

**CATHAY REAL ESTATE DEVELOPMENT CO., LTD.
AND SUBSIDIARIES**

**Consolidated Financial Statements for the
Six Months Ended June 30, 2024 and 2023 and
Independent Auditors' Review Report**

This financial report has not been reviewed or certified by an accountant

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Notice to Reader

For the convenience of readers, this report has been translated into English from the original Chinese version. The English version has not been audited or reviewed by independent auditors. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

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Independent Auditors' Review Report

To Cathay Real Estate Development Co., Ltd.:

Preface

The consolidated balance sheet of Cathay Real Estate Development Co., Ltd. and its subsidiaries (Cathay Real Estate Group) as of June 30, 2024, and the consolidated statements of comprehensive income, changes in equity, and cash flows for the period from April 1 to June 30, 2024, and January 1 to June 30, 2024, as well as the notes to the consolidated financial statements (including a summary of significant accounting policies), have been reviewed by the undersigned CPA. The management is responsible for preparing the consolidated financial statements that present fairly in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34 "Interim Financial Reporting" as endorsed and effective by the FSC. The responsibility of the CPA is to express a conclusion on these consolidated financial statements based on the review results.

Scope

Except as described in the Basis for Qualified Conclusion section, we conducted our review in accordance with Statement on Auditing Standards No. 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." The procedures performed in a review of the consolidated financial statements consist of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusions

As described in Note 11 to the consolidated financial statements, the investment accounted for using the equity method by Cathay Real Estate Group as of June 30, 2024 amounted to NT\$1,989,168 thousand, and its share of comprehensive loss for the period from April 1, to June 30, 2024 and January 1, to June 30, 2024 amounted to NT\$4,945 thousand and (11,052) thousand, and Note 29 regarding the relevant information on the investees accounted for using the equity method, were recognized and disclosed based on the unreviewed financial statements of the investees for the same periods.

Qualified Conclusions

Except for the adjustments to the consolidated financial statements, if any, that might have been determined to be necessary had the financial statements of the investees accounted for using the equity method been reviewed, based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Cathay Real Estate Group as of June 30, 2024, and its consolidated financial performance and its consolidated cash flows for the period for the six months ended June 30, 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" as endorsed by the FSC.

Other Matters

The consolidated financial statements of Cathay Real Estate Group for the Six Months Ended June 30, 2023 were reviewed by another CPA firm, which issued a review report with a qualified conclusion due to the investment accounted for using the equity method remaining unreviewed on August 9, 2023.

The engagement partners on the audits resulting in this independent auditors' report are Shu-Wan Lin and Chih-Ming Shao.

Deloitte & Touche
Taipei, Taiwan
Republic of China
August 7, 2024

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CATHAY REAL ESTATE DEVELOPMENT CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

June 30, 2024, December 31, 2023 and June 30, 2023

Unit: NT\$ thousand

Code	Assets	June 30, 2024		December 31, 2023		June 30, 2023	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and cash equivalents (Notes 6 and 25)	\$ 7,216,826	8	\$ 5,067,592	6	\$ 7,334,237	9
1120	Financial assets at fair value through other comprehensive profit or loss - Current (Note 7)	3,774,119	4	2,926,542	4	2,760,225	4
1140	Current contract assets - Current (Note 19)	85,217	-	171,423	-	164,851	-
1150	Net Notes Receivable (Note 8 and 19)	1,519	-	22,469	-	1,005	-
1170	Net accounts receivable (Note 8 and 19)	875,297	1	1,281,264	2	411,862	1
1180	Net accounts receivable - related parties (Notes 25)	35,823	-	14,153	-	34,556	-
1200	Other receivables	138,535	-	82,685	-	70,580	-
1220	Current tax assets	1,395	-	1,025	-	517	-
130X	Inventories (Note 9 and 26)	48,369,128	55	48,205,258	59	43,645,624	55
1410	Prepayments (Note 25)	664,985	1	365,780	-	600,161	1
1479	Other current assets (Note 25 and 26)	216,424	-	62,754	-	139,673	-
1480	Incremental costs of obtaining a contract - current (Note 19)	<u>1,462,432</u>	<u>2</u>	<u>1,406,064</u>	<u>2</u>	<u>1,291,278</u>	<u>2</u>
11XX	Total current assets	<u>62,841,700</u>	<u>71</u>	<u>59,607,009</u>	<u>73</u>	<u>56,454,569</u>	<u>72</u>
	Non-current assets						
1517	Financial assets at fair value through other comprehensive income - Non-current (Note 7)	558,433	1	505,324	1	428,830	1
1550	Investments accounted for using equity method (Note 11)	1,989,168	2	2,033,316	2	1,902,311	2
1600	Real estate, plant and equipment (Note 12)	4,436,015	5	4,559,240	6	4,607,487	6
1755	Right-of-use asset (Note 13 and 25)	4,176,147	5	4,286,906	5	4,361,702	5
1760	Net investment property (Note 14 and 26)	12,560,980	14	9,155,140	11	9,305,200	12
1780	Intangible assets	67,501	-	51,271	-	56,379	-
1840	Deferred income tax assets	400,996	-	414,391	-	397,648	-
1900	Other current assets (Note 15, 25 and 26)	<u>1,301,287</u>	<u>2</u>	<u>1,409,159</u>	<u>2</u>	<u>1,442,414</u>	<u>2</u>
15XX	Total non-current assets	<u>25,490,527</u>	<u>29</u>	<u>22,414,747</u>	<u>27</u>	<u>22,501,971</u>	<u>28</u>
1XXX	Total assets	<u>\$ 88,332,227</u>	<u>100</u>	<u>\$ 82,021,756</u>	<u>100</u>	<u>\$ 78,956,540</u>	<u>100</u>
	Liabilities and Equity						
	Current liabilities						
2100	Short-term loans (Notes 16 and 25)	\$ 10,987,000	12	\$ 10,466,600	13	\$ 11,270,300	14
2110	Short-term notes and bills payable (Note 16)	2,987,893	3	2,579,334	3	3,270,083	4
2130	Current contract Liabilities - Current (Note 19)	10,716,619	12	7,596,155	9	7,007,723	9
2150	Notes payable	46,613	-	23,177	-	63,743	-
2170	Accounts payable	1,479,994	2	2,116,610	3	1,513,565	2
2180	Accounts payable - related parties (Notes 25)	3,176	-	3,281	-	1,519	-
2200	Other payables	1,888,564	2	995,669	1	1,320,795	2
2230	Current income tax liabilities (Note 4)	218,040	-	224,512	-	124,198	-
2280	Lease liabilities - Current (Notes 13 and 25)	439,836	1	433,695	1	397,561	1
2320	Current portion of long-term loans payable (Note 16)	9,907,000	11	7,580,000	9	4,150,000	5
2399	Other current liabilities	<u>559,157</u>	<u>1</u>	<u>190,207</u>	<u>-</u>	<u>76,467</u>	<u>-</u>
21XX	Total current liabilities	<u>39,233,892</u>	<u>44</u>	<u>32,209,240</u>	<u>39</u>	<u>29,195,954</u>	<u>37</u>
	Non-current Liabilities						
2540	Long-term loans (Note 16)	14,180,696	16	15,741,295	19	17,337,000	22
2570	Deferred income tax liabilities	40,503	-	40,898	-	40,400	-
2580	Lease liabilities - Non-current (Notes 13 and 25)	5,380,409	6	5,254,109	7	5,367,427	7
2600	Other non-current liabilities (Note 25)	<u>241,579</u>	<u>1</u>	<u>243,964</u>	<u>-</u>	<u>228,090</u>	<u>-</u>
25XX	Total non-current liabilities	<u>19,843,187</u>	<u>23</u>	<u>21,280,266</u>	<u>26</u>	<u>22,972,917</u>	<u>29</u>
2XXX	Total liabilities	<u>59,077,079</u>	<u>67</u>	<u>53,489,506</u>	<u>65</u>	<u>52,168,871</u>	<u>66</u>
	Equities attributable to owners of parent company (Note 18)						
3110	Ordinary share capital	<u>11,595,611</u>	<u>13</u>	<u>11,595,611</u>	<u>14</u>	<u>11,595,611</u>	<u>15</u>
3200	Capital reserve	<u>148,352</u>	<u>-</u>	<u>118,406</u>	<u>-</u>	<u>115,891</u>	<u>-</u>
	Retained Earnings						
3310	Legal reserve	5,033,776	6	4,831,727	6	4,831,727	6
3320	Special reserve	504,189	1	504,189	-	504,189	1
3350	Unappropriated retained earnings	<u>8,353,176</u>	<u>9</u>	<u>8,824,081</u>	<u>11</u>	<u>7,360,717</u>	<u>9</u>
3300	Total retained earnings	<u>13,891,141</u>	<u>16</u>	<u>14,159,997</u>	<u>17</u>	<u>12,696,633</u>	<u>16</u>
3400	Other Equity Interest	<u>1,339,491</u>	<u>1</u>	<u>435,331</u>	<u>1</u>	<u>188,969</u>	<u>-</u>
31XX	Total shareholders' equity	<u>26,974,595</u>	<u>30</u>	<u>26,309,345</u>	<u>32</u>	<u>24,597,104</u>	<u>31</u>
36XX	Non-controlling interests (Note 18)	<u>2,280,553</u>	<u>3</u>	<u>2,222,905</u>	<u>3</u>	<u>2,190,565</u>	<u>3</u>
3XXX	Total equity	<u>29,255,148</u>	<u>33</u>	<u>28,532,250</u>	<u>35</u>	<u>26,787,669</u>	<u>34</u>
	Total liabilities and equity	<u>\$ 88,332,227</u>	<u>100</u>	<u>\$ 82,021,756</u>	<u>100</u>	<u>\$ 78,956,540</u>	<u>100</u>

The accompanying notes are an integral part of the financial statements.
(Please refer to the Audit's Report issued by Deloitte & Touche on August 7, 2024)

Chairman: Ching-Kuei Chang

Managerial Officer: Hung-Ming Lee

Accounting Manager: Yi-Chun Chang

CATHAY REAL ESTATE DEVELOPMENT CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Three Months Ended June 30, 2024 and 2023 and the Six Months Ended June 30, 2024 and 2023

Unit: NT\$ Thousand, except earnings per share

Code		April 1 to June 30, 2024		April 1 to June 30, 2023		January 1 to June 30, 2024		January 1 to June 30, 2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Notes 19 and 25)	\$ 4,341,563	100	\$ 3,934,906	100	\$ 11,397,813	100	\$ 6,810,652	100
5000	Operating cost (Notes 9, 20 and 25)	(3,325,385)	(76)	(2,927,963)	(74)	(9,020,883)	(79)	(5,090,107)	(75)
5900	Gross profit	1,016,178	24	1,006,943	26	2,376,930	21	1,720,545	25
	Operating expenses (Notes 20 and 25)								
6200	Management expenses	517,555	12	418,127	11	1,053,609	9	839,023	12
6450	Expected credit loss	150	-	22	-	151	-	36	-
6000	Total operating expenses	517,705	12	418,149	11	1,053,760	9	839,059	12
6900	Net operating income	498,473	12	588,794	15	1,323,170	12	881,486	13
	Non-operating revenue and net expenses								
7020	Other profits and losses (Note 20)	(6,051)	-	(8,845)	-	(7,690)	-	(27,247)	-
7050	Finance costs (Notes 20 and 25)	(119,304)	(3)	(112,718)	(3)	(242,509)	(2)	(218,578)	(3)
7060	Share of profit (loss) of joint ventures and associates accounted for using equity method (Note 11)	(2,138)	-	18,196	1	(14,526)	-	(1,687)	-
7100	Interest income (Note 20)	17,339	-	17,084	-	23,758	-	25,373	-
7190	Net Operating Revenue (Note 20)	17,928	1	11,019	-	26,116	-	33,134	-
7000	Non-operating revenue and net expenses	(92,226)	(2)	(75,264)	(2)	(214,851)	(2)	(189,005)	(3)
7900	Profit before income tax	406,247	10	513,530	13	1,108,319	10	692,481	10
7950	Income tax (Note 4 and 21)	(79,670)	(2)	(86,219)	(2)	(224,405)	(2)	(112,150)	(1)
8200	Net profit for the period	326,577	8	427,311	11	883,914	8	580,331	9
	Other comprehensive income (loss) (Net value after tax)								
8310	Items components of other comprehensive income that will not be reclassified to profit or loss:								
8316	Unrealized gain (loss) on valuation of equity instruments at fair value through profit or loss	745,664	17	47,951	1	900,686	8	(35,396)	(1)
8320	Share of other comprehensive income of joint ventures and associates accounted for using equity method	6,784	-	2,306	-	3,078	-	2,306	-
8360	Items that may be reclassified subsequently to profit or loss:								
8370	Share of other comprehensive income (loss) of joint ventures and associates accounted for using equity method	299	-	(30)	-	396	-	(33)	-
8300	Other comprehensive income (loss) for the period (Net value after tax)	752,747	17	50,227	1	904,160	8	(33,123)	(1)
8500	Total comprehensive income for the period	\$ 1,079,324	25	\$ 477,538	12	\$ 1,788,074	16	\$ 547,208	8
	Net profit (loss) attributable to:								
8610	Owners of parent company	\$ 341,590	8	\$ 418,695	11	\$ 890,705	8	\$ 557,126	8
8620	Non-controlling interests	(15,013)	-	8,616	-	(6,791)	-	23,205	1
8600		\$ 326,577	8	\$ 427,311	11	\$ 883,914	8	\$ 580,331	9
	Total comprehensive profit (loss) attributable to:								
8710	Owners of parent company	\$ 1,094,337	25	\$ 468,922	12	\$ 1,794,865	16	\$ 524,003	8
8720	Non-controlling interests	(15,013)	-	8,616	-	(6,791)	-	23,205	-
8700		\$ 1,079,324	25	\$ 477,538	12	\$ 1,788,074	16	\$ 547,208	8
	Earnings per share (Note 22)								
9710	Basic	\$ 0.30		\$ 0.36		\$ 0.77		\$ 0.48	
9810	Dilution	\$ 0.30		\$ 0.36		\$ 0.77		\$ 0.48	

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

(Please refer to the Audit's Report issued by Deloitte & Touche on August 7, 2024)

Chairman: Ching-Kuei Chang

Managerial Officer: Hung-Ming Lee

Accounting Manager: Yi-Chun Chang

CATHAY REAL ESTATE DEVELOPMENT CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Six Months Ended to June 30, 2024 and 2023

Unit: NT\$ thousand

		Equities Attributable to Owners of Parent Company							Other Equity Interest					
		Retained Earnings						Exchange Differences on Translation of Foreign Financial Statements	Unrealized Profits and Losses of Financial Assets at Fair Value Through Other Comprehensive Income	Remeasurements of Defined Benefit Plans	Real Estate Revaluation Increments	Total	Non- Controlling Interests	Total Equity
Code		Capital- Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Total							
A1	Balance on January 1, 2023	\$ 11,595,611	\$ 65,262	\$ 4,723,658	\$ 504,189	\$ 7,491,441	\$ 12,719,288	\$ 432	\$ 224,652	(\$ 2,992)	\$ -	\$ 24,602,253	\$ 2,155,682	\$ 26,757,935
	2022 Annual Surplus Appropriation and Distribution													
B1	Provision for legal surplus reserve	-	-	108,069	-	(108,069)	-	-	-	-	-	-	-	-
B5	Cash dividends for shareholders of the company	-	-	-	-	(579,781)	(579,781)	-	-	-	-	(579,781)	-	(579,781)
C7	Due to an increase in the changes of associates and joint ventures accounted for using the equity method.	-	51,422	-	-	-	-	-	-	-	-	51,422	-	51,422
C17	Changes in other capital surplus	-	(793)	-	-	-	-	-	-	-	-	(793)	-	(793)
D1	Net profit from January 1 to June 30, 2023	-	-	-	-	557,126	557,126	-	-	-	-	557,126	23,205	580,331
D3	Other comprehensive losses from January 1 to June 30, 2023	-	-	-	-	-	-	(33)	(33,090)	-	-	(33,123)	-	(33,123)
D5	Total comprehensive gains (losses) from January 1 to June 30, 2023	-	-	-	-	557,126	557,126	(33)	(33,090)	-	-	524,003	23,205	547,208
O1	Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	11,678	11,678
Z1	Balance on June 30, 2023	<u>\$ 11,595,611</u>	<u>\$ 115,891</u>	<u>\$ 4,831,727</u>	<u>\$ 504,189</u>	<u>\$ 7,360,717</u>	<u>\$ 12,696,633</u>	<u>\$ 399</u>	<u>\$ 191,562</u>	<u>(\$ 2,992)</u>	<u>\$ -</u>	<u>\$ 24,597,104</u>	<u>\$ 2,190,565</u>	<u>\$ 26,787,669</u>
A1	Balance on January 1, 2024	\$ 11,595,611	\$ 118,406	\$ 4,831,727	\$ 504,189	\$ 8,824,081	\$ 14,159,997	\$ 513	\$ 430,854	\$ 258	\$ 3,706	\$ 26,309,345	\$ 2,222,905	\$ 28,532,250
	2023 Annual Surplus Appropriation and Distribution													
B1	Provision for legal surplus reserve	-	-	202,049	-	(202,049)	-	-	-	-	-	-	-	-
B5	Cash dividends for shareholders of the company	-	-	-	-	(1,159,561)	(1,159,561)	-	-	-	-	(1,159,561)	-	(1,159,561)
C7	Due to an increase in the changes of associates and joint ventures accounted for using the equity method.	-	30,473	-	-	-	-	-	-	-	-	30,473	-	30,473
C17	Changes in other capital surplus	-	(527)	-	-	-	-	-	-	-	-	(527)	-	(527)
D1	Net profit (loss) from January 1 to June 30, 2024	-	-	-	-	890,705	890,705	-	-	-	-	890,705	(6,791)	883,914
D3	Other comprehensive gains (losses) from January 1 to June 30, 2024	-	-	-	-	-	-	396	907,470	-	(3,706)	904,160	-	904,160
D5	Total comprehensive gains (losses) from January 1 to June 30, 2024	-	-	-	-	890,705	890,705	396	907,470	-	(3,706)	1,794,865	(6,791)	1,788,074
O1	Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	64,439	64,439
Z1	Balance on June 30, 2024	<u>\$ 11,595,611</u>	<u>\$ 148,352</u>	<u>\$ 5,033,776</u>	<u>\$ 504,189</u>	<u>\$ 8,353,176</u>	<u>\$ 13,891,141</u>	<u>\$ 909</u>	<u>\$ 1,338,324</u>	<u>\$ 258</u>	<u>\$ -</u>	<u>\$ 26,974,595</u>	<u>\$ 2,280,553</u>	<u>\$ 29,255,148</u>

