisition of Investment property

	2024	2023
Engtown Construction Corp	<u>\$ 415,905</u>	<u>\$ 204,286</u>

The Company commissioned Engtown in 2022 to work on the new construction project in Longtan Intelligent Park - Area A on the self-owned land with a total contract amount of NT\$ 770,000 thousand (tax inclusive). As of December 31, 2024, the first to the eleventh phases of the project payments had been paid in the amount of NT\$ 651,200 thousand (tax inclusive).

(3) Reward to major management

The remuneration information to board directors and other major management members shall be as follows:

	2024	2023
Short-term benefits	<u>\$ 66,322</u>	<u>\$ 69,486</u>
Retirement benefit	<u>679</u>	<u>707</u>
Total	<u>\$ 67,001</u>	<u>\$ 70,193</u>

32. Pledged assets

The following assets are already provided to serve for guarantee of financial industry loans, material purchase and international logistics business, with the book amounts as follows:

	Dec. 31, 2024	Dec. 31, 2023
Other financial assets	\$ 20,000	\$ 20,000
Land under construction	1,440,362	1,440,362
Property, plant and equipment	279,623	281,673
Investment property - house and land	186,297	186,297
Total	\$ 1,926,282	\$ 1,928,332

33. Material contingent liabilities and unrecognized contract promise

- (1) The total price of the construction contract signed by the Company for the new construction project was NT\$770,000 thousand, In December 31, 2024 for which the payment had been paid NT\$ 651,200 thousand (tax inclusive).
- (2) The notes payable used as security issued by the Company on December 31, 2024 and December 31, 2023 due to the guarantee of the credit extension contract were both NT\$3,175,000 thousand.

34. Important disaster loss: None

35. Important subsequent events: None

36. Others:

- (1) The Company purchased farmland in the Luzhu district of Taoyuan in the previous year through a nominee registration under the name of a former employee with the status of yeoman (book value of NT\$17,631 thousand before write-off). Both parties agreed that upon the change of land use to industrial land, the former employee would return the land registered in their name to the Company.
- (2) However, in 2018, the Company discovered that the Taoyuan City Government had expropriated three parcels of the aforementioned nominee-registered land. The former employee not only misappropriated the compensation payment for the expropriation for personal use but also failed to inform the Company of the expropriation matters. To protect the Company's interests, the Company filed two civil lawsuits, one for the return of the nominee-registered land and another to reclaim the expropriation compensation. Additionally, criminal charges for breach of trust and embezzlement were filed against the former employee.
- (3) The criminal case is still under trial in the first instance; as for the civil cases, both have been rejected by the Supreme Court. The Company has lost the lawsuits, and therefore, the related asset has been written off, with a loss of NT\$17,631 thousand recognized under other gains and losses. Please refer to Notes 15 and 24 for further details.

37. Additional disclosed items

(1) Information regarding the material transaction items

A. The status of lending capital to others:None

B. The status of endorsement and guarantee for others:

No. (note 1)	Company name of the endorsement / guarantee provider	Recipient of the endorsement/ guarantee		Endorsement/ guarantee quota for a individual enterprise (note 3)	Max. balance of the endorsement/ guarantee this period	Ending balance of the endorsement/ guarantee	Actual drawing amount	The endorsement / guarantee amount guaranteed by properties	Percentage of accumulated endorsement / guarantee amount in net value of the latest financial statements	Max. limit of the endorsement / guarantee (note 3)	Endorsement / guarantee from parent company to subsidiary	Endorsement / guarantee from subsidiary to parent company	Endorsement / guarantee to Mainland China
		Company name	Relation										
0	The Company	950 Property LLC	Note 2	\$ 1,971,143	\$ 152,962 (USD 4,659)	\$ 152,962 (USD 4,659)	\$ 131,987 (USD 4,020)	—	1.16%	\$ 3,942,287	—	—	—
0	The Company	950 Property LLC and 950 Retail Property LLC	Note 2	1,971,143	439,764 (USD 13,395)	439,764 (USD 13,395)	438,010 (USD 13,342)	—	3.35%	3,942,287	—	—	—
0	The Company	950 Property LLC	Note 2	1,971,143	119,931 (USD 3,653)	119,931 (USD 3,653)	119,915 (USD 3,653)	—	0.91%	3,942,287	—	—	—

Note 1: The explanation for the number column is as follows:

(1) Put “0” for the company.

