Cathay Real Estate Development Co., Ltd.

Parent Company Only Financial Statements for the Years Ended December 31, 2024 and 2023 and Independent Auditors' Report

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

AUDITORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Cathay Real Estate Development Co., Ltd.

Opinion

We have audited the accompanying parent company only financial statements of Cathay Real Estate Development Co., Ltd. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2024, and the parent company only statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "parent company only financial statements").

In our opinion, based on our audits and the report of other auditors (please refer to the Other Matter paragraph), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2024, and its parent company only financial performance and its parent company only cash flows for the year then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the parent company only financial statements for the year ended December 31, 2024. The matter was addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

The key audit matter identified in the Company's parent company only financial statements for the year ended December 31, 2024 is as follows:

Valuation of Construction Land

The Company is engaged in engaged in property development and real estate transactions. The net realizable value of construction land may be affected by fluctuations in real estate market prices. Construction land is measured at the lower of cost or net realizable value, and the assessment of the net realizable value of construction land is based on the significant judgment of the management and accounting estimates. Therefore, we consider the valuation of construction land as a key audit matter for the year then ended December 31, 2024. For the relevant accounting policies, accounting estimates, assumptions, uncertainties and note disclosures, please refer to Notes 4, 5, and 9 of the Company's parent company only financial statements.

Our audit procedures for the abovementioned key audit matters included the following:

1. We obtained and assessed the reasonableness of the valuation methodology and data used by the management when evaluating construction land.

2. We sampled and evaluated the reasonableness of the net realizable value assessment results of construction land as of the balance sheet date and confirmed that the construction land was measured at the lower of cost and net realizable value.

Other Matter

Among the investments accounted for using equity method included in the Company's parent company only financial statements, we did not audit the financial statements for the year ended December 31, 2024 of Symphox Information Co., Ltd. and San Hsiung Fongshan Lalaport Co., Ltd. Therefore, in our expression of an opinion on the Company's parent company only financial statement, those investments and share of profits are based on the audit report of other accountants. The investment accounted for using equity method audited by other accountants as of December 31, 2024 amounted to NT$591,938 thousand, representing 0.83% of the total assets. For the year ended December 31, 2024, the share of profits or losses from these investees amounted to NT$(80,545) thousand, representing (4.09%) of the profit before income tax.

The Company's parent company only financial statements for the year ended December 31, 2023 were audited by other accountant, who issued an unmodified opinion with an other matter paragraph on March 14, 2024.

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 12, 2025

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

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

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

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024		2023	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4, 6 and 24)	$ 4,159,970	6	$ 3,110,974	5
Financial assets at fair value through other comprehensive income - current (Notes 4 and 7)	4,037,768	6	2,926,542	4
Notes receivable, net (Notes 4 and 8)	2,819	-	21,913	-
Accounts receivable, net (Notes 4 and 8)	382,150	1	691,127	1
Accounts receivable from related parties, net (Notes 4 and 24)	-	-	320	-
Other receivables	182,018	-	2,439	-
Inventories (Notes 4, 5, 9 and 25)	38,602,281	54	39,180,977	59
Prepayments	145,497	-	127,916	-
Other current assets	123,013	-	30,526	-
Incremental costs of obtaining contracts - current (Notes 4 and 18)	1,231,187	2	1,196,906	2
Total current assets	48,866,703	69	47,289,640	71
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 7)	486,116	1	493,512	1
Investments accounted for using equity method (Notes 4 and 10)	7,115,906	10	7,347,224	11
Property, plant and equipment (Notes 4, 11 and 19)	94,564	-	91,738	-
Right-of-use assets (Notes 4, 12, 19 and 24)	10,847	-	31,817	-
Investment property, net (Notes 4, 13, 19 and 25)	13,514,346	19	10,320,232	15
Intangible assets (Notes 4 and 19)	4,998	-	4,774	-
Deferred tax assets (Notes 4 and 20)	376,096	-	369,310	1
Other non-current assets (Notes 14 and 24)	606,123	1	862,478	1
Total non-current assets	22,208,996	31	19,521,085	29
TOTAL	$ 71,075,699	100	$ 66,810,725	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4, 15 and 24)	$ 12,207,000	17	$ 9,825,000	15
Short-term bills payable (Notes 4 and 15)	-	-	1,498,104	2
Contract liabilities - current (Note 18)	8,264,483	12	6,202,748	9
Notes payable	62,199	-	8,639	-
Accounts payable	1,125,653	2	1,005,586	2
Accounts payable to related parties (Note 24)	2,292,597	3	1,375,404	2
Other payables	211,652	-	210,702	-
Current tax liabilities (Notes 4 and 20)	3,584	-	77,851	-
Lease liabilities - current (Notes 4, 12 and 24)	10,666	-	20,968	-
Current portion of long-term borrowings (Notes 4 and 15)	8,652,000	12	7,580,000	12
Other current liabilities	60,369	-	89,849	-
Total current liabilities	32,890,203	46	27,894,851	42
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 4 and 15)	9,705,567	14	12,380,241	19
Deferred tax liabilities (Notes 4 and 20)	10,049	-	10,049	-
Lease liabilities - non-current (Notes 4, 12 and 24)	-	-	10,666	-
Other non-current liabilities (Note 24)	206,255	-	205,573	-
Total non-current liabilities	9,921,871	14	12,606,529	19
Total liabilities	42,812,074	60	40,501,380	61
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 4 and 17)				
Share capital				
Ordinary shares	11,595,611	16	11,595,611	17
Capital surplus	182,880	-	118,406	-
Retained earnings				
Legal reserve	5,033,776	7	4,831,727	7
Special reserve	504,189	1	504,189	1
Unappropriated earnings	9,201,124	13	8,824,081	13
Total retained earnings	14,739,089	21	14,159,997	21
Other equity	1,746,045	3	435,331	1
Total equity	28,263,625	40	26,309,345	39
TOTAL	$ 71,075,699	100	$ 66,810,725	100

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

(With Deloitte & Touche auditors' report dated March 12, 2025)

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 18 and 24)	$ 13,081,648	100	$ 6,829,160	100
OPERATING COSTS (Notes 4, 9, 19 and 24)	(10,188,318)	(78)	(4,538,110)	(66)
GROSS PROFIT	2,893,330	22	2,291,050	34
REALIZED SALES PROFIT	41	-	41	-
NET GROSS PROFIT	2,893,371	22	2,291,091	34
OPERATING EXPENSES (Notes 4, 19 and 24)				
General and administrative expenses	1,200,908	9	607,880	9
Expected credit loss (gain)	1	-	(1)	-
Total operating expenses	1,200,909	9	607,879	9
PROFIT FROM OPERATIONS	1,692,462	13	1,683,212	25
NON-OPERATING INCOME AND EXPENSES				
Other gains and losses (Note 19)	(16,405)	-	(51,530)	(1)
Finance costs (Notes 4, 19 and 24)	(287,856)	(2)	(249,250)	(4)
Share of profit or loss of subsidiaries, associates