The accompanying notes are an integral part of the financial statements.
(Please refer to the Audit's Report issued by Deloitte & Touche on August 7, 2024)

Chairman: Ching-Kuei Chang

Managerial Officer: Hung-Ming Lee

Accounting Manager: Yi-Chun Chang

CATHAY REAL ESTATE DEVELOPMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS

For the Six Months Ended June 30, 2024 and 2023

		Unit: NT\$ thousand	
<u>Code</u>		<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
	Cash flows from operating activities		
A10000	Profit before income tax	\$ 1,108,319	\$ 692,481
A20010	Adjustments to reconcile profit (loss):		
A20100	Depreciation	549,497	510,153
A20200	Amortization expense	9,324	11,089
A20300	Expected credit loss	151	36
A20900	Interest expense	242,509	218,578
A21200	Interest income	(23,758)	(25,373)
A21300	Dividend income	(450)	(450)
A22300	Share of loss of joint ventures and associates accounted for using equity method	14,526	1,687
A22500	Net loss (gain) of disposal and retirement of real estate, plant and equipment	(2,535)	20,368
A30000	Net changes in operating assets and liabilities		
A31125	Contract asset	86,206	214,630
A31130	Notes receivable	20,950	37,734
A31150	Accounts receivable	405,816	46,118
A31160	accounts receivable - related parties	(21,670)	(15,519)
A31180	Other receivables	7,891	10,177
A31200	Inventories	(3,190,267)	(2,161,606)
A31230	Prepayments	(299,205)	(174,811)
A31240	Other current assets	(153,670)	(15,880)
A31270	Incremental costs of obtaining contract	(56,368)	(71,421)
A31990	Other operating assets	-	57,254
A32125	Contract liabilities	3,120,464	380,235
A32130	Notes payable	23,436	7,769
A32150	Accounts payable	(636,616)	242,687
A32160	Accounts payable - related parties	(105)	(46,948)
A32180	Other payables	(243,361)	(386,820)
A32230	Other current liabilities	368,950	(77,364)
A33000	Cash generated (used) from operations	1,330,034	(525,196)

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<u>Code</u>		<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
A33100	Interest received	\$ 23,586	\$ 24,725
A33500	Income tax paid	(218,247)	(209,250)
AAAA	Net cash inflows (outflows) from operating activities	<u>1,135,373</u>	<u>(709,721)</u>
Cash flows from investing activities			
B01800	Acquisition of long-term equity investments using the equity method	-	(54,000)
B02700	Acquisition of real estate, plant, and equipment	(126,115)	(86,123)
B02800	Proceeds from disposal of real estate, plant, and equipment	23,394	2,117
B04500	Purchase of intangible assets	(16,507)	(20,170)
B06700	Decrease in other non-current assets	56,459	268,716
B07600	Dividends received	<u>450</u>	<u>19,715</u>
BBBB	Net cash flows (outflow) used in investing activities	<u>(62,319)</u>	<u>130,255</u>
Cash flows from financing activities			
C00100	Increase (decrease) in short-term borrowings	520,400	(1,174,700)
C00500	Increase (decrease) in short-term notes and bills payable	408,559	(824,530)
C01600	Borrowing of long-term loans	2,790,550	850,000
C01700	Repayment of long-term loans	(2,035,691)	(1,130,000)
C04020	Principal repayment of lease liabilities	(216,198)	(218,231)
C04400	Decrease in other non-current liabilities	(2,385)	(3,204)
C05600	Interest paid	(453,494)	(439,804)
C05800	Change in non-controlling interests	<u>64,439</u>	<u>11,678</u>
CCCC	Net cash inflows (outflows) used in financing activities	<u>1,076,180</u>	<u>(2,928,791)</u>
EEEE	Net increase (decrease) in cash and cash equivalents	2,149,234	(3,508,257)
E00100	Beginning balance of cash and cash equivalents	<u>5,067,592</u>	<u>10,842,494</u>
E00200	Ending balance of cash and cash equivalents	<u>\$ 7,216,826</u>	<u>\$ 7,334,237</u>

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

(Please refer to the Audit's Report issued by Deloitte & Touche on August 7, 2024)

Chairman: Ching-Kuei Chang

Managerial Officer: Hung-Ming Lee

Accounting Manager: Yi-Chun Chang

CATHAY REAL ESTATE DEVELOPMENT CO., LTD. AND SUBSIDIARIES

NOTE OF CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2024 and 2023

(Amount in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. Company History

Cathay Real Estate Development Co., Ltd. (hereinafter referred to as "the Company") was established on December 1, 1964 in accordance with the provisions of the Company Law and other relevant laws and regulations. Its main business is to commission construction companies to build national housing and commercial buildings for rental and sale.

The Company's shares have been listed and traded on the Taiwan Stock Exchange since October 1967.

The Financial Statements are presented in the New Taiwan dollar, the Company's functional currency.

2. Date of Authorization for Issuance of the Parent Company Only Financial Statements and Procedures for Authorization

The Financial Statements have been approved by the Board of Directors on August 7, 2024.

3. Application of New and Amended Standards and Interpretations

- (1) The initial adoption of International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC) and Interpretations (SIC) (hereinafter referred to as "IFRS Accounting Standards") recognized and promulgated by the Financial Supervisory Commission (hereinafter referred to as the "FSC").

The application of the IFRSs endorsed and issued into effect by the FSC did not result in significant changes in the accounting policies of the Company and its subsidiaries (hereinafter referred to as the "Consolidated Company").

- (2) International Financial Reporting Standards (IFRS) accounting standards recognized by the Financial Supervisory Commission applicable in 2025

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Issuance Valid Date of IASB</u>
Amendment of IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 1)

Note 1: Applicable to annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, no restatement of comparative periods is required, and the impact should be recognized in the retained earnings or foreign currency translation reserve (as appropriate) at the date of initial application, as well as in the related assets and liabilities affected.

- (3) International Financial Reporting Standards (IFRS) accounting standards that have been issued by the International Accounting Standards Board (IASB) but have not yet been endorsed and issued by the FSC of Taiwan.

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
"Annual Improvements to IFRS Accounting Standards - Volume 11"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to Classification and Measurement of Financial Instruments"	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
IFRS 17 "Insurance contract"	January 1, 2023
Amendment of IFRS 17	January 1, 2023
Amendment of 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 otherwise specified, the aforementioned New/Amended/Revised Standards and Interpretations shall be effective for the annual reporting period after the specified dates.

As of the date of authorization of the Consolidated Financial Statements, the Consolidated Company has continuously assessed of the aforesaid amendments to standards and interpretations have impact on the financial position and financial performance. The relevant impacts shall be disclosed after the end of the assessment.

4. Summary of Significant Accounting Policies

(1) Compliance Declaration

These consolidated financial statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the FSC. These consolidated financial statements do not include all of the IFRS disclosures required for a full annual financial report.

(2) Preparation Basis

The Consolidated Financial Statements have been prepared on a historical cost basis, except for financial instruments measured at fair value and net defined benefit liabilities recognized at the present value of defined benefit obligations less fair value of plan assets.

The fair value measurement is classified Level 1 to Level 3 based on the observability and importance of related input:

1. Level 1 inputs: Quote prices (unadjusted) in active markets for identical assets or liabilities on the measurement date.
2. Level 2 inputs: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. deduced from prices).
3. Level 3 inputs: Unobservable inputs for the asset or liability.

(3) Consolidated Basis

The consolidated financial statements include the financial statements the Company and entities controlled by the Company (subsidiaries). The consolidated Statement of comprehensive income already concluded the operating income (loss) of subsidiaries acquired or disposed of during the period from the effective dates of acquisition or up to the effective dates of disposal, respectively. The financial statements of the subsidiaries have been adjusted to conform their accounting policies to those of the consolidated company. All intercompany transactions, account balances, revenues and expenses are eliminated in the consolidated financial statements. Total comprehensive income of subsidiaries is attributed to owners of the parent and non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for as equity transactions. The carrying amounts of the interests of the parent company and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amounts by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the parent.

For details of subsidiaries, their ownership percentages, and business scope, please refer to Note 10 and Table 7.

(4) Other Major Accounting Policies

Apart from the following explanations, please refer to the summary of significant accounting policies in the 2023 consolidated financial statements.

1. Defined Benefit of Retirement Benefits

The interim pension cost is calculated based on the pension cost rate determined by actuarial valuation at the end of the previous year, using the period from the beginning of the year to the current end date, and adjusted for significant market fluctuations during the current period, as well as significant plan amendments, settlements, or other significant one-time events.

2. Income Tax Expense

Income tax expenses are the sum of the tax in the current period and deferred income tax. Income tax for interim periods is accrued using the tax rate that would be applicable to the expected annual total earnings, applied to the pre-tax income for the interim period.

5. Primary Sources of Uncertainties in Material Accounting Judgments, Estimates, and Assumptions

Please refer to the 2023 consolidated financial statements as primary sources and explanations of uncertainties in material accounting judgments, estimates, and assumptions.

6. Cash and Cash Equivalents

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Cash on hand and allowance	\$ 15,515	\$ 12,241	\$ 11,005
Checks and demand deposits in banks	5,887,994	3,933,274	5,146,848
Cash equivalents			
The bank fixed deposit with original maturity within 3 months.	123,350	236,700	175,600
Short-term notes and bills	<u>1,189,967</u>	<u>885,377</u>	<u>2,000,784</u>
	<u>\$ 7,216,826</u>	<u>\$ 5,067,592</u>	<u>\$ 7,334,237</u>

7. Financial Assets at Fair Value through Other Comprehensive Income

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Current</u>			
Listed companies' shares	<u>\$ 3,774,119</u>	<u>\$ 2,926,542</u>	<u>\$ 2,760,225</u>
<u>Non-current</u>			
Non-listed companies' shares	<u>\$ 558,433</u>	<u>\$ 505,324</u>	<u>\$ 428,830</u>

The consolidated company invests in those equity instruments for the purpose of medium- and long-term strategic investments and expects to generate profits through long-term investments. The management of the consolidated company believes that if the short-term fair value fluctuations of these investments are included in profit or loss, it would be inconsistent with the aforementioned long-term investment plans. Therefore, they chose to designate these investments as measured at fair value through other comprehensive income.

8. Net Notes Receivable and Net Account Receivables

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Notes receivable	\$ 1,519	\$ 22,469	\$ 1,005
Less: Loss allowance	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,519</u>	<u>\$ 22,469</u>	<u>\$ 1,005</u>
Accounts receivable	\$ 875,562	\$ 1,281,378	\$ 411,964
Less: Loss allowance	<u>(265)</u>	<u>(114)</u>	<u>(102)</u>
	<u>\$ 875,297</u>	<u>\$ 1,281,264</u>	<u>\$ 411,862</u>

The consolidated company's average credit period for receivables is 30 to 365 days. The consolidated company has established a dedicated department to manage receivables, formulated relevant management regulations, and implemented credit verification and quota management to ensure the interests of the consolidated company.

The consolidated company adopts the IFRS 9 simplified approach to recognize the allowance for losses on receivables based on expected credit losses over the remaining lifetime. The expected credit losses over the remaining lifetime are calculated using a provision matrix, which takes into account the customer's past default records and current financial condition, industry economic situation, as well as GDP forecasts and industry outlook. Since the consolidated company's credit loss experience shows no significant differences in loss patterns among different customer groups, the provision matrix does not further distinguish customer groups, but sets the expected credit loss rate based only on the number of days the receivables are overdue.

If there is evidence that the counter party is facing severe financial difficulties and the consolidated company cannot reasonably expect to recover the amount, the consolidated company will directly write off the relevant receivables. However, the collection activities will continue, and any amount recovered from collection will be recognized in profit or loss.

The consolidated company measures the allowance for losses on receivables based on the provision matrix as follows:

June 30, 2024

	<u>Not Pass Due</u>	<u>Past due 1 to 90 days</u>	<u>Past due 91 to 180 days</u>	<u>Past due 181 to 270 days</u>	<u>Past due more than 271 days</u>	<u>Total</u>
Expected credit losses ratio	-	0.57%	66.37%	-	-	
Total carrying amount	\$ 856,631	\$ 20,224	\$ 226	\$ -	\$ -	\$ 877,081
Loss allowance (lifetime expected credit losses)	-	(115)	(150)	-	-	(265)
Amortized cost	<u>\$ 856,631</u>	<u>\$ 20,109</u>	<u>\$ 76</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 876,816</u>

December 31, 2023

	<u>Not Pass Due</u>	<u>Past due 1 to 90 days</u>	<u>Past due 91 to 180 days</u>	<u>Past due 181 to 270 days</u>	<u>Past due more than 271 days</u>	<u>Total</u>
Expected credit losses ratio	-	3.75%	-	-	-	
Total carrying amount	\$ 1,300,822	\$ 3,025	\$ -	\$ -	\$ -	\$ 1,303,847
Loss allowance (lifetime expected credit losses)	-	(114)	-	-	-	(114)
Amortized cost	<u>\$ 1,300,822</u>	<u>\$ 2,911</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,303,733</u>

June 30, 2023

	<u>Not Pass Due</u>	<u>Past due 1 to 90 days</u>	<u>Past due 91 to 180 days</u>	<u>Past due 181 to 270 days</u>	<u>Past due more than 271 days</u>	<u>Total</u>
Expected credit losses ratio	-	0.44%	-	-	-	
Total carrying amount	\$ 390,119	\$ 22,850	\$ -	\$ -	\$ -	\$ 412,969
Loss allowance (lifetime expected credit losses)	-	(102)	-	-	-	(102)
Amortized cost	<u>\$ 390,119</u>	<u>\$ 22,748</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 412,867</u>

Changes in the allowance for doubtful accounts is as follows:

	January 1 to June 30, 2024	January 1 to June 30, 2023
Beginning balance	\$ 114	\$ 66
Impairment loss in the current period	151	36
Ending balance	<u>\$ 265</u>	<u>\$ 102</u>

9. Inventories

	June 30, 2024	December 31, 2023	June 30, 2023
Building land	\$ 13,277,449	\$ 14,106,679	\$ 15,566,016
Land under construction	32,038,888	28,343,287	27,635,168
Real estate held for sale	197,475	4,567,716	403,338
Others	5,234	3,687	3,348
Subtotal	45,519,046	47,021,369	43,607,870
Prepayments for land	2,850,082	1,183,889	37,754
	<u>\$ 48,369,128</u>	<u>\$ 48,205,258</u>	<u>\$ 43,645,624</u>

(1) Supplementary Disclosures for Major Construction Projects of the Consolidated Companies Are as Follows:

Project	Total Contract Amount (Note 1)	Percentage of completion		
		June 30, 2024	December 31, 2023	June 30, 2023
Cathay He He	\$ 1,104,762	77%	58%	42%
Cathay MOST+	1,890,000	76%	59%	39%
Cathay Xi Jing	1,133,333	72%	48%	36%
Cathay You Yang	1,158,464	64%	48%	33%
Cathay THE PARK	1,257,143	55%	38%	25%
UNi PARK	2,816,000	46%	33%	24%
Cathay You Jing	1,086,746	40%	30%	16%
Cathay Mei He	1,121,144	34%	24%	-
Cathay Shi Mei	687,619	34%	-	-
Dunnan Lin Yuan	1,670,952	30%	19%	14%
Taoyuan City, Zhong Lu Second Section	2,057,515	26%	18%	8%
Cathay Pan Yun	1,127,429	26%	16%	4%
Cathay United Bank Dunhua N. Branch Urban Renewal	1,123,321	25%	15%	-
Cathay Yi He	2,275,500	20%	14%	10%
Cathay Yong Cui	2,278,750	13%	10%	2%
RIVER PARK	3,165,000	10%	-	-
Cathay·Xu	1,018,571	6%	-	-
Cathay Min Le	708,468	4%	-	-
META PARK	6,803,027	3%	-	-
Cathay Cheng Zhen	920,000	0%	-	-
Cathay Yang Hui	1,151,036	0%	-	-
Cathay Yang Mu	2,431,594	0%	-	-
Liberty Stationery Corp	2,471,862	註 2	97%	81%
Cathay Chuan Qing	1,231,429	註 2	註 2	84%
Cathay Huai Wei Feng Nian	1,395,238	註 2	註 2	75%

Note 1: It is the budgeted cost, excluding land costs.