(2) Put the serial No. starting from 1 for the investees by company category.

Note 2: The relationships between endorsement/ guarantee provider and recipient: A company that is endorsed by each of the contributing shareholders in accordance with their shareholding ratio because of the joint investment relationship.

Note 3: According to the Operating procedures of endorsement and guarantee for others, the Company’s endorsement/ guarantee total amount should be no more than 30% of this company’s net value, and its endorsement/ guarantee amount to an individual enterprise should be no more than 15% of the Company’s net value.

C. The status of securities held at the end of the period

Name of this Company	Type and name of securities	Relation with securities issuer	Item listed on book	The end of the period				Remarks
				Share / unit numbers	Book value	Ratio of share holding %	Fair value	
FRG	<u>Fund</u>							
	Allianz Global Investors Preferred Securities and Income Fund		Financial assets at fair value through profit or loss - current	997,009	\$ 9,701	—	\$ 9,701	
	NN(L) US Credit X Cap USD		"	202	9,726	—	9,726	
	<u>Stock</u>							
	Formosa Plastics Group		Financial assets at fair value through other comprehensive income - current	1,088,000	38,624	0.02	38,624	
	Nan Ya Plastics Corporation		"	2,514,000	75,168	0.03	75,168	
	Formosa Chemicals And Fibre Corporation		"	891,000	24,324	0.02	24,324	
	Far Eastern New Century Corporation		"	4,101,761	129,616	0.08	129,616	
	China Motor Corporation		"	1,580,000	125,452	0.29	125,452	
	Taiwan Semiconductor Manufacturing Company Limited		"	405,000	435,375	—	435,375	
	Quanta Computer Inc.		"	781,000	224,147	0.02	224,147	
	Jsl Construction & Development Co., Ltd.		"	227,988	21,112	0.04	21,112	
	Huaku Development Co., Ltd.		"	2,530,600	288,488	0.83	288,488	
	Evergreen Marine Corporation (Taiwan) Ltd.		"	443,000	99,675	0.02	99,675	
	Chang Hwa Commercial Bank, Ltd.		"	5,572,800	99,474	0.05	99,474	
	E.Sun Financial Holding Co., Ltd.		"	80,000	2,156	—	2,156	
	Sinopac Financial Holdings Company Limited		"	30,436,725	697,001	0.24	697,001	
	Ctbc Financial Holding Co., Ltd.		"	7,015,000	274,287	0.03	274,287	
	Far Eastern Ai Mai Co., Ltd.		"	6,226,447	140,095	0.44	140,095	
	Nichidenbo Corporation		"	836,000	58,269	0.39	58,269	
	Wpg Holdings		"	1,916,600	131,095	0.11	131,095	
	Continental Holdings Corporation		"	7,317,000	219,876	0.89	219,876	
	Far Eastone Telecommunications Co., Ltd.		"	2,210,000	197,574	0.06	197,574	
	Pegatron Corporation		"	1,487,000	136,655	0.06	136,655	
	Brightek Optoelectronic Co., Ltd.		"	267,241	13,148	0.39	13,148	
	Farglory Land Development Co., Ltd.		"	2,892,000	213,719	0.37	213,719	