Note 2: These projects have been 100% completed.

The above important disclosure of construction projects does not consider the adjustments for consolidation and elimination.

- (2) In Order for the Consolidated Companies to Smoothly Construct and Deliver Construction Projects, the Ongoing Construction Projects Are Registered Under Trust as Follows:

Project name	Trust balance		
	June 30, 2024	December 31, 2023	June 30, 2023
META PARK	\$ 789,460	\$ -	\$ -
Dunnan Lin Yuan	314,652	435,265	288,220
Cathay Xu	313,707	-	-
Cathay Pan Yun	299,922	264,742	256,291
Cathay Yong Cui Joint Construction Party	289,600	286,933	243,936
Cathay Yong Cui	246,041	409,155	423,885
Cathay Yang Mu	213,845	-	-
Cathay Shi Mei	195,673	250,040	342,498
Cathay Yang Hui	165,477	-	-
Cathay Cheng Zhen	114,391	-	-
Cathay Yi He	112,522	196,195	182,905
Cathay Min Le	105,095	92,151	43,810
Cathay THE PARK	46,006	134,994	166,516
Cathay Mei He	36,940	143,488	113,945
RIVER PARK	29,255	-	-
Cathay Xi Jing	20,801	1,661	327
Cathay He He	11,903	992	9,142
UNi PARK	8,425	235,374	457,428
Cathay You Yang	5,424	15	17
Cathay MOST+	979	10,014	2
Cathay You Jing	3	5,017	195,783
Cathay Feng Shuo	-	55	87,718
Cathay Huai Wei Feng Nian	-	1	31
Cathay Chuan Qing	-	-	5,721
	<u>\$ 3,320,121</u>	<u>\$ 2,466,092</u>	<u>\$ 2,818,175</u>

The merged company has entered into a trust agreement with Cathay United Bank for the aforementioned construction project, entrusting it to manage the funds paid by pre-sale buyers and other related matters. The trust period, as agreed, extends until the project is completed, obtains an occupancy permit, and completes the first registration of property ownership. The funds managed under this trust agreement correspond to the receivable prices in the pre-sale housing purchase contracts. Additionally, there have been no instances of delayed transfer of funds collected from buyers into the trust.

The amounts related to operating costs and inventories are as follows:

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Construction cost	\$ 620,077	\$ 1,068,633	\$ 4,307,174	\$ 1,735,659
The aforementioned construction cost include inventory valuation loss (reversal gain)	\$ -	\$ -	\$ -	\$ -

For inventories of the consolidated companies pledged as collateral for loans, please refer to Note 26.

10. Subsidiaries Included in The Consolidated Financial Statements

The entities included in the consolidated financial statements are as follows:

Name of inventor company	Subsidiary	Nature of Business	Percentage of Ownership		
			June 30, 2024	December 31, 2023	June 30, 2023
The Company	Cathay Real Estate Management Co., Ltd. (Cathay Real Estate Management)	Construction Management	100.00%	100.00%	100.00%
The Company	Cathay Healthcare Management Co., Ltd. (Cathay Healthcare)	Consultancy	85.00%	85.00%	85.00%
The Company	Cathay Hospitality Management Co., Ltd. (Cathay Hospitality)	Service industry	100.00%	100.00%	100.00%
The Company	Cathay Hospitality Consulting Co., Ltd. (Cathay Hospitality Consulting)	Service industry	100.00%	100.00%	100.00%
The Company	Cymbal Medical Network Co., Ltd. (Cymbal Medical Network)	Wholesale of Drugs, Medical Goods	100.00%	100.00%	100.00%
The Company	Lin Yuan Property Management Co., Ltd. (Lin Yuan Property)	Apartment building management service industry	51.00%	51.00%	51.00%
The Company	Jinhua Realty Co., Ltd. (Jinhua Realty)	Housing and Building Development and Rental industry	51.00%	51.00%	51.00%
The Company	Bannan Realty Co., Ltd. (Bannan Realty)	Housing and Building Development and Rental industry	51.00%	51.00%	51.00%
The Company	Sanchong Realty Co., Ltd. (Sanchong Realty)	Housing and Building Development and Rental industry	66.00%	66.00%	66.00%
The Company	Zhulun Realty Co., Ltd. (Zhulun Realty)	Housing and Building Development and Rental industry	51.00%	51.00%	51.00%
The Company	San Ching Engineering Co., Ltd. (San Ching Engineering)	Construction Contractor	100.00%	100.00%	100.00%
Cathay Hospitality Consulting Co., Ltd.	Cathay Food & Beverage Group Co., Ltd. (Cathay Food & Beverage)	Service industry	100.00%	100.00%	100.00%
Cymbal Medical Network Co., Ltd.	Cymder Co., Ltd. (Cymder)	Manpower dispatch and leasing industry	100.00%	100.00%	100.00%
Cymbal Medical Network Co., Ltd.	Cymlin Co., Ltd. (Cymlin)	Manpower dispatch and leasing industry	100.00%	100.00%	100.00%

The accounts of all aforementioned subsidiaries have been included in the preparation of the consolidated financial statements from January 1 to June 30, 2024 and 2023.

11. Investments Accounted for Using Equity Method

	June 30, 2024	December 31, 2023	June 30, 2023
Investments in Associates	\$ 1,560,928	\$ 2,033,316	\$ 1,902,311
Investment joint venture	428,240	-	-
	\$ 1,989,168	\$ 2,033,316	\$ 1,902,311

Investments accounted for using the equity method and the consolidated company's share of profits or losses and other comprehensive income or losses are calculated based on unaudited financial reports.

(1) Investments in Associates

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Symphox Information Co., Ltd. (Note)	\$ -	\$ 424,073	\$ 314,739
San Hsiung Fongshan LaLaport Co., Ltd.	162,212	176,352	187,922
Cathay Power Inc.	<u>1,398,716</u>	<u>1,432,891</u>	<u>1,399,650</u>
	<u>\$ 1,560,928</u>	<u>\$ 2,033,316</u>	<u>\$ 1,902,311</u>

Note: In April 2024, Godpay Information bought back treasury shares, resulting in the consolidated company and another shareholder each holding 50% ownership. As neither party has sole control, it became a joint venture investment.

Affiliated enterprise consolidated information:

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Consolidated Company's Share				
Net Income (Loss)	\$ 15,151	\$ 18,196	\$ 2,763	(\$ 1,687)
Other comprehensive income	<u>-</u>	<u>2,276</u>	(<u>3,609</u>)	<u>2,273</u>
Total Comprehensive Income	<u>\$ 15,151</u>	<u>\$ 20,472</u>	(<u>\$ 846</u>)	<u>\$ 586</u>

(2) Investment Joint Venture

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Symphox Information Co., Ltd.	<u>\$ 428,240</u>	<u>\$ -</u>	<u>\$ -</u>

Joint venture consolidated information:

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Consolidated Company's Share				
Net Income (Loss)	(\$ 17,289)	\$ -	(\$ 17,289)	\$ -
Other comprehensive income	<u>7,083</u>	<u>-</u>	<u>7,083</u>	<u>-</u>
Total Comprehensive Income	(<u>\$ 10,206</u>)	<u>\$ -</u>	(<u>\$ 10,206</u>)	<u>\$ -</u>

12. Real Estate, Plant, and Equipment

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Self-use	\$ 3,462,310	\$ 3,599,291	\$ 3,729,787
Operating lease for rental	<u>973,705</u>	<u>959,949</u>	<u>877,700</u>
	<u>\$ 4,436,015</u>	<u>\$ 4,559,240</u>	<u>\$ 4,607,487</u>

(1) Self-Use

	Land	Buildings	Leasehold Improvements	Other Equipment	Unfinished Construction and Equipment Pending Acceptance	Total
<u>Cost</u>						
Balance on January 1, 2023	\$ 1,616,689	\$ 1,186,491	\$ 2,099,651	\$ 705,932	\$ 3,417	\$ 5,612,180
Addition	-	-	1,040	12,121	49,059	62,220
Disposal	-	-	-	(9,925)	-	(9,925)
Transfers and others	-	-	-	-	(2,976)	(2,976)
Balance on June 30, 2023	<u>\$ 1,616,689</u>	<u>\$ 1,186,491</u>	<u>\$ 2,100,691</u>	<u>\$ 708,128</u>	<u>\$ 49,500</u>	<u>\$ 5,661,499</u>
<u>Accumulated depreciation and impairment</u>						
Balance on January 1, 2023	\$ -	\$ 398,939	\$ 868,934	\$ 529,273	\$ -	\$ 1,797,146
Depreciation	-	17,755	92,617	33,584	-	143,956
Disposal	-	-	-	(9,390)	-	(9,390)
Balance on June 30, 2023	<u>\$ -</u>	<u>\$ 416,694</u>	<u>\$ 961,551</u>	<u>\$ 553,467</u>	<u>\$ -</u>	<u>\$ 1,931,712</u>
Net amount on June 30, 2023	<u>\$ 1,616,689</u>	<u>\$ 769,797</u>	<u>\$ 1,139,140</u>	<u>\$ 154,661</u>	<u>\$ 49,500</u>	<u>\$ 3,729,787</u>
<u>Cost</u>						
Balance on January 1, 2024	\$ 1,616,689	\$ 1,186,491	\$ 2,100,496	\$ 727,077	\$ 34,374	\$ 5,665,127
Addition	-	-	1,422	24,986	18,183	44,591
Disposal	-	-	(739)	(7,861)	-	(8,600)
Transfers and others	-	-	-	258	(35,942)	(35,684)
Balance on June 30, 2024	<u>\$ 1,616,689</u>	<u>\$ 1,186,491</u>	<u>\$ 2,101,179</u>	<u>\$ 744,460</u>	<u>\$ 16,615</u>	<u>\$ 5,665,434</u>
<u>Accumulated depreciation and impairment</u>						
Balance on January 1, 2024	\$ -	\$ 435,037	\$ 1,053,490	\$ 577,309	\$ -	\$ 2,065,836
Depreciation	-	15,756	92,728	37,192	-	145,676
Disposal	-	-	(677)	(7,711)	-	(8,388)
Balance on June 30, 2024	<u>\$ -</u>	<u>\$ 450,793</u>	<u>\$ 1,145,541</u>	<u>\$ 606,790</u>	<u>\$ -</u>	<u>\$ 2,203,124</u>
Net amount on January 01, 2024	<u>\$ 1,616,689</u>	<u>\$ 751,454</u>	<u>\$ 1,047,006</u>	<u>\$ 149,768</u>	<u>\$ 34,374</u>	<u>\$ 3,599,291</u>
Net amount on June 30, 2024	<u>\$ 1,616,689</u>	<u>\$ 735,698</u>	<u>\$ 955,638</u>	<u>\$ 137,670</u>	<u>\$ 16,615</u>	<u>\$ 3,462,310</u>

(2) Operating Lease for Rental

	Leasehold Improvements	Transportation Equipment	Other Equipment	Total
<u>Cost</u>				
Balance on January 1, 2023	\$ 715,283	\$ 141,013	\$ 518,875	\$ 1,375,171
Addition	3,055	5,134	15,714	23,903
Disposal	(24,617)	(8,951)	(12,105)	(45,673)
Transfers and others	330	-	2,646	2,976
Balance on June 30, 2023	<u>\$ 694,051</u>	<u>\$ 137,196</u>	<u>\$ 525,130</u>	<u>\$ 1,356,377</u>
<u>Accumulated depreciation and impairment</u>				
Balance on January 1, 2023	\$ 166,115	\$ 67,034	\$ 217,277	\$ 450,426
Depreciation	17,704	9,908	24,362	51,974
Disposal	(8,256)	(7,996)	(7,471)	(23,723)
Balance on June 30, 2023	<u>\$ 175,563</u>	<u>\$ 68,946</u>	<u>\$ 234,168</u>	<u>\$ 478,677</u>
Net amount on June 30, 2023	<u>\$ 518,488</u>	<u>\$ 68,250</u>	<u>\$ 290,962</u>	<u>\$ 877,700</u>

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	<u>leasehold improvements</u>	<u>Transportation Equipment</u>	<u>Other equipment</u>	<u>Total</u>
<u>Cost</u>				
Balance on January 1, 2024	\$ 717,042	\$ 132,258	\$ 574,338	\$ 1,423,638
Addition	17,419	28,962	19,611	65,992
Disposal	-	(46,485)	(7,614)	(54,099)
Transfers and others	23,506	-	3,131	26,637
Balance on June 30, 2024	<u>\$ 757,967</u>	<u>\$ 114,735</u>	<u>\$ 589,466</u>	<u>\$ 1,462,168</u>
<u>Accumulated depreciation and impairment</u>				
Balance on January 1, 2024	\$ 155,181	\$ 67,207	\$ 241,301	\$ 463,689
Depreciation	18,360	9,440	30,192	57,992
Disposal	-	(28,567)	(4,651)	(33,218)
Balance on June 30, 2024	<u>\$ 173,541</u>	<u>\$ 48,080</u>	<u>\$ 266,842</u>	<u>\$ 488,463</u>
Net amount on January 1, 2024	<u>\$ 561,861</u>	<u>\$ 65,051</u>	<u>\$ 333,037</u>	<u>\$ 959,949</u>
Net amount on June 30, 2024	<u>\$ 584,426</u>	<u>\$ 66,655</u>	<u>\$ 322,624</u>	<u>\$ 973,705</u>

The merged company leases out certain equipment under operating leases for a period of 2 to 5 years. All tenancy agreements of operating lease contain a provision whereby the lessee, in exercising the right to renew the lease, adjusts the rent in accordance with the prevailing market rent rate. Upon termination of the lease term, the lessee does not have a bargain purchase option for the asset.

Depreciation expense is recognized on a straight-line basis over the following estimated useful lives:

Buildings	5~50 years
leasehold improvements	The shorter of the lease term or the estimated useful life
Transportation Equipment	5 years
Other equipment	1~26 years

13. Lease Agreements

(1) The consolidated company as lessee

1. Right-of-Use Asset

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
right-of-use asset carrying amount			
land	\$ 4,707	\$ 6,879	\$ 9,681
Buildings	4,162,707	4,278,503	4,349,965
Transportation Equipment	843	516	907
Other equipment	7,890	1,008	1,149
	<u>\$ 4,176,147</u>	<u>\$ 4,286,906</u>	<u>\$ 4,361,702</u>

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Addition of right-of-use assets	\$ 17,402	\$ 113,797	\$ 26,057	\$ 126,277
Depreciation of right-of-use assets				
land	\$ 1,086	\$ 2,031	\$ 2,172	\$ 4,721
Buildings	97,782	95,622	195,611	191,660
Transportation Equipment	234	195	410	391
Other equipment	1,338	70	1,408	141
	<u>\$ 100,440</u>	<u>\$ 97,918</u>	<u>\$ 199,601</u>	<u>\$ 196,913</u>

The right-of-use assets related to the operating premises leased by the consolidated companies in various locations in Taiwan are reported as investment properties. Please refer to Note 14 "Investment Properties". The above amounts of right-of-use assets do not include those that meet the definition of investment properties.