Name of this Company	Type and name of securities	Relation with securities issuer	Item listed on book	The end of the period				Remarks
				Share / unit numbers	Book value	Ratio of share holding %	Fair value	
FRG	Chong Hong Construction Co., Ltd.		Financial assets at fair value through other comprehensive income - current	2,593,000	\$ 222,739	0.89	\$ 222,739	
	Formosa Petrochemical Corporation		"	1,198,000	41,391	0.01	41,391	
	Nan Ya Printed Circuit Board Corporation		"	100,000	13,050	0.02	13,050	
	Darfon Electronics Corp.		"	727,000	31,661	0.26	31,661	
	Mediatek Inc.		"	21,000	29,715	—	29,715	
	United Microelectronics Corp.		"	1,980,000	85,239	0.02	85,239	
	Eva Airways Corporation		"	1,150,000	51,003	0.02	51,003	
	Mercuries F&B Co., Ltd.		"	555,000	39,239	0.84	39,239	
	Leo Systems, Inc.		"	818,000	25,603	0.90	25,603	
	Grand Fortune Securities Co.,Ltd.		"	2,984,830	36,564	0.75	36,564	
	Shinemore Technology Materials Co., Ltd.		"	579,125	3,921	0.89	3,921	
	Shin Kong Financial Holding Co.,Ltd.		"	666,000	23,543	0.22	23,543	
	Citigroup Inc.		"	1,000	2,304	—	2,304	
	Ford Motor Company		"	1,000	324	—	324	
	TOYOTA MOTOR CORP		"	102,000	66,745	—	66,745	
	NEXT FUNDS TOPIX		"	45,000	27,322	—	27,322	
	Mitsubishi Heavy Ind		"	288,000	133,167	—	133,167	
	Tokyo Electron Limited		"	11,000	55,335	—	55,335	
	Shin-Etsu Chemical Co.		"	9,000	9,914	—	9,914	
	Eslite Corporation		Financial assets at fair value through other comprehensive income – non-current	895,300	2,685	1.18	2,685	
	Formosan Glass Corporation		"	2,510	—	4.56	—	
	Formosan Chemical Ind. Corp.		"	22,516	19,503	2.25	19,503	
	Tai Yang Co., Ltd.,		"	111,395	8,796	1.24	8,796	
	Yu Ji Venture Capital Corporation		"	660,000	17,945	10.00	17,945	
	Ta Shee Resort Co., Ltd.		"	1	18,400	—	18,400	

Name of this Company	Type and name of securities	Relation with securities issuer	Item listed on book	The end of the period				Remarks
				Share / unit numbers	Book value	Ratio of share holding %	Fair value	
	<u>Corporate Bond</u> Dialine International Airport Limited Lockheed Martin Corporation Apple Inc.		Financial assets at fair value through other comprehensive income - current " "	480,000 500,000 1,000,000	\$ 15,643 14,496 29,624	— — —	\$ 15,643 14,496 29,624	
Ban Chien Development Co., Ltd.	<u>Fund</u> Yuanta Taiwan Dividend Plus ETF <u>Stock</u> Sinopac Financial Holdings Company Limited Chong Hong Construction Co., Ltd. Taiwan Cement Corporation Farglory Land Development Co., Ltd. Yuanta Financial Holding Co., Ltd. Qisda Corporation Eva Airways Corporation China Motor Corporation Ctbc Financial Holding Co., Ltd.		Financial assets at fair value through profit or loss - current Financial assets at fair value through other comprehensive income - current " " " " " " " "	490,000 35,651,052 904,000 791,954 370,000 221,802 210,000 700,000 125,000 1,400,000	17,973 816,409 77,654 25,105 27,343 7,541 7,056 31,045 9,925 54,740	— 0.28 0.31 0.01 0.05 — 0.01 0.01 0.02 0.01	17,973 816,409 77,654 25,105 27,343 7,541 7,056 31,045 9,925 54,740	
FRG US Corp.	<u>Stock</u> TRIMOSA HOLDINGS LLC		Financial assets at fair value through other comprehensive income - non-current	—	676,175	14.56	676,175	

D. The same securities in which the accumulated amount of buying or selling reached NT\$300 million or was more than 20% of the paid-up capital:

Company Name	Type and Name of Marketable Securities (Note 1)	Financial Statement Account	Counterparty Relationship (Note 2)	Relationship (Note 2)	Beginning Balance		Acquisition (Note 3)		Disposal (Note 3)				Ending Balance (Note 5)	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
FRG	Eva Airways Corporation	Financial assets at fair value through profit or loss - current	—	—	—	\$ —	9,500,000	\$ 299,400	9,500,000	\$ 345,132	\$ 299,400	\$ 45,732	—	\$ —
		Financial assets at fair value through other comprehensive income - non-current	—	—	—	—	1,150,000	40,058	—	—	—	—	1,150,000	40,058
Ban Chien Development Co., Ltd.	Eva Airways Corporation	Financial assets at fair value through other comprehensive income - non-current	—	—	—	—	700,000	21,980	—	—	—	—	700,000	21,980

Note1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note2: Fill in the columns two columns if securities are accounted for under the equity method; otherwise leaves the columns blank.

Note3 : The same securities in which the accumulated amount of buying or selling reached NT\$300 million or 20% of paid-in capital or more

Note4: The paid-in capital refers to the paid-in capital of the parent company. If the par value per share is not \$10 or \$0, it shall be calculated by the 10% of the owner's equity of the parent company's balance sheets.

Note5: It is the original purchase cost that excluded the valuation adjustment of financial assets measured at fair value.

- E. The amount acquiring real estate which reached NT\$300 million or was over 20% of the paid-up capital: None
- F. The amount disposing property which reached NT\$300 million or was over 20% of the paid-up capital: None
- G. The amount of purchases or sales from or to related parties which reached NT\$100 million or was over 20% of the paid-up capital: None
- H. The amount of related party receivables which reached NT\$100 million or was more than 20% of the paid-up capital: None
- I. Information regarding transactions of derivative financial products: None
- J. Business relationships and important transactions between parent and subsidiary companies: None

(2) Related information to re-investment businesses

Investing company	Investee	Area	Business items	Original investment amount		Holding at the end of the period			Investee's profit (loss) of current period	Investment profit (loss) recognized current period	Remarks
				End of period for current period	End for last year	Share	Ratio (%)	Book value			
The Company	Ban Chien Development Co., Ltd.	Taiwan	Consign a contractor to build residential and commercial building for lease and sale	\$ 560,000	\$ 560,000	56,000,000	100.00	\$ 1,310,350	\$ 17,838	\$ 17,838	Subsidiary
	FRG US Corp.	U.S.A.	Real estate investment, development and rental and sales of premises.	993,446	938,955	16,237,000	100.00	744,950	(2,707)	(2,707)	Subsidiary
	KINGSHALE INDUSTRIAL LIMITED	Hong Kong	Investment	34	34	9,999	99.99	—	—	—	Subsidiary
	Formosan Construction Corp. (Taiwan)	Taiwan	Consign a contractor to build commercial building and public housing for lease and sale	75,979	75,979	7,597,927	26.20	91,332	27,669	7,514	
	Fenghe Development Co., Ltd.	Taiwan	Consign a contractor to build residential and commercial building for lease and sale	59,850	59,850	3,990,000	39.90	47,030	16,534	6,596	
	Rueifu Development Co., Ltd.	Taiwan	International trade, investment consultancy, office building for lease and building/land brokerage.	483	483	48,260	48.26	10,359	2,138	1,032	

(3) Information of the investment in China: None

(4) Information on major shareholders

Shareholding Name of major shareholder	Number of shares	Percentage of ownership
Ruifu Construction Co., Ltd.	30,663,678	10.10%
Formosan Construction Corp.	16,796,553	5.53%
Ascend Gear International Inc.	16,367,342	5.39%
Chen Hsi Investment CO, LTD	15,229,990	5.01%

Note: A. The major shareholders information was calculated by Taiwan Depository & Clearing Corporation in accordance with the common shares (including treasury shares) and preferred shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter. The share capital which was recorded on the financial statements might be different from the number of shares held in dematerialised form because of the different calculation basis.