2. Lease Liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
Lease liabilities carrying amount			
Current	\$ 439,836	\$ 433,695	\$ 397,561
Non-current	\$ 5,380,409	\$ 5,254,109	\$ 5,367,427

Discount rate range for lease liabilities:

	June 30, 2024	December 31, 2023	June 30, 2023
land	1.85%	1.47%-1.85%	1.47%-1.85%
Buildings	1.51%-3.34%	1.51%-3.34%	1.51%-3.34%
Transportation Equipment	1.20%-2.66%	1.20%-2.66%	1.20%-2.66%
Other equipment	1.80%-2.80%	1.80%	1.80%

3. Significant Leasing Activities and Terms

The consolidated company leases certain land and buildings as operating assets and transportation equipment and other equipment for operational needs, with lease terms ranging from 1 to 20 years. At the end of the lease term, the consolidated company does not have favorable purchase options for the leased land, buildings, and equipment.

Some of the consolidated company's real estate lease agreements include variable lease payment terms linked to sales amounts, with the agreed rent calculated as the higher of the base rent or the percentage rent based on sales. These variable lease payments are linked to sales amounts and are common in lease agreements with variable lease payments in the industry to which the consolidated company belongs. As these variable lease payments do not meet the definition of lease payments, they are not included in the measurement of assets and liabilities. If the percentage rent exceeds the base rent, the consolidated company expects that for every increase of NT\$100 thousand in sales, there will be an additional NT\$25 thousand in rental expenses.

4. Others Lease Information

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
leases overheads of short-term and low-value assets	\$ 10,198	\$ 3,594	\$ 17,745	\$ 8,149
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 17,265	\$ 8,432	\$ 31,061	\$ 23,959
Total cash outflow for lease	\$ 176,399	\$ 157,598	\$ 347,658	\$ 323,896

The consolidated company elects to apply the recognition exemption for short-term leases and leases of low-value assets, and does not recognize right-of-use assets and lease liabilities for those leases.

(2) The Consolidated Company as Lessor

The future lease payments to be received under operating leases are as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
1st year	\$ 426,173	\$ 455,813	\$ 363,565
2nd year	346,639	336,992	220,040
3rd year	310,213	293,988	160,771
4th year	248,795	268,985	135,498
5th year	168,705	173,691	73,744
Over 5 years	315,316	450,417	42,975
	<u>\$ 1,815,841</u>	<u>\$ 1,979,886</u>	<u>\$ 996,593</u>

14. Investment Properties

	Land	Property	Right-of-Use Asset	Total
<u>Cost</u>				
Balance on January 1, 2023	\$ 5,826,335	\$ 5,057,875	\$ 634,166	\$ 11,518,376
Addition	-	38,887	621,110	659,997
Transferor	24,544	24,734	3,454	52,732
Disposal	(19,421)	(210,839)	(131,194)	(361,454)
Balance on June 30, 2023	<u>\$ 5,831,458</u>	<u>\$ 4,910,657</u>	<u>\$ 1,127,536</u>	<u>\$ 11,869,651</u>
<u>Accumulated depreciation and impairment</u>				
Balance on January 1, 2023	\$ -	\$ 2,473,995	\$ 235,818	\$ 2,709,813
Depreciation	-	61,723	55,587	117,310
Transferor	-	-	2,641	2,641
Disposal	-	(134,119)	(131,194)	(265,313)
Balance on June 30, 2023	<u>\$ -</u>	<u>\$ 2,401,599</u>	<u>\$ 162,852</u>	<u>\$ 2,564,451</u>
Net amount on June 30, 2023	<u>\$ 5,831,458</u>	<u>\$ 2,509,058</u>	<u>\$ 964,684</u>	<u>\$ 9,305,200</u>

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	<u>land</u>	<u>Property</u>	<u>Right-of-Use Asset</u>	<u>Total</u>
<u>Cost</u>				
Balance on January 1, 2024	\$ 5,833,014	\$ 4,905,607	\$ 1,068,040	\$ 11,806,661
Addition	1,844,013	1,448,024	348,381	3,640,418
Transferor	-	-	(62,785)	(62,785)
Disposal	-	-	(51,130)	(51,130)
Balance on June 30, 2024	<u>\$ 7,677,027</u>	<u>\$ 6,353,631</u>	<u>\$ 1,302,506</u>	<u>\$ 15,333,164</u>
<u>Accumulated depreciation and impairment</u>				
Balance on January 1, 2024	\$ -	\$ 2,513,961	\$ 137,560	\$ 2,651,521
Depreciation	-	98,730	47,498	146,228
Disposal	-	-	(25,565)	(25,565)
Balance on June 30, 2024	<u>\$ -</u>	<u>\$ 2,612,691</u>	<u>\$ 159,493</u>	<u>\$ 2,772,184</u>
Net amount on June 30, 2024	<u>\$ 7,677,027</u>	<u>\$ 3,740,940</u>	<u>\$ 1,143,013</u>	<u>\$ 12,560,980</u>

Investment property is depreciated on a straight-line basis based on the following durable years:

Property	
Main building	2~50 years
Elevator equipment	4~15 years
Air conditioning system	4~15 years
right-of-use asset	2~20 years

The right-of-use assets for investment properties held by the consolidated company refer to the operating premises leased from various locations in Taiwan and subleased under operating leases. The lessee does not have the preferential right to purchase the investment property at the end of the lease term.

The investment properties held by the consolidated company are not measured at fair value, and only the fair value information is disclosed. The fair values of the investment properties held by the Company as of June 30, 2024, December 31, 2023, and June 30, 2023 were NT\$23,476,164 thousand, NT\$15,024,833 thousand, and NT\$13,850,181 thousand, respectively.

The aforementioned fair values were evaluated by appointed independent external appraisers and internal appraisals, using the comparison method and the most recent actual transaction prices, as well as the market transaction prices of similar properties in the neighboring areas of the relevant assets.

The fair value of right-of-use assets is evaluated by deducting all expected payments from the expected rental income, and then adding the recognized lease liabilities.

For investment properties pledged as collateral for borrowings, please refer to Note 26.

15. Other Non-Current Assets

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Building land	\$ 18,425	\$ 18,425	\$ 18,425
Prepayments for business facilities	253,049	192,318	62,975
Margin deposit	907,962	1,088,508	1,268,372
Other financial assets	60,900	46,400	31,900
Other non-current assets, others	60,951	63,508	60,742
	<u>\$ 1,301,287</u>	<u>\$ 1,409,159</u>	<u>\$ 1,442,414</u>

Due to legal restrictions, agricultural land can only be registered under individual ownership, The aforementioned construction land was acquired by the merged company under the name of a third party. The details are disclosed as follows:

	June 30, 2024	December 31, 2023	June 30, 2023	Nature of the transaction	Purpose of the transaction	Preservation measures
<u>Land lot number</u>						
No. 137-2, etc. in the Pei Shih Tzu Sub-Section of Hou Tso Section, San Chih District, New Taipei City	<u>\$ 18,425</u>	<u>\$ 18,425</u>	<u>\$ 18,425</u>	Purchase and sale	Investment development	Establishment of mortgage rights and commitment letter

16. Loans

(1) Short-Term Loans

	June 30, 2024	December 31, 2023	June 30, 2023
Bank credit loans	\$ 9,687,000	\$ 9,666,600	\$ 10,650,300
Bank secured loans	<u>1,300,000</u>	<u>800,000</u>	<u>620,000</u>
	<u>\$ 10,987,000</u>	<u>\$ 10,466,600</u>	<u>\$ 11,270,300</u>
Annual interest rate			
Bank credit loans	1.76%-2.42%	1.76%-2.30%	1.64%-2.30%
Bank secured loans	2.06%	1.93%	1.93%

The aforementioned bank secured borrowings are secured by investment properties, please refer to Note 26.

(2) Short-Term Notes and Bills Payable

	June 30, 2024	December 31, 2023	June 30, 2023
Short-term notes and bills payable	\$ 2,992,000	\$ 2,582,000	\$ 3,275,000
Less: Payable discount on short-term notes and bills	(<u>4,107</u>)	(<u>2,666</u>)	(<u>4,917</u>)
	<u>\$ 2,987,893</u>	<u>\$ 2,579,334</u>	<u>\$ 3,270,083</u>
Annual interest rate	1.50%-2.28%	1.60%-2.07%	1.53%-2.07%

(3) Long-Term Loans

	June 30, 2024	December 31, 2023	June 30, 2023
Bank credit loans	\$ 15,910,550	\$ 16,860,241	\$ 15,011,550
Bank secured loans	8,177,146	6,461,054	6,475,450
Less: Listed as part of expiring within 1 year	(<u>9,907,000</u>)	(<u>7,580,000</u>)	(<u>4,150,000</u>)
	<u>\$ 14,180,696</u>	<u>\$ 15,741,295</u>	<u>\$ 17,337,000</u>
Annual interest rate			
Bank credit loans	1.88%-2.32%	1.41%-2.18%	1.63%-2.18%
Bank secured loans	2.12%-2.74%	2.30%-2.62%	2.30%-2.62%

The aforementioned bank guaranteed loans are secured by investment properties, please refer to Note 26.

17. Benefit Plan after Retirement

The retirement pension expenses recognized for the defined benefit plans from April 1 to June 30, 2024 and 2023, and January 1 to June 30, 2024 and 2023, were calculated based on the retirement pension cost rates determined by actuarial valuations as of December 31, 2023 and 2022, amounting to NT\$2,712 thousand, NT\$4,988 thousand, NT\$5,431 thousand and NT\$9,971 thousand, respectively.

18. Equity

(1) Capital - Common Stock

	June 30, 2024	December 31, 2023	June 30, 2023
Number of shares authorized (in thousands)	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
Share capital authorized (Each share values NT\$10)	<u>\$ 20,000,000</u>	<u>\$ 20,000,000</u>	<u>\$ 20,000,000</u>
Number of Shares (Thousand shares)	<u>1,159,561</u>	<u>1,159,561</u>	<u>1,159,561</u>
Share capital issued	<u>\$ 11,595,611</u>	<u>\$ 11,595,611</u>	<u>\$ 11,595,611</u>

(2) Capital Surplus

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Used to make up for losses, distribute cash or transfer to capital stock (1)</u>			
Difference between the actual acquisition or disposal price of a subsidiary's equity and the book value	\$ 262	\$ 262	\$ 262
Transaction of treasury stock	10,407	10,407	10,407
<u>Only used to offset losses</u>			
Recognize changes in ownership interest in associates	94,015	63,542	67,874
Unclaimed dividends over time	<u>43,668</u>	<u>44,195</u>	<u>37,348</u>
	<u>\$ 148,352</u>	<u>\$ 118,406</u>	<u>\$ 115,891</u>

1. This type of capital surplus can be used to make up for losses, and can also be used to distribute cash or transfer to capital stock when the company has no losses, but when transferring to capital stock, it is limited to a certain percentage of the paid-in capital each year.

(3) Retained Earnings and Dividend Policy

According to the Earning Distribution Policy of the Company's Articles of Incorporation before the amendment, if the Company has a net profit for the current year, it shall first use the profit to pay income taxes and make up for any accumulated losses, and then set aside 10% as a legal capital reserve, and the rest shall be set aside or reversed as special surplus reserve according to the law.

The Company's policies on the distribution of employee and director compensation are set forth in Note 20-7 Compensation to directors and employees.

The Company is diversifying its investments to increase profitability in response to changes in the economic and market environment. Considering long-term financial planning and future capital requirements, the dividend policy follows a residual dividend policy to pursue steady growth and sustainable operations. Based on the Company's operational planning, capital investment, and consideration for shareholders' needs for cash inflows, while avoiding excessive capital expansion, profit distribution prioritizes cash dividends and may also distribute stock dividends. However, the cash dividend distribution ratio shall be no less than 50% of the total dividends.

To comply with the Taiwan Stock Exchange Corporation Governance No. 1120014763 and the FSC's guidelines on sound dividend policies, the Company's shareholders' meetings

proposed on June 14, 2024 to amend the Company's Articles of Incorporation, stipulating that the total dividend distribution shall not be less than 20% of the current year's profit, and the cash dividend distribution shall not be less than 50% of the total dividend distribution.

The Company shall set aside a legal reserve until it equals the Company's paid-in capital. The legal reserve may be used to make up for losses. When the Company has no loss, the portion of the legal reserve exceeding 25% of the total paid-in capital may be appropriated in the form of cash, in addition to being transferred to share capital.

In accordance with legal regulations, when allocating surplus, the Company must provide a special surplus reserve from the net deduction of other equity items. When the amount of deduction from other equity items decreases subsequently, the decreased amount can be reversed from the special surplus reserve to unappropriated earnings.

The Company's appropriation of earnings for 2023 and 2022 is as follows:

	2023	2022
Provision for legal surplus reserve	<u>\$ 202,049</u>	<u>\$ 108,069</u>
Cash dividends	<u>\$ 1,159,561</u>	<u>\$ 579,781</u>
Cash dividend per share (NT\$)	<u>\$ 1.0</u>	<u>\$ 0.5</u>

The aforementioned surplus distribution items have been proposed for distribution by the Board of Directors on June 14, 2024, and have been resolved for distribution at the Annual General Meeting on June 9, 2023, respectively.

For information regarding the resolutions of the Company's shareholders' meetings, please refer to the "Market Observation Post System" of the Taiwan Stock Exchange.

(4) Other Equity Items

1. Exchange Differences on Translation of Foreign Financial Statements

	January 1 to June 30, 2024	January 1 to June 30, 2023
Beginning balance	\$ 513	\$ 432
Share of associates accounted for using equity method	396	(33)
Ending balance	<u>\$ 909</u>	<u>\$ 399</u>

2. Unrealized Profits and Losses of Financial Assets at Fair Value Through Other Comprehensive Income

	January 1 to June 30, 2024	January 1 to June 30, 2023
Beginning balance	\$ 430,854	\$ 224,652
Unrealized gains or losses on equity instruments investments	907,470	(33,090)
Ending balance	<u>\$ 1,338,324</u>	<u>\$ 191,562</u>

3. Remeasurement Amount of The Defined Benefit Plan

	January 1 to June 30, 2024	January 1 to June 30, 2023
Beginning balance	\$ 258	(\$ 2,992)
Remeasurements	-	-
Ending balance	<u>\$ 258</u>	<u>(\$ 2,992)</u>

(5) Non-Controlling Interests

	January 1 to June 30, 2024	January 1 to June 30, 2023
Beginning balance	\$ 2,222,905	\$ 2,155,682
Net income attributable to non-controlling interests		
Net profit for the period	(6,791)	23,205
Cash capital increase of subsidiary	122,500	61,200
Subsidiary distributes cash dividends	(58,061)	(49,522)
Ending balance	<u>\$ 2,280,553</u>	<u>\$ 2,190,565</u>

19. Operating Revenue

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Revenue from contracts with customers				
Property sales revenue	\$ 1,216,852	\$ 1,720,177	\$ 5,867,048	\$ 2,735,069
Construction contract revenue	1,867,275	1,117,663	3,008,524	1,829,818
Service revenue	1,067,598	917,356	2,158,663	1,885,851
Other operating revenue	<u>55,414</u>	<u>43,345</u>	<u>103,493</u>	<u>86,396</u>
	4,207,139	3,798,541	11,137,728	6,537,134
Rental income	<u>134,424</u>	<u>136,365</u>	<u>260,085</u>	<u>273,518</u>
	<u>\$ 4,341,563</u>	<u>\$ 3,934,906</u>	<u>\$ 11,397,813</u>	<u>\$ 6,810,652</u>

(1) Disaggregation of Revenue from Contracts with Customers

April 1 to June 30, 2024

	Reportable department			
	Property and real estate investment development department	Construction department	Other department	Total
<u>Type of goods or services</u>				
Property sales revenue	\$ 1,216,852	\$ -	\$ -	\$ 1,216,852
Construction contract revenue	-	1,867,275	-	1,867,275
Service revenue	-	-	1,067,598	1,067,598
Other revenue	-	-	55,414	55,414
Rental income	<u>82,877</u>	<u>-</u>	<u>51,547</u>	<u>134,424</u>
	<u>\$ 1,299,729</u>	<u>\$ 1,867,275</u>	<u>\$ 1,174,559</u>	<u>\$ 4,341,563</u>
<u>Revenue recognition</u>				
Performance obligations satisfied at a point in time	\$ 1,216,852	\$ -	\$ 1,123,012	\$ 2,339,864
Performance obligations satisfied over time	<u>82,877</u>	<u>1,867,275</u>	<u>51,547</u>	<u>2,001,699</u>
	<u>\$ 1,299,729</u>	<u>\$ 1,867,275</u>	<u>\$ 1,174,559</u>	<u>\$ 4,341,563</u>

April 1 to June 30, 2023

	Reportable department			
	Property and real estate investment development department	Construction department	Other department	Total
<u>Type of goods or services</u>				
Property sales revenue	\$ 1,720,177	\$ -	\$ -	\$ 1,720,177
Construction contract revenue	-	1,117,663	-	1,117,663
Service revenue	-	-	917,356	917,356
Other revenue	-	-	43,345	43,345
Rental income	75,169	-	61,196	136,365
	<u>\$ 1,795,346</u>	<u>\$ 1,117,663</u>	<u>\$ 1,021,897</u>	<u>\$ 3,934,906</u>
<u>Revenue recognition</u>				
Performance obligations satisfied at a point in time	\$ 1,720,177	\$ -	\$ 960,701	\$ 2,680,878
Performance obligations satisfied over time	75,169	1,117,663	61,196	1,254,028
	<u>\$ 1,795,346</u>	<u>\$ 1,117,663</u>	<u>\$ 1,021,897</u>	<u>\$ 3,934,906</u>

January 1 to June 30, 2024

	Reportable department			
	Property and real estate investment development department	Construction department	Other department	Total
<u>Type of goods or services</u>				
Property sales revenue	\$ 5,867,048	\$ -	\$ -	\$ 5,867,048
Construction contract revenue	-	3,008,524	-	3,008,524
Service revenue	-	-	2,158,663	2,158,663
Other revenue	-	-	103,493	103,493
Rental income	156,077	-	104,008	260,085
	<u>\$ 6,023,125</u>	<u>\$ 3,008,524</u>	<u>\$ 2,366,164</u>	<u>\$ 11,397,813</u>
<u>Revenue recognition</u>				
Performance obligations satisfied at a point in time	\$ 5,867,048	\$ -	\$ 2,262,156	\$ 8,129,204
Performance obligations satisfied over time	156,077	3,008,524	104,008	3,268,609
	<u>\$ 6,023,125</u>	<u>\$ 3,008,524</u>	<u>\$ 2,366,164</u>	<u>\$ 11,397,813</u>

January 1 to June 30, 2023

	Reportable department			Total
	Property and real estate investment development department	Construction department	Other department	
<u>Type of goods or services</u>				
Property sales revenue	\$ 2,735,069	\$ -	\$ -	\$ 2,735,069
Construction contract revenue	-	1,829,818	-	1,829,818
Service revenue	-	-	1,885,851	1,885,851
Other revenue	-	-	86,396	86,396
Rental income	151,870	-	121,648	273,518
	<u>\$ 2,886,939</u>	<u>\$ 1,829,818</u>	<u>\$ 2,093,895</u>	<u>\$ 6,810,652</u>
<u>Revenue recognition</u>				
Performance obligations satisfied at a point in time	\$ 2,735,069	\$ -	\$ 1,972,247	\$ 4,707,316
Performance obligations satisfied over time	151,870	1,829,818	121,648	2,103,336
	<u>\$ 2,886,939</u>	<u>\$ 1,829,818</u>	<u>\$ 2,093,895</u>	<u>\$ 6,810,652</u>

(2) Contract Balance

	June 30, 2024	December 31, 2023	June 30, 2023
Notes and accounts receivable (including related parties) (Note 8)	<u>\$ 912,639</u>	<u>\$ 1,317,886</u>	<u>\$ 447,423</u>
Contract asset			
Construction contract	<u>\$ 85,217</u>	<u>\$ 171,423</u>	<u>\$ 164,851</u>
Contract liabilities			
Sales of properties	\$ 10,432,385	\$ 7,351,603	\$ 6,792,160
Construction contract	177,468	99,749	112,952
Rendering of services	106,766	144,803	102,611
	<u>\$ 10,716,619</u>	<u>\$ 7,596,155</u>	<u>\$ 7,007,723</u>

1. Contract Assets

The contract costs incurred plus recognized profits (less recognized losses) for construction contracts in progress undertaken by the consolidated companies and the progress billings as of the balance sheet date are as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
The contract costs incurred plus recognized profits (less recognized losses)	\$ 5,595,446	\$ 2,585,981	\$ 6,707,910
Less: Accounts receivable for construction work in progress	(<u>5,687,697</u>)	(<u>2,514,307</u>)	(<u>6,656,011</u>)
Net contract assets (liabilities) in progress	(<u>\$ 92,251</u>)	<u>\$ 71,674</u>	<u>\$ 51,899</u>

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	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Information expressed in the balance sheet:			
Contract assets -			
Construction contracts	\$ 85,217	\$ 171,423	\$ 164,851
Contract liabilities -			
Construction contracts	(<u>177,468</u>)	(<u>99,749</u>)	(<u>112,952</u>)
Net amount	(<u>\$ 92,251</u>)	<u>\$ 71,674</u>	<u>\$ 51,899</u>

Explanation of major changes in contract assets balances of the consolidated company from January 1 to June 30, 2024 and 2023:

	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Beginning balance reclassified to accounts receivable this period	(<u>\$ 170,547</u>)	(<u>\$ 252,670</u>)
Change in measurement of percentage of completion	<u>\$ 84,341</u>	<u>\$ 38,040</u>

2. Contract Liabilities

Explanation of major changes in contract liabilities balances of the consolidated company from January 1 to June 30, 2024 and 2023:

	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Beginning balance reclassified to revenue this period	(<u>\$ 1,207,449</u>)	(<u>\$ 1,214,627</u>)
Increase in advance receipts for current period	<u>\$ 4,327,913</u>	<u>\$ 1,594,862</u>

(3) Transaction Price Allocated to Remaining Performance Obligations

As of June 30, 2024, the consolidated company has an aggregate transaction price of NT\$11,627,012 thousand allocated to remaining performance obligations. The consolidated company will recognize revenue progressively as the construction projects are completed. These construction projects are expected to be completed between 2024 and 2028.

(4) Contract Cost-Related Assets

Incremental costs of obtaining contract

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Property sales	<u>\$ 1,462,432</u>	<u>\$ 1,406,064</u>	<u>\$ 1,291,278</u>

The amortization amounts of incremental costs from obtaining contracts recognized during the reporting period for the merged companies were NT\$121,031 thousand and NT\$62,090 thousand from January 1 to June 30, 2024 and 2023 respectively.

20. Net profit for the period

(1) Interest Income

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Bank deposits	\$ 13,035	\$ 9,289	\$ 14,698	\$ 10,069
Other interest income	4,304	7,795	9,060	15,304
	<u>\$ 17,339</u>	<u>\$ 17,084</u>	<u>\$ 23,758</u>	<u>\$ 25,373</u>

(2) Other Revenue

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Rental income	\$ 709	\$ 892	\$ 1,616	\$ 1,806
Dividend income	-	-	450	450
Others	17,219	10,127	24,050	30,878
	<u>\$ 17,928</u>	<u>\$ 11,019</u>	<u>\$ 26,116</u>	<u>\$ 33,134</u>

(3) Other Interests and Losses

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Profit (loss) on disposal and retirement of real estate, plant and equipment	\$ 85	(\$ 3,346)	\$ 2,535	(\$ 20,368)
Net foreign currency exchange profit (loss)	(368)	(238)	(497)	48
Others	(5,768)	(5,261)	(9,728)	(6,927)
	<u>(\$ 6,051)</u>	<u>(\$ 8,845)</u>	<u>(\$ 7,690)</u>	<u>(\$ 27,247)</u>

(4) Finance Costs

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Interest on bank loan	\$ 197,541	\$ 218,427	\$ 374,081	\$ 368,618
Interest on lease liabilities	41,069	38,421	82,654	73,557
Less: Amounts included in the cost of qualifying assets	(119,306)	(144,130)	(214,226)	(223,597)
	<u>\$ 119,304</u>	<u>\$ 112,718</u>	<u>\$ 242,509</u>	<u>\$ 218,578</u>
Compound interest rate	1.81%-2.74%	1.46%-2.70%	1.81%-2.74%	1.46%-2.70%

(5) Depreciation and Amortization Expenses

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Real estate, plant, and equipment	\$ 98,359	\$ 98,458	\$ 203,668	\$ 195,930
Investment properties	74,501	57,945	146,228	117,310
right-of-use asset	100,440	97,918	199,601	196,913
Intangible assets	<u>4,611</u>	<u>5,730</u>	<u>9,324</u>	<u>11,089</u>
	<u>\$ 277,911</u>	<u>\$ 260,051</u>	<u>\$ 558,821</u>	<u>\$ 521,242</u>
Depreciation expenses by function				
Operating Costs	\$ 189,656	\$ 171,247	\$ 383,291	\$ 343,560
Operating expenses	<u>83,644</u>	<u>83,074</u>	<u>166,206</u>	<u>166,593</u>
	<u>\$ 273,300</u>	<u>\$ 254,321</u>	<u>\$ 549,497</u>	<u>\$ 510,153</u>
Amortization expenses by function				
Operating Costs	\$ 2,322	\$ 2,297	\$ 4,573	\$ 3,960
Operating expenses	<u>2,289</u>	<u>3,433</u>	<u>4,751</u>	<u>7,129</u>
	<u>\$ 4,611</u>	<u>\$ 5,730</u>	<u>\$ 9,324</u>	<u>\$ 11,089</u>

(6) Employee Benefit Expenses

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Retirement benefits				
Defined contribution plans	\$ 17,453	\$ 14,168	\$ 34,070	\$ 28,492
Defined benefit plans (Note 17)	<u>2,712</u>	<u>4,988</u>	<u>5,431</u>	<u>9,971</u>
	20,165	19,156	39,501	38,463
Salaries	415,714	375,040	829,093	753,079
Labor and health insurance expenses	39,365	36,122	83,930	76,741
Other employee benefit expenses	<u>24,431</u>	<u>20,083</u>	<u>44,040</u>	<u>36,477</u>
	<u>\$ 499,675</u>	<u>\$ 450,401</u>	<u>\$ 996,564</u>	<u>\$ 904,760</u>
By function				
Operating Costs	\$ 333,465	\$ 299,897	\$ 663,471	\$ 594,271
Operating expenses	<u>166,210</u>	<u>150,504</u>	<u>333,093</u>	<u>310,489</u>
	<u>\$ 499,675</u>	<u>\$ 450,401</u>	<u>\$ 996,564</u>	<u>\$ 904,760</u>

(7) Compensation to Directors and Employees

The Company's Articles of Incorporation stipulate that if there is profit for the year, 0.1% to 1% should be appropriated as employee compensation, and no more than 1% as director compensation. However, if there are accumulated losses, an amount should be reserved in advance for making up the losses. The aforementioned employee compensation may be distributed in the form of shares or cash, which should be approved by a resolution of the Board of Directors with two-thirds or more of the directors present and a majority of the attending directors voting in favor, and reported to the shareholders' meeting.

The estimated employee compensation and director compensation in the period from April 1 to June 30, 2024 and 2023, and January 1 to June 30, 2024 and 2023, respectively are as follows:

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Employee compensation	\$ 384	\$ 482	\$ 1,056	\$ 627
Director Remuneration	\$ 600	\$ 600	\$ 1,200	\$ 1,200

The employee compensation and directors' compensation for the years 2023 and 2022 were resolved to be distributed in cash amounts as follows by the Board of Directors on March 14, 2024 and March 14, 2023, respectively:

	2023	2022
Employee compensation	\$ 2,245	\$ 1,330
Director Remuneration	\$ 2,400	\$ 2,400

If there is still any change in the amount after the annual consolidated financial statements are authorized for issue, the differences shall be treated as a change in accounting estimates in the following year.

The amounts of employee compensation distributed for 2023 and 2022 and those recognized in the consolidated financial statements for 2023 and 2022 are consistent.

For information on the Company's remunerations for employee and Directors as resolved by the Board of Directors, please visit the "Market Observation Post System" of Taiwan Stock Exchange.

21. Income Tax

(1) Income Tax Recognized in Profit or Loss

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Current income tax				
Current amount generated	\$ 57,016	\$ 108,406	\$ 184,323	\$ 126,078
Surtax on unappropriated retained earnings	35,241	-	35,241	-
Land value increment tax	-	-	446	340
Adjustments from previous years	(8,685)	(28,627)	(8,685)	(28,627)
	<u>83,572</u>	<u>79,779</u>	<u>211,325</u>	<u>97,791</u>
Deferred income tax				
Current amount generated	(4,156)	6,440	12,826	14,359
Adjustments from previous years	<u>254</u>	<u>-</u>	<u>254</u>	<u>-</u>
Income tax expense recognized in profit or loss	<u>\$ 79,670</u>	<u>\$ 86,219</u>	<u>\$ 224,405</u>	<u>\$ 112,150</u>

(2) Income Tax Assessment Status

The income tax filing status of the Company and its subsidiaries is as follows:

<u>Company Name</u>	<u>Income tax return assessment status</u>
The Company	Assessed up to 2021
Cathay Real Estate Management Co., Ltd.	Assessed up to 2022
Cathay Healthcare Management Co., Ltd.	Assessed up to 2022
Cathay Hospitality Management Co., Ltd.	Assessed up to 2022
Cathay Hospitality Consulting Co., Ltd.	Assessed up to 2021
Cymbal Medical Network Co., Ltd.	Assessed up to 2022
Lin Yuan Property Management Co., Ltd.	Assessed up to 2021
Jinhua Realty Co., Ltd.	Assessed up to 2022
Bannan Realty Co., Ltd.	Assessed up to 2022
Sanchong Realty Co., Ltd.	Assessed up to 2022
Zhulun Realty Co., Ltd.	Assessed up to 2022
San Ching Engineering Co., Ltd.	Assessed up to 2021
Cymder Co., Ltd.	Assessed up to 2022
Cymlin Co., Ltd.	Assessed up to 2022

Subsidiary - Cathay Food & Beverage Group Co., Ltd. established at fiscal year 2022, The Company hadn't assessed the income tax as of June 30, 2024.

22. Earnings per share

Net income and weighted average number of common shares used for calculation of earnings per share are as follows:

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
<u>Net profit for the period</u>				
Net profit attributable to owners of parent company	<u>\$ 341,590</u>	<u>\$ 418,695</u>	<u>\$ 890,705</u>	<u>\$ 557,126</u>
<u>Number of Shares (Thousand shares)</u>				
Weighted average number of common shares used for calculation of basic earnings per share	1,159,561	1,159,561	1,159,561	1,159,561
Effect of potentially dilutive common shares:				
Employee compensation	<u>35</u>	<u>38</u>	<u>83</u>	<u>70</u>
Weighted average number of common shares used for calculation of diluted earnings per share	<u>1,159,596</u>	<u>1,159,599</u>	<u>1,159,644</u>	<u>1,159,631</u>
<u>Earnings per Share (NT\$)</u>				
Basic earnings per share	<u>\$ 0.30</u>	<u>\$ 0.36</u>	<u>\$ 0.77</u>	<u>\$ 0.48</u>
Diluted earnings per share	<u>\$ 0.30</u>	<u>\$ 0.36</u>	<u>\$ 0.77</u>	<u>\$ 0.48</u>

If the Company chooses to offer employee compensation or share profits in the form of cash or stock, while calculating diluted earnings per share, and assuming that the compensation is paid in the form of stock, the dilutive potential common shares will be included in the weighted average number of outstanding shares to calculate diluted earnings per share. The dilutive effect of such potential common shares shall continue to be considered when calculating diluted earnings per share before the number of shares to be distributed as employee compensation is approved in the following year.

23. Capital Risk Management

The capital structure of the merged company consists of the borrowings and equity (including share capital, capital surplus, retained earnings, and other equity items) of the merged company.

The Company's main management regularly reviews the Group's capital structure, which includes considering the cost of various types of capital and related risks, and balancing the overall capital structure by issuing new debts, repaying old debts, paying dividends, returning capital, or issuing new shares.

24. Financial Instruments

(1) Information on Fair Value - Financial Instruments not Measured at Fair Value

For financial assets and liabilities not measured at fair value, the Consolidated Company's main management believes that the carrying amounts and fair values are not materially different.

(2) Information on Fair Value - Financial Instruments Measured at Fair Value on a Recurring Basis

1. Fair Value Level

June 30, 2024

	<u>Level 1 inputs</u>	<u>Level 2 inputs</u>	<u>Level 3 inputs</u>	<u>Total</u>
<u>Financial Assets at Fair Value through Other Comprehensive Income</u>				
Listed companies' shares	\$ 3,774,119	\$ -	\$ -	\$ 3,774,119
Non-listed companies' shares	-	-	558,433	558,433
Total	<u>\$ 3,774,119</u>	<u>\$ -</u>	<u>\$ 558,433</u>	<u>\$ 4,332,552</u>

December 31, 2023

	<u>Level 1 inputs</u>	<u>Level 2 inputs</u>	<u>Level 3 inputs</u>	<u>Total</u>
<u>Financial Assets at Fair Value through Other Comprehensive Income</u>				
Listed companies' shares	\$ 2,926,542	\$ -	\$ -	\$ 2,926,542
Non-listed companies' shares	-	-	505,324	505,324
Total	<u>\$ 2,926,542</u>	<u>\$ -</u>	<u>\$ 505,324</u>	<u>\$ 3,431,866</u>

June 30, 2023

	Level 1 inputs	Level 2 inputs	Level 3 inputs	Total
<u>Financial Assets at Fair Value through Other Comprehensive Income</u>				
Listed companies' shares	\$ 2,760,225	\$ -	\$ -	\$ 2,760,225
Non-listed companies' shares	-	-	428,830	428,830
Total	<u>\$ 2,760,225</u>	<u>\$ -</u>	<u>\$ 428,830</u>	<u>\$ 3,189,055</u>

There was no transfer between Level 1 and Level 2 fair value measurements during January 1 to June 30, 2024 and 2023 respectively.