B. As per information above, if the shareholder delivers the shares to the trust, shares will be disclosed based on the trustee's account. Additionally, according to the Securities and Exchange Act, internal stakeholder whom holds more than 10% of the Company's share, which includes shares held by the stakeholder and parts delivered to the trust that have decision making rights, should be declared. For information regarding internal stakeholder declaration, please refer to the Market Observation Post System website of the Taiwan Stock Exchange Corporation.

38. Department information

(1) Operating department

- A. The operation departments required to be reported include Rubber, Construction and Warehousing Departments; Rubber Department engages in manufacture & sale of such products as rubber sheets, plastic sheets, plastic foam sheets and PVC resin sheets, etc.; Construction Department engages in constructing residential & commercial buildings for lease & sale; Warehousing Department engages in management of logistics storage.
- B. The department profit and loss refer to the profit earned by each department, excluding director/supervisor remuneration and investment profit & loss recognized by equity method. These measurement amounts shall be provided to the major operation decision makers, to be sued to distribute resources to departments and evaluate their performance. Besides, there is no major discrepancy between the accounting policies used by Operation Department and the summary description of important accounting policies described in Note 4.

(2) Departments income and operating result

	2024					
	Rubber	Construction	Warehousing	Other	Adjustment and write-off	Total
Revenue from external customers	\$ 886,660	\$ 294,753	\$ 274,449	\$ 25,381	\$ —	\$ 1,481,243
Revenue from inter-departments	\$ —	\$ —	\$ 1,080	\$ —	\$ (1,080)	\$ —
Profit (loss) of departments	\$ 123,221	\$ 86,410	\$ 146,156	\$ 50,743	\$ —	\$ 406,530
Unclassified profit (loss)						(158,784)
Non-operating income and expenses						405,884
Profit before income tax						\$ 653,630
Income tax (expense) profit						\$ (80,170)

	2023					
	Rubber	Construction	Warehousing	Other	Adjustment and write-off	Total
Revenue from external customers	\$ 882,666	\$ 192,350	\$ 260,346	\$ 24,356	\$ —	\$ 1,359,718
Revenue from inter-departments	\$ —	\$ —	\$ 60	\$ —	\$ (60)	\$ —
Profit (loss) of departments	\$ 123,034	\$ 50,597	\$ 130,790	\$ 59,343	\$ —	\$ 363,764
Unclassified profit (loss)						(164,158)
Non-operating income and expenses						392,594
Profit before income tax						\$ 592,200
Income tax (expense) profit						\$ (73,323)

(3) Regional information:

Region	Revenue from external customers		Non-current assets	
	2024	2023	2024	2023
Asia	\$ 1,203,496	\$ 1,114,087	\$ 4,039,534	\$ 3,709,792
Europe	164,756	145,247	—	—
United States- Canada	110,095	97,140	65,603	62,920
Other region	2,896	3,244	—	—
Total	\$ 1,481,243	\$ 1,359,718	\$ 4,105,137	\$ 3,772,712

The above non-current assets shall not include financial products and deferred income tax assets

(4) Products information

Products	2024	2023
Rubber	\$ 884,540	\$ 880,166
Real property	294,753	192,350
Other	301,950	287,202
Total	\$ 1,481,243	\$ 1,359,718

(5) Important customer information: The customers whose net incomes accounting for more than 10% of the income in the Rubber Department of 2024 and 2023 are as follows:

Rubber Enterprise Dept.					
2024			2023		
Customer	Amount	Proportion to operating income	Customer	Amount	Proportion to operating income
Customer A	\$ 126,384	14.25%	Customer A	\$ 139,775	15.84%
Customer B	102,145	11.52%	Customer B	105,175	11.92%