2. Reconciliation of Financial Instruments Measured at Fair Value Under Level 3

Financial Assets at Fair Value through Other Comprehensive Income

	January 1 to June 30, 2024	January 1 to June 30, 2023
<u>Equity instruments</u>		
Beginning balance	\$ 505,324	\$ 665,726
Recognized in other comprehensive income	53,109	(236,896)
Ending balance	<u>\$ 558,433</u>	<u>\$ 428,830</u>

3. Valuation Techniques and Inputs of Level 3 Fair Value Measurement

June 30, 2024

Class of financial instruments	Valuation technique	Significant unobservable inputs	Quantitative Information	Relationship between unobservable inputs and fair value	Sensitivity analysis of the relationship between unobservable inputs and fair value
Financial Assets: Unlisted shares measured at fair value through other comprehensive income	market approach	Lack of marketability discount	30%-50%	The higher the degree of lack of marketability, the lower the fair value estimate.	If the percentage of lack of marketability increases/decreases by 10%, the consolidated equity will decrease/increase by NT\$68,575 thousand.
	Asset-based approach	Lack of marketability discount	0%-30%	The higher the degree of lack of marketability, the lower the fair value estimate.	If the percentage of lack of marketability increases/decreases by 10%, the consolidated equity will decrease/increase by NT\$7,811 thousand.

December 31, 2023

Class of financial instruments	Valuation technique	Significant unobservable inputs	Quantitative Information	Relationship between unobservable inputs and fair value	Sensitivity analysis of the relationship between unobservable inputs and fair value
Financial Assets: Unlisted shares measured at fair value through other comprehensive income	market approach	Lack of marketability discount	30%-50%	The higher the degree of lack of marketability, the lower the fair value estimate.	If the percentage of lack of marketability increases/decreases by 10%, the consolidated equity will decrease/increase by NT\$68,665 thousand.
	Asset-based approach	Lack of marketability discount	0%-30%	The higher the degree of lack of marketability, the lower the fair value estimate.	If the percentage of lack of marketability increases/decreases by 10%, the consolidated equity will decrease/increase by NT\$2,555 thousand.

June 30, 2023

<u>Class of financial instruments</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Quantitative Information</u>	<u>Relationship between unobservable inputs and fair value</u>	<u>Sensitivity analysis of the relationship between unobservable inputs and fair value</u>
Financial Assets: Unlisted shares measured at fair value through other comprehensive income	market approach	Lack of marketability discount	30%-50%	The higher the degree of lack of marketability, the lower the fair value estimate.	If the percentage of lack of marketability increases/decreases by 10%, the consolidated equity will decrease/increase by NT\$56,654 thousand.
	Asset-based approach	Lack of marketability discount	0%-30%	The higher the degree of lack of marketability, the lower the fair value estimate.	If the percentage of lack of marketability increases/decreases by 10%, the consolidated equity will decrease/increase by NT\$2,534 thousand.

(3) Category of Financial Instruments

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Financial assets</u>			
Measured at amortized cost			
(Note 1)	\$ 9,207,862	\$ 7,544,430	\$ 9,109,607
Measured at fair value through other comprehensive income	4,332,552	3,431,866	3,189,055
<u>Financial liabilities</u>			
Measured at amortized cost			
(Note 2)	47,435,059	45,323,482	44,814,235

Note 1: The balance includes cash and cash equivalents, note receivables, account receivables, other receivables, and refundable deposits (It accounted for as other current assets and other non-current assets).

Note 2: The balance includes short-term loans, short-term notes and bills payable, notes payable, accounts payable, other payables, lease liabilities, guarantee deposits received (recognized as other non-current liabilities), current portion of long-term borrowings, and long-term borrowings.

(4) Financial risk management objectives and policies

The main objective of the consolidated company's financial risk management is to manage market risks (including foreign exchange risk, interest rate risk, and other price risks), credit risk, and liquidity risk related to operating activities. In accordance with group policies and risk preferences, the consolidated company identifies, measures, and manages the aforementioned risks.

The consolidated company has established appropriate policies, procedures, and internal controls for the aforementioned financial risk management in accordance with relevant regulations. Important financial activities must be reviewed by the Board of Directors and the Audit Committee in accordance with relevant regulations and internal control systems. During the execution of financial management activities, the consolidated company must strictly comply with the established financial risk management regulations.

1. Market risk

(1) Foreign Exchange Risk

The consolidated company primarily engages in various business services within Taiwan, and the amount of foreign currency held is insignificant. Therefore, the risk arising from changes in foreign exchange rates is not significant for the consolidated company.

(2) Interest Rate Risk

Interest rate risk is the risk of fluctuations in the future cash flows of financial instruments due to changes in market interest rates. The consolidated company's interest rate risk mainly arises from floating-rate borrowings.

Regarding the sensitivity analysis of interest rate risk, it primarily targets the interest rate exposures at the end of the financial reporting period, mainly floating-rate borrowings, and assumes a holding period of one accounting year. If the interest rate increases/decreases by 10 basis points, the consolidated company's pre-tax profit for the periods from January 1 to June 30, 2024 and 2023 will decrease/increase by NT\$9,100 thousand and NT\$7,270 thousand, respectively.

(3) Other Price Risk

The consolidated company is exposed to price risks arising from investments in various domestic and foreign listed (OTC) and unlisted (OTC) company stocks. The consolidated company has established a real-time monitoring mechanism, so it is not expected to incur significant price risks.

Regarding the sensitivity analysis of the aforementioned investment price risk, it is calculated based on the financial assets measured at fair value on the balance sheet date. When market prices rise/fall by 5%, the impact on the consolidated company's other comprehensive income is shown as follows:

	January 1 to June 30, 2024	January 1 to June 30, 2023
Other comprehensive income Increase / Decrease	\$ 216,628	\$ 159,453

2. Credit Risk

Credit risk refers to risk that causes the financial loss of the Company due to a counterparty's failure to fulfill the contractual obligations. The consolidated company's credit risk arises from operating activities (mainly contract assets - receivables from construction, accounts receivable, and notes receivable) and financing activities (mainly bank deposits and various financial instruments).

Each unit of the consolidated company follows credit risk policies, procedures, and controls to manage credit risk. The credit risk assessment of all counterparties comprehensively considers factors such as the counterparty's financial condition, credit rating agency ratings, historical transaction experience, current economic

environment, and the consolidated company's internal rating standards. The consolidated company also uses certain credit enhancement instruments (such as advance receipts and insurance) at appropriate times to reduce the credit risk of specific counterparties.

As of June 30, 2024, December 31, and June 30, 2023, the receivables from the top ten customers of the consolidated company accounted for a very low percentage of the consolidated company's total receivables, and there was no concentration of credit risk for receivables.

The consolidated company's finance department manages the credit risk of bank deposits and other financial instruments in accordance with company policies. As the consolidated company's counterparties are determined by internal control procedures and are creditworthy banks, financial institutions, and companies with investment grades, there is no significant performance concern and no significant credit risk.

3. Liquidity Risk

The consolidated company maintains financial flexibility through cash and cash equivalents, highly liquid securities, bank borrowings, and the issuance of corporate bonds. The following table summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted cash flows and the earliest date on which the Group can be required to pay, including contractual interests. For interest cash flows paid at floating rates, the undiscounted interest amounts are derived from the yield curve at the end of the reporting period.

(1) Liquidity Risk Table for Non-Derivative Financial Liabilities

The following table details the Group's remaining contractual maturity analysis for its non-derivative financial liabilities based on the agreed repayment periods. The table has been drawn up based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows of undiscounted financial liabilities:

June 30, 2024

	<u>Less than 1 year</u>	<u>2-3 years</u>	<u>4-5 years</u>	<u>Over 5 Years</u>	<u>Total</u>
Loans	\$ 24,726,046	\$12,435,684	\$ 2,219,428	\$-	\$39,381,158
Payables	3,410,139	8,208	-	-	3,418,347
lease liabilities	439,836	836,024	859,215	3,685,170	5,820,245
Guarantee deposits received	59,611	23,457	19,741	31,463	134,272
	<u>\$ 28,635,632</u>	<u>\$13,303,373</u>	<u>\$ 3,098,384</u>	<u>\$ 3,716,633</u>	<u>\$48,754,022</u>

Further information relating to the maturity analysis of lease liabilities is as follows:

	Less than 1 year	1~5 years	5~10 years	10~15 years	Over 15 Years	Total
lease liabilities	<u>\$ 439,836</u>	<u>\$1,695,239</u>	<u>\$1,926,681</u>	<u>\$1,607,521</u>	<u>\$ 150,968</u>	<u>\$5,820,245</u>

December 31, 2023

	Less than 1 year	2~3 years	4~5 years	Over 5 Years	Total
Loans	\$21,033,527	\$14,183,416	\$ 458,316	\$ 1,411,487	\$37,086,746
Payables	3,138,737	-	-	-	3,138,737
lease liabilities	433,695	776,558	800,884	3,676,667	5,687,804
Guarantee deposits received	61,156	17,664	8,850	42,042	129,712
	<u>\$24,667,115</u>	<u>\$14,977,638</u>	<u>\$ 1,268,050</u>	<u>\$ 5,130,196</u>	<u>\$46,042,999</u>

Further information relating to the maturity analysis of lease liabilities is as follows:

	Less than 1 year	1~5 years	5~10 years	10~15 years	Over 15 Years	Total
lease liabilities	<u>\$ 433,695</u>	<u>\$1,577,442</u>	<u>\$2,095,712</u>	<u>\$1,375,535</u>	<u>\$ 205,420</u>	<u>\$5,687,804</u>

June 30, 2023

	Less than 1 year	2~3 years	4~5 years	Over 5 Years	Total
Loans	\$19,005,013	\$14,623,174	\$ 1,684,603	\$ 1,411,487	\$36,724,277
Payables	2,899,622	-	-	-	2,899,622
lease liabilities	397,561	745,540	761,682	3,860,205	5,764,988
Guarantee deposits received	60,485	18,718	6,245	36,794	122,242
	<u>\$22,362,681</u>	<u>\$15,387,432</u>	<u>\$ 2,452,530</u>	<u>\$ 5,308,486</u>	<u>\$45,511,129</u>

Further information relating to the maturity analysis of lease liabilities is as follows:

	Less than 1 year	1~5 years	5~10 years	10~15 years	Over 15 Years	Total
lease liabilities	<u>\$ 397,561</u>	<u>\$1,507,222</u>	<u>\$2,161,867</u>	<u>\$1,415,282</u>	<u>\$ 283,056</u>	<u>\$5,764,988</u>

(2) Line of Credit

The consolidated company relies on bank borrowings as a significant source of liquidity. As of June 30, 2024, December 31, and June 30, 2023, the consolidated company unused bank credit facilities amounted to NT\$41,609,517 thousand, NT\$32,140,910 thousand and NT\$36,370,180 thousand, respectively.

25. Related Party Transactions

Transactions, account balances, revenues and expenses between the Company and its subsidiaries (related parties to the Company) are fully eliminated upon consolidation and therefore not disclosed in these notes. The significant transactions between the consolidated company and other related parties are as follows.

(1) Names and Relations of Related Parties

Related Party	Relationship with the consolidated company
Cathay United Bank Co., Ltd. (Cathay United Bank)	Other related parties
Cathay Life Insurance Co., Ltd. (Cathay Life Insurance)	Other related parties
Cathay Financial Holdings Co., Ltd. (Cathay Financial Holdings)	Other related parties
Cathay General Hospital (Cathay Hospital)	Other related parties
Cathay Century Insurance Co., Ltd. (Cathay Century Insurance)	Other related parties
Lin Yuan Investment Co., Ltd. (Lin Yuan Investment)	Other related parties
Seaward Card Co., Ltd. (Seaward Card)	Other related parties
Hsien Fang Capital Co., Ltd. (Hsien Fang Capital)	Other related parties
Cheng Dao Capital Co., Ltd. (Cheng Dao Capital)	Other related parties
Hung Chih Capital Co., Ltd. (Hung Chih Capital)	Other related parties
○○ Lee	Company's main management
○○ Hsu	Spouse of the Company's main management
○○ Lee	Spouse of the Company's main management
○○ Chen	Spouse of the Company's main management
○○ Hsieh	Children of the Company's main management
○○ Tseng	Spouse of management personnel of affiliated enterprises

(2) Operating Revenue

Account item	Related party category/name	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Engineering service revenue	Other related parties				
	Cathay Life Insurance	\$1,847,934	\$ 866,064	\$2,947,658	\$1,455,090
	Cathay General Hospital	<u>1,283</u>	<u>9,286</u>	<u>4,525</u>	<u>28,087</u>
		<u>\$1,849,217</u>	<u>\$ 875,350</u>	<u>\$2,952,183</u>	<u>\$1,483,177</u>
Service revenue	Other related parties				
	Cathay Life Insurance	\$ 270,623	\$ 225,366	\$ 530,724	\$ 490,923
	Cathay United Bank	46,741	46,136	95,557	69,157
	Cathay Financial Holdings	<u>1,182</u>	<u>1,186</u>	<u>2,455</u>	<u>5,880</u>
		<u>\$ 318,546</u>	<u>\$ 272,688</u>	<u>\$ 628,736</u>	<u>\$ 565,960</u>
Rental income	Other related parties				
	Cathay Life Insurance	\$ 273	\$ 1,771	\$ 459	\$ 3,656
	Cathay United Bank	<u>3,852</u>	<u>4,528</u>	<u>8,422</u>	<u>9,056</u>
		<u>\$ 4,125</u>	<u>\$ 6,299</u>	<u>\$ 8,881</u>	<u>\$ 12,712</u>

Engineering Service Revenue

The construction project prices for contractors are determined based on the estimated construction costs plus reasonable management fees and profits, through mutual negotiation and bargaining, and payments are received according to the agreed payment terms in the contracts. The transaction prices and payment terms are not significantly different from those of non-related parties.

As of June 30, 2024, the total contract price of the construction projects undertaken by the consolidated company for Cathay Life Insurance and Cathay General Hospital that have been signed but not yet completed is NT\$13,728,207 thousand, of which NT\$5,345,406 thousand has been received, with NT\$8,382,801 thousand remaining to be collected in the future.

Service Revenue

These include revenue from health examination services, accommodation services, and technical and maintenance services. The transaction prices and payment terms are not significantly different from those of non-related parties.

Rental Income

The determination and collection of rent are in accordance with the contract provisions, and there is no significant difference from non-related parties.

(3) Purchases

<u>Related party category/name</u>	<u>Nature of the transaction</u>	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Other related parties					
Cathay United Bank	Price trust management fee	\$ 3,234	\$ 1,476	\$ 3,234	\$ 3,218
Cathay United Bank	Demolition and relocation compensation fees	-	-	44,924	-
Cathay Century Insurance	Insurance	4,808	262	5,028	1,482
Lin Yuan Investment	Urban renewal joint construction subsidy for landowners	<u>3,360</u>	<u>3,360</u>	<u>3,360</u>	<u>3,360</u>
		<u>\$ 11,402</u>	<u>\$ 5,098</u>	<u>\$ 56,546</u>	<u>\$ 8,060</u>

When the merged company procures from related parties, the transaction terms are based on general procurement terms (i.e., market prices).

(4) Bank Deposits and Short-Term Borrowings

		June 30, 2024		
Related party category/name	Nature of the transaction	Highest balance	Ending balance	Interest Rate
Other related parties				
Cathay United Bank	Demand deposits	\$ 9,236,739	\$ 5,301,384	0.51%-0.64%
	Check deposits	1,220,251	29,722	-
	Securities account	1,284,592	245,600	0.01%
	deposit account	323,700	216,150	1.10%-1.69%
	Short-term loans	1,300,000	1,300,000	2.06%

		December 31, 2023		
Related party category/name	Nature of the transaction	Highest balance	Ending balance	Interest Rate
Other related parties				
Cathay United Bank	Demand deposits	\$ 9,731,606	\$ 3,210,202	0.51%
	Check deposits	3,848,898	11,527	-
	Securities account	1,098,654	37,140	0.01%
	deposit account	330,300	283,100	1.10%-1.57%
	Short-term loans	2,420,000	800,000	1.93%

		June 30, 2023		
Related party category/name	Nature of the transaction	Highest balance	Ending balance	Interest Rate
Other related parties				
Cathay United Bank	Demand deposits	\$ 8,759,935	\$ 3,916,298	0.51%
	Check deposits	1,409,346	61,830	-
	Securities account	986,271	180,086	0.01%
	deposit account	280,800	207,500	1.10%-1.57%
	Short-term loans	620,000	620,000	1.93%

Account item	Related party category/name	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Finance costs	Other related parties				
	Cathay United Bank	\$ 7,462	\$ 2,950	\$ 12,909	\$ 5,700
Interest income	Other related parties				
	Cathay United Bank	\$ 9,528	\$ 5,667	\$ 10,857	\$ 6,364

(5) Accounts Receivable from Related Parties

Related party category/name	June 30, 2024	December 31, 2023	June 30, 2023
Other related parties			
Cathay United Bank	\$ 25,080	\$ 7,205	\$ 23,748
Cathay Life Insurance	9,303	4,349	6,299
Others	1,440	2,599	4,509
	<u>\$ 35,823</u>	<u>\$ 14,153</u>	<u>\$ 34,556</u>

The outstanding receivables to related parties are unsecured. No allowance for doubtful accounts was provided for receivables from related parties as of January 1 to June 30, 2024 and 2023.

(6) Accounts Payable from Related Parties

<u>Account item</u>	<u>Related party category/name</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Notes and accounts payable	Other related parties			
	Cathay Life Insurance	\$ 2,298	\$ 2,789	\$ 910
	Others	<u>878</u>	<u>492</u>	<u>609</u>
		<u>\$ 3,176</u>	<u>\$ 3,281</u>	<u>\$ 1,519</u>

For the merging of companies with related parties for purchases or sales of goods with similar specifications, the prices are comparable to those for non-related parties. For goods with different specifications, the prices are set separately due to the diverse range of product specifications and services provided. The payment or collection terms for related parties are comparable to those for non-related parties.

The outstanding balances payable to related parties are unsecured.

(7) Lease Agreements

<u>Related party category/name</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
<u>Acquisition of right-of-use assets</u>		
Other related parties		
Cathay Life Insurance	<u>\$ 279,186</u>	<u>\$ 695,560</u>

<u>Account item</u>	<u>Related party category/name</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
lease liabilities	Other related parties			
	Cathay Life Insurance	<u>\$ 5,574,669</u>	<u>\$ 5,503,455</u>	<u>\$ 5,570,834</u>

<u>Related party category/name</u>	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
<u>Interest expense</u>				
Other related parties				
Cathay Life Insurance	<u>\$ 41,725</u>	<u>\$ 37,493</u>	<u>\$ 79,658</u>	<u>\$ 71,538</u>

(8) Other Current Assets - Restricted Assets

<u>Related party category/name</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Other related parties			
Cathay Life Insurance	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>

(9) Prepayments

<u>Related party category/name</u>	<u>Nature</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Other related parties				
Cathay Century Insurance	Prepaid insurance	<u>\$ 4,106</u>	<u>\$ -</u>	<u>\$ 7,069</u>

(10) Other Non-Current Assets/Liabilities

Account item	Related party category/name	June 30, 2024	December 31, 2023	June 30, 2023
Margin deposit	Other related parties			
	Cathay Life Insurance	\$ 50,051	\$ 45,043	\$ 41,394
	Lin Yuan Investment	<u>8,000</u>	<u>8,000</u>	<u>12,000</u>
		<u>\$ 58,051</u>	<u>\$ 53,043</u>	<u>\$ 53,394</u>
Guarantee deposits received	Other related parties			
	Cathay United Bank	<u>\$ 4,482</u>	<u>\$ 4,482</u>	<u>\$ 4,482</u>

(11) Pre-Sale Housing Sales Contracts for Development Projects

The total contract price of the presale construction project signed between the merged company and related parties is as follows:

Related party category/name	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Company's main management				
○○ Lee	<u>\$ 34,400</u>	<u>\$ -</u>	<u>\$ 34,400</u>	<u>\$ -</u>
Spouse of management personnel of affiliated enterprises				
○○ Tseng	<u>26,290</u>	<u>-</u>	<u>26,290</u>	<u>-</u>
Spouse of the Company's main management				
○○ Chen	25,060	-	25,060	-
○○ Lee	-	-	23,500	-
○○ Hsu	<u>-</u>	<u>35,130</u>	<u>-</u>	<u>35,130</u>
	<u>25,060</u>	<u>35,130</u>	<u>48,560</u>	<u>35,130</u>
Children of the Company's main management				
○○ Hsieh	<u>-</u>	<u>-</u>	<u>23,450</u>	<u>-</u>
Other related parties				
Hsien Fang Capital Co., Ltd.	-	-	-	425,690
Hung Chih Capital Co., Ltd.	-	-	-	387,360
Cheng Dao Capital Co., Ltd.	<u>-</u>	<u>-</u>	<u>-</u>	<u>380,980</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,194,030</u>
	<u>\$ 85,750</u>	<u>\$ 35,130</u>	<u>\$ 132,700</u>	<u>\$ 1,229,160</u>

(12) Other Related Parties Transactions

Account item	Related party category/name	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Miscellaneous income	Other related parties				
	Cathay Life Insurance	<u>\$ 1,073</u>	<u>\$ 1,024</u>	<u>\$ 1,987</u>	<u>\$ 3,303</u>
Operating Costs	Other related parties				
	Cathay Life Insurance	\$ 34,115	\$ 31,529	\$ 65,055	\$ 62,076
	Cathay Century Insurance	<u>4,088</u>	<u>3,403</u>	<u>5,540</u>	<u>9,261</u>
		<u>\$ 38,203</u>	<u>\$ 34,932</u>	<u>\$ 70,595</u>	<u>\$ 71,337</u>
Operating expenses	Other related parties				
	Cathay Life Insurance	\$ 5,251	\$ 5,245	\$ 9,607	\$ 10,486
	Cathay Century Insurance	4,200	3,112	7,182	6,053
	Seaward Card Co., Ltd.	<u>276</u>	<u>1,910</u>	<u>2,027</u>	<u>3,634</u>
		<u>\$ 9,727</u>	<u>\$ 10,267</u>	<u>\$ 18,816</u>	<u>\$ 20,173</u>

(13) Compensation for the Main Management

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Short-term employee benefits	\$ 16,678	\$ 16,481	\$ 45,916	\$ 47,428
Retirement benefits	<u>290</u>	<u>316</u>	<u>569</u>	<u>636</u>
	<u>\$ 16,968</u>	<u>\$ 16,797</u>	<u>\$ 46,485</u>	<u>\$ 48,064</u>

The remuneration to directors and the management is determined by the Remuneration Committee based on personal performances and market trends.

26. Pledged Assets

The following assets have been pledged or mortgaged as collateral for the consolidated company's bank credit lines, construction guarantees, and performance bonds, etc.:

	June 30, 2024	December 31, 2023	June 30, 2023
Inventories	\$ 11,948,400	\$ 10,791,000	\$ 13,315,600
Investment properties	7,638,372	7,638,372	7,638,372
Pledge certificate of deposit	<u>108,522</u>	<u>108,522</u>	<u>109,513</u>
	<u>\$ 19,695,294</u>	<u>\$ 18,537,894</u>	<u>\$ 21,063,485</u>

27. Significant Contingent Liabilities and Unrecognized Contract Commitments

Consolidated company's significant contingent liabilities and unrecognized contract commitments are as follows:

(1) Material contract

As of June 30, 2024, the consolidated company has signed construction contracts with non-related parties with a total contract price of NT\$6,070,738 thousand, with an unpaid amount of NT\$3,518,681 thousand.

(2) Others

1. As of June 30, 2024, the consolidated company has issued promissory notes to financial institutions for borrowings in the amount of NT\$53,429,310 thousand.
2. As of June 30, 2024, the consolidated company has issued guarantee notes for construction warranties and performance guarantees in the amount of NT\$1,947,585 thousand.

28. Department information

The information provided to the chief operating decision maker for the purpose of resource allocation and performance assessment focuses on the financial information of each department.

The reportable operating segments of the consolidated company, which are based on different products and services, are as follows:

1. Property and real estate investment development department: Mainly responsible for commissioning construction companies and building public housing, commercial buildings for lease and sale, and various equipment leasing businesses.
2. Construction department: Mainly engaged in construction contracting and construction management.

The income and operating results of the consolidated company are analyzed by the reporting department as follows:

	Property and Estate Investment Development Department	Construction Department	Other Department	Adjustments and Write-offs	Total
<u>April 1 to June 30, 2024</u>					
Revenue from external customers	\$ 1,299,729	\$ 1,867,275	\$ 1,174,559	\$ -	\$ 4,341,563
Revenue from other departments within the Company	19,899	1,322,979	33,274	(1,376,152)	-
Total revenue	<u>\$ 1,319,628</u>	<u>\$ 3,190,254</u>	<u>\$ 1,207,833</u>	<u>(\$ 1,376,152)</u>	<u>\$ 4,341,563</u>
Department income (loss)	<u>\$ 382,239</u>	<u>\$ 107,041</u>	<u>(\$ 48,378)</u>	<u>(\$ 34,655)</u>	<u>\$ 406,247</u>
<u>April 1 to June 30, 2023</u>					
Revenue from external customers	\$ 1,795,345	\$ 1,117,664	\$ 1,021,897	\$ -	\$ 3,934,906
Revenue from other departments within the Company	18,556	1,049,997	28,512	(1,097,065)	-
Total revenue	<u>\$ 1,813,901</u>	<u>\$ 2,167,661</u>	<u>\$ 1,050,409</u>	<u>(\$ 1,097,065)</u>	<u>\$ 3,934,906</u>
Department income (loss)	<u>\$ 481,014</u>	<u>\$ 138,303</u>	<u>(\$ 24,139)</u>	<u>(\$ 81,648)</u>	<u>\$ 513,530</u>
<u>January 1 to June 30, 2024</u>					
Revenue from external customers	\$ 6,023,125	\$ 3,008,524	\$ 2,366,164	\$ -	\$ 11,397,813
Revenue from other departments within the Company	44,410	2,389,465	68,821	(2,502,696)	-
Total revenue	<u>\$ 6,067,535</u>	<u>\$ 5,397,989</u>	<u>\$ 2,434,985</u>	<u>(\$ 2,502,696)</u>	<u>\$ 11,397,813</u>
Department income (loss)	<u>\$ 1,053,268</u>	<u>\$ 169,834</u>	<u>(\$ 12,139)</u>	<u>(\$ 102,644)</u>	<u>\$ 1,108,319</u>
<u>January 1 to June 30, 2023</u>					
Revenue from external customers	\$ 2,886,938	\$ 1,829,819	\$ 2,093,895	\$ -	\$ 6,810,652
Revenue from other departments within the Company	37,032	1,728,858	61,327	(1,827,217)	-
Total revenue	<u>\$ 2,923,970</u>	<u>\$ 3,558,677</u>	<u>\$ 2,155,222</u>	<u>(\$ 1,827,217)</u>	<u>\$ 6,810,652</u>
Department income (loss)	<u>\$ 625,307</u>	<u>\$ 166,689</u>	<u>(\$ 12,806)</u>	<u>(\$ 86,709)</u>	<u>\$ 692,481</u>

Transfer pricing among operating departments is based on arm's length transactions with third parties. External revenue and departmental profit or loss are consistent with the information provided to the chief operating decision maker for allocating resources to segments and assessing their performance.

29. Supplementary Disclosures

(1) Information on significant transactions and (2) Information on Invested Companies:

1. Funds loaned to others. (None)
2. Endorsement/guarantee for others. (Table 1)
3. Marketable securities held at the end of the period (excluding investments in subsidiaries and affiliated companies). (Table 2)
4. Marketable securities acquired and disposed of amounting to NT\$300 million or 20% of the paid-in capital or more. (None)
5. Acquisition of property amounting to NT\$300 million or 20% of paid-in capital or more. (Table 3)

6. Disposal of property amounting to NT\$300 million or 20% of paid-in capital or more. (Table 4)
 7. Purchases from or sales to related parties amounting to NT\$100 million or 20% of the paid-in capital or more. (Table 5)
 8. Receivables from related parties amounting to NT\$100 million or 20% of paid-up capital or more. (Table 6)
 9. Engaging in derivatives trading. (None)
 10. Others: Business relationships and significant transactions between parent and subsidiary companies. (Table 7)
 11. Information on invested companies. (Table 8)
- (3) Details of Major Shareholders:

The name of major shareholders, number of shares and percentage of ownership for those who holds 5% or more of ownership. (Table 9)

CATHAY REAL ESTATE DEVELOPMENT CO., LTD. AND SUBSIDIARIES
ENDORSEMENT/GUARANTEE FOR OTHERS

January 1 to June 30, 2024

Table 1

Amount in Thousand of New Taiwan Dollars, Unless Specified Otherwise

No.	Guarantor company name	Endorsed entity		Limit on endorsement guarantee for a single enterprise (note 2)	The Highest Balance Of Endorsement Guarantee For This Period	Balance Of Endorsements At The End Of The Period	Actual Withdrawal Amount	Amount of Endorsement and Guarantee Secured by Property	The Ratio of Accumulated Endorsement Guarantee Amount to the Net Worth in The Most Recent Financial Statement (%)	Maximum Limit of Endorsement Guarantee (Note 3)	Parent Company's Endorsement Guarantee for Its Subsidiary	Subsidiary's Endorsement and Guarantee for the Parent Company	Endorsement and Guarantee for the Mainland China Region
		Company name	Relationship (note 1)										
0	Cathay Real Estate Development Co., Ltd.	Bannan Realty Co., Ltd.	1	\$ 8,092,379	\$ 5,763,000	\$ 5,763,000	\$ -	\$ -	21.36	\$ 16,184,757	Yes	No	No

Note 1: The relationship categories between the endorser and the endorsed are as follows:

1. Companies in which the company directly or indirectly holds more than 50% of the voting shares.

Note 2: The limit for endorsement and guarantee to a single enterprise is 30% of the net worth in the most recent financial statements.

Note 3: The maximum limit for endorsements and guarantees is 60% of the net worth in the most recent financial statements.

CATHAY REAL ESTATE DEVELOPMENT CO., LTD. AND SUBSIDIARIES
MARKETABLE SECURITIES HOLDING AT THE END OF THE PERIOD

June 30, 2024

Table 2

Unit: NT\$ thousand

Securities Holding Company	Type and name of securities (Note 1)	Relationship with Issuer of Securities	Ledger Account	Ending Balance				Note
				Shares / Unit	Carrying amount	Shareholding ratio (%)	Fair value	
Cathay Real Estate Development Co., Ltd.	<u>Common shares</u>							
	Cathay Financial Holdings Co., Ltd.	Other related parties	Financial assets at fair value through other comprehensive profit or loss - Current	63,968,129	\$ 3,774,119	0.44	\$ 3,774,119	
	Gong Cheng Industrial Co., Ltd.	None	Financial assets at fair value through other comprehensive income - Non-current	1,580,083	-	3.23	-	
	Gian Feng Investment Co., Ltd.	None	"	2,000,000	25,187	10.00	25,187	
	MetroWalk international Co., Ltd.	None	"	3,448,276	52,866	1.72	52,866	
	Budworth Investments Limited	None	"	30,314	45	3.33	45	
	Nangang International One Co., Ltd.	Other related parties	"	27,465,000	215,875	7.85	215,875	
	Nangang International Two Co., Ltd.	Other related parties	"	32,460,000	253,837	8.12	253,837	
Cathay Hospitality Management Co., Ltd.	<u>Common shares</u>							
	Nangang International One Co., Ltd.	Other related parties	Financial assets at fair value through other comprehensive income - Non-current	35,000	228	0.01	228	
	Nangang International Two Co., Ltd.	Other related parties	"	40,000	259	0.01	259	
San Ching Engineering Co., Ltd.	<u>Common shares</u>							
	China Construction Management Co., Ltd.	None	Financial assets at fair value through other comprehensive income - Non-current	1,400,000	10,136	5.48	10,136	

Note 1: The marketable securities referred to in this statement are stocks, bonds, beneficiary certificates, and the derivative securities of the aforementioned items that fall within the scope of International Financial Reporting Standard No. 9 "Financial Instruments".

Note 2: For information on investments in subsidiaries, affiliated companies and joint venture, please refer to Attachment 7.

CATHAY REAL ESTATE DEVELOPMENT CO., LTD. AND SUBSIDIARIES
ACQUISITION OF PROPERTY AMOUNTING TO NT\$300 MILLION OR 20% OF PAID-IN CAPITAL OR MORE

January 1 to June 30, 2024

Table 3

Unit: NT\$ thousand

Company acquiring real estate	Name of property	Date of event	Transaction amount	Payment status	Transaction counterparty	Relationship	If the transaction counterparty is a related party, the details of the previous transfer				Reference basis for price determination	Purpose of acquisition and usage	Other agreed matters
							Owner	Relationship with issuer	Transfer date	Amount			
Cathay Real Estate Development Co., Ltd.	Lands and properties on Tungfeng Sec., Peitun Dist., Taichung City.	2024/02/17	\$ 1,045,300	Pay in installments according to the contract	Hsieh Cheng International Co., Ltd. and multiple natural persons	Non-related parties	—	—	—	—	1. Appraisal report for professional real estate appraisers. 2. Negotiated pricing between both parties.	Construction of residential buildings for sale	None
Cathay Real Estate Development Co., Ltd.	A plot of land in the Xinzhuang Sub-city Center, New Taipei City	2024/03/29	1,202,335	Pay in installments according to the contract	Kindom Development Co., Ltd. and multiple natural persons	Non-related parties	—	—	—	—	1. Appraisal report for professional real estate appraisers. 2. Negotiated pricing between both parties.	Construction of residential buildings for sale	None
Cathay Real Estate Development Co., Ltd.	Land in Taishan Section 2, Taishan District, New Taipei City	2024/04/24	2,950,241	Pay in installments according to the contract	Eden Department Store Co., Ltd. and 3 natural persons	Non-related parties	—	—	—	—	1. Appraisal report for professional real estate appraisers. 2. Both parties agree on the joint construction ratio, with the company receiving 48%.	Collaborative development and construction of residential buildings for sale	None
Cathay Real Estate Development Co., Ltd.	Lands in Yongfeng Section, Nantun District, Taichung City	2024/06/07	776,595	Pay in installments according to the contract	Natural person	Non-related parties	—	—	—	—	1. Appraisal report for professional real estate appraisers. 2. Negotiated pricing between both parties.	Construction of residential buildings for sale	None

CATHAY REAL ESTATE DEVELOPMENT CO., LTD. AND SUBSIDIARIES
DISPOSAL OF PROPERTY AMOUNTING TO NT\$300 MILLION OR 20% OF PAID-IN CAPITAL OR MORE

January 1 to June 30, 2024

Table 4

Unit: NT\$ thousand

Companies disposing of real estate	Name of property	Date of event	Original acquisition date	Carrying amount	Transaction amount	Payment collection status	Disposal gain or loss	Transaction counterparty	Relationship	Disposal Purpose	Reference basis for price determination	Other agreed matters
Cathay Real Estate Development Co., Ltd.	14 deals for land No. 6-1 of Subsection 3, Changchun Section, Zhongshan District, Taipei City	2024/06/05	1979/04/16	\$ -	\$ 396,698	Installment payments according to contract	\$ 396,698	Public Works Department, Taipei City Government	Non-related parties	Cooperate with the company's operational plan	Bidding Instructions for the Taipei City Government's Purchase of Privately Owned Public Facility Reserved Land Using Floor Area Bonus Fund	None

CATHAY REAL ESTATE DEVELOPMENT CO., LTD. AND SUBSIDIARIES
OPMENT CO., LTD. AND SUBSIDIARIES

PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL OR MORE

January 1 to June 30, 2024

Table 5

Unit: NT\$ thousand

Company for purchases (sales)	Name of trading partner	Relationship	Transaction (Note 1)				Conditions and reasons for differences from ordinary transactions		Notes Receivable (Payable), Accounts (Note 1)		Note
			Purchases (sales)	Amount	Percentage of total purchase (sales) (%)	Credit period	Unit price	Credit period	Balance	Percentage of total notes receivable (payable), accounts (%)	
Cathay Real Estate Development Co., Ltd.	San Ching Engineering Co., Ltd.	Subsidiary	Purchases	\$ 1,807,686	28%	Not applicable	\$ -	—	(\$ 571,150)	40%	Note 2
San Ching Engineering Co., Ltd.	Cathay Real Estate Development Co., Ltd.	Parent	Sales	(1,807,686)	33%	Not applicable	-	—	1,424,257	80%	Note 2
San Ching Engineering Co., Ltd.	Cathay Life Insurance Co., Ltd.	Other related parties	Sales	(2,947,658)	55%	Not applicable	-	—	-	-	
San Ching Engineering Co., Ltd.	Jinhua Realty Co., Ltd.	Affiliated company	Sales	(366,080)	7%	Not applicable	-	—	118,272	7%	Note 2
San Ching Engineering Co., Ltd.	Sanchong Realty Co., Ltd.	Affiliated company	Sales	(174,449)	3%	Not applicable	-	—	-	-	Note 2
San Ching Engineering Co., Ltd.	Bannan Realty Co., Ltd.	Affiliated company	Sales	(143,520)	3%	Not applicable	-	—	214,295	12%	Note 2
Lin Yuan Property Management Co., Ltd.	Cathay Life Insurance Co., Ltd.	Other related parties	Sales	(530,539)	63%	30 to 90 days	-	—	8,791	13%	
Jinhua Realty Co., Ltd.	San Ching Engineering Co., Ltd.	Affiliated company	Purchases	366,080	95%	Not applicable	-	—	-	-	Note 2
Sanchong Realty Co., Ltd.	San Ching Engineering Co., Ltd.	Affiliated company	Purchases	174,449	52%	Not applicable	-	—	-	-	Note 2
Bannan Realty Co., Ltd.	San Ching Engineering Co., Ltd.	Affiliated company	Purchases	143,520	66%	Not applicable	-	—	-	-	Note 2

Note 1: Refers to unsettled import (export) goods and receivable (payable) notes and accounts before offsetting with the import (export) company.

Note 2: Offset when preparing consolidated financial statements.

CATHAY REAL ESTATE DEVELOPMENT CO., LTD. AND SUBSIDIARIES
RECEIVABLES FROM RELATED PARTIES AMOUNTING TO NT\$100 MILLION OR 20% OF PAID-UP CAPITAL OR MORE

June 30, 2024

Table 6

Unit: NT\$ thousand

Company with receivables	Transaction counterparty	Relationship	Balance of receivable from related parties	Turnover Rate	Overdue receivables from related parties		Amount of receivables from related parties collected after period	Allowance for doubtful accounts	Note
					Amount	Handling method			
San Ching Engineering Co., Ltd.	Cathay Real Estate Development Co., Ltd.	Parent	\$ 1,424,257	2.11	\$ -	—	\$ 476,460	\$ -	Note 1 and Note 2
San Ching Engineering Co., Ltd.	Jinhua Realty Co., Ltd.	Affiliated company	118,272	8.25	-	—	118,272	-	Note 1 and Note 2
San Ching Engineering Co., Ltd.	Bannan Realty Co., Ltd.	Affiliated company	214,295	2.68	-	—	214,295	-	Note 1 and Note 2

Note 1: The main accounts receivable are due to construction revenue and advance receipts for construction projects.

Note 2: These have been eliminated in the preparation of the consolidated financial statements.

CATHAY REAL ESTATE DEVELOPMENT CO., LTD. AND SUBSIDIARIES
BUSINESS RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS BETWEEN PARENT AND SUBSIDIARY COMPANIES

January 1 to June 30, 2024

Table 7

Unit: NT\$ thousand

No. (Note 1)	Name of transaction party	Transaction counterparty	Relationship with issuer (Note 2)	Transactions Details			
				Account	Amount	Transaction qualifications	Percentage of consolidated total revenue or total assets (Note 3)
0	Cathay Real Estate Development Co., Ltd.	Cathay Hospitality Management Co., Ltd.	1	Rental income	\$ 3,457	Under normal conditions	-
0	Cathay Real Estate Development Co., Ltd.	Bannan Realty Co., Ltd.	1	Other revenue	4,821	Under normal conditions	-
0	Cathay Real Estate Development Co., Ltd.	Sanchong Realty Co., Ltd.	1	Other revenue	5,875	Under normal conditions	-
0	Cathay Real Estate Development Co., Ltd.	Zhulun Realty Co., Ltd.	1	Other revenue	4,167	Under normal conditions	-
0	Cathay Real Estate Development Co., Ltd.	Zhulun Realty Co., Ltd.	1	other receivables - related parties	4,167	Under normal conditions	-
1	Cathay Hospitality Consulting Co., Ltd.	Cathay Food & Beverage Group Co., Ltd.	3	Other catering services revenue	14,976	Under normal conditions	-
1	Cathay Hospitality Consulting Co., Ltd.	Cathay Food & Beverage Group Co., Ltd.	3	other receivables - related parties	17,799	Under normal conditions	-
2	San Ching Engineering Co., Ltd.	Cathay Real Estate Development Co., Ltd.	2	accounts receivable - related parties	1,424,257	Under normal conditions	2%
2	San Ching Engineering Co., Ltd.	Cathay Real Estate Development Co., Ltd.	2	Engineering service revenue	1,807,686	Under normal conditions	16%
2	San Ching Engineering Co., Ltd.	Jinhua Realty Co., Ltd.	3	accounts receivable - related parties	118,272	Under normal conditions	-
2	San Ching Engineering Co., Ltd.	Jinhua Realty Co., Ltd.	3	Engineering service revenue	366,080	Under normal conditions	3%
2	San Ching Engineering Co., Ltd.	Bannan Realty Co., Ltd.	3	accounts receivable - related parties	214,295	Under normal conditions	-
2	San Ching Engineering Co., Ltd.	Bannan Realty Co., Ltd.	3	Engineering service revenue	143,520	Under normal conditions	1%
2	San Ching Engineering Co., Ltd.	Sanchong Realty Co., Ltd.	3	Engineering service revenue	174,449	Under normal conditions	2%
3	Lin Yuan Property Management Co., Ltd.	Cathay Real Estate Development Co., Ltd.	2	Service revenue	27,212	Under normal conditions	-
3	Lin Yuan Property Management Co., Ltd.	Cathay Real Estate Development Co., Ltd.	2	accounts receivable - related parties	12,695	Under normal conditions	-
3	Lin Yuan Property Management Co., Ltd.	San Ching Engineering Co., Ltd.	3	Service revenue	17,115	Under normal conditions	-

Note 1: The information on business dealings between the parent company and its subsidiaries should be noted separately in the number column. The numbering method is as follows:

1. The parent company is numbered 0.
2. The subsidiaries are numbered sequentially starting from 1 using Arabic numerals.

Note 2: Relationships with counterparty are classified as three types:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3: The calculation of the transaction amount as a percentage of consolidated total revenue or total assets: If it is an asset or liability item, it is calculated based on the ending balance as a percentage of consolidated total assets; if it is a profit or loss item, it is calculated based on the cumulative amount for the period as a percentage of consolidated total revenue.

Note 4: The Company may decide whether to list significant transactions based on the principle of materiality.

CATHAY REAL ESTATE DEVELOPMENT CO., LTD. AND SUBSIDIARIES
RELEVANT INFORMATION INCLUDING NAME AND LOCATION OF THE COMPANY INVESTED

January 1 to June 30, 2024

Table 8

Unit: NT\$ thousand

Name of inventor company	Name of investee company	Location	Main Business Activities	Initial Investment		Shareholding at the end of the period			Profit (loss) of investee companies for the current period	Investment profit (loss) recognized in the current period	Note
				End of the current period	End of last year	Number of shares	Ratio (%)	Carrying amount			
Cathay Real Estate Development Co., Ltd.	Cathay Real Estate Management Co., Ltd.	R.O.C	Construction Management	\$ 50,000	\$ 50,000	5,000,000	100.00	\$ 120,064	\$ 18,967	\$ 18,967	Subsidiary
	Cathay Healthcare Management Co., Ltd.	"	Consultancy	467,500	467,500	46,750,000	85.00	599,040	34,312	29,167	Subsidiary
	Cathay Hospitality Management Co., Ltd.	"	Service industry	1,740,000	1,740,000	25,000,000	100.00	65,264	(257)	1,506	Subsidiary
	Cathay Hospitality Consulting Co., Ltd.	"	Service industry	1,300,000	1,300,000	60,000,000	100.00	110,518	(20,387)	(17,923)	Subsidiary
	Cymbal Medical Network Co., Ltd.	"	Wholesale of Drugs, Medical Goods	350,000	350,000	35,000,000	100.00	134,777	(37,596)	(37,596)	Subsidiary
	Lin Yuan Property Management Co., Ltd.	"	Apartment building management service industry	68,809	68,809	1,530,000	51.00	53,024	49,323	25,327	Subsidiary
	Jinhua Realty Co., Ltd.	"	Housing and Building Development and Rental industry	408,000	408,000	40,800,000	51.00	336,532	(971)	(495)	Subsidiary
	Bannan Realty Co., Ltd.	"	"	586,500	586,500	58,650,000	51.00	547,236	(55,505)	(28,307)	Subsidiary
	Sanchong Realty Co., Ltd.	"	"	1,834,800	1,834,800	183,480,000	66.00	1,749,482	(18,874)	(12,457)	Subsidiary
	Zhulun Realty Co., Ltd.	"	"	331,500	204,000	33,150,000	51.00	322,355	(4,114)	(2,098)	Subsidiary
	San Ching Engineering Co., Ltd.	"	Construction Contractor	2,400,000	2,400,000	120,000,000	100.00	2,558,847	136,506	119,295	Subsidiary
	Symphox Information Co., Ltd.	"	Wholesale of Computer Software	67,515	67,515	5,489,000	11.20	96,427	(58,729)	(6,669)	Joint venture
	San Hsiung Fongshan LaLaport Co., Ltd.	"	Department Stores	204,000	204,000	204,000,000	30.00	162,212	(47,134)	(14,140)	Associate
Cathay Hospitality Consulting Co., Ltd.	Cathay Food & Beverage Group Co., Ltd.	"	Service industry	115,000	115,000	11,500,000	100.00	130,339	13,671	(Note 3)	Sub-subsubsidiary
Cymbal Medical Network Co., Ltd.	Cymder Co., Ltd.	"	Manpower dispatch and leasing industry	120,000	120,000	12,000,000	100.00	68,009	(8,131)	(Note 4)	Sub-subsubsidiary
	Cymlin Co., Ltd.	"	"	140,000	140,000	14,000,000	100.00	81,364	(11,093)	(Note 4)	Sub-subsubsidiary
San Ching Engineering Co., Ltd.	Cathay Power Inc.	"	Solar-power generation industry	1,381,433	1,381,433	111,113,100	30.00	1,398,716	97,981	29,394	Associate
	Symphox Information Co., Ltd.	"	Wholesale of Computer Software	244,770	244,770	19,022,000	38.80	331,813	(58,729)	(23,111)	Joint venture

Note 1: For a publicly issued company that has a foreign holding company and is required by local laws to prepare consolidated financial statements as the primary financial statements, only the relevant information of the foreign holding company needs to be disclosed regarding the information on foreign invested companies.

Note 2: For cases other than those described in Note 1, fill in the following:

1. The columns "Name of investee company", "Location", "Main Businesses activities", "Initial Investment" and "Shareholding at the end of the period" should be filled in sequentially according to the Company's reinvestment situation and the reinvestment situation of each directly or indirectly controlled investee company. The relationship between each investee company and the Company (e.g., subsidiary or sub-subsidiary) should be noted in the remarks column.
2. The column "Net Income (Loss) of the Investee for the Current Period" should be filled in with the net income (loss) amount of each investee company for the current period.
3. The column "Investment Income (Loss) Recognized for the Current Period" only needs to be filled in with the amounts of investment income (loss) recognized for the Company's direct investments in each subsidiary and equity-method investees; the rest may be omitted. When filling in the "Investment Income (Loss) Recognized for the Current Period of Direct Investments in Each Subsidiary", it should be confirmed that the net income (loss) amount of each subsidiary for the current period has already included the investment income (loss) required to be recognized for its reinvestments.

Note 3: Its investment income (loss) has been recognized by Cathay Hospitality Consulting Co., Ltd. using the equity method.

Note 4: Its investment income (loss) has been recognized by Cymbal Medical Network Co., Ltd. using the equity method.

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.
DETAILS OF MAJOR SHAREHOLDERS

June 30, 2024

Table 9

Name of Major Shareholders	Shareholding	
	Number of Shares	Percentage of Ownership
Employee Pension Management Committee of Cathay Life Insurance Co., Ltd.	288,067,626	24.84%
Wan Pao Development Co., Ltd.	204,114,882	17.60%

Note 1: The information on major shareholders listed in this table is based on the information on shareholders holding more than 5% of the ordinary and preference shares that have completed non-physical registration and delivery (including treasury shares) on the last business day of the current quarter as calculated by the Taiwan Depository & Clearing Corporation. The share capital recorded in the consolidated company's financial statements and the actual number of shares, for which electronic registration and delivery were completed, may not be consistent due to different bases of preparation and calculation.

Note 2: If the above data belongs to a shareholder who will entrust their shareholding, it is disclosed in the separate sub-account of the trustor opened by the trustee. As for shareholders who report insider shareholdings exceeding 10% in accordance with securities trading laws and regulations, their shareholdings include their personal shareholdings plus the shares entrusted and over which they have the decision-making power over the use of trust assets. For information on insider shareholding reports, please refer to the Market Observation Post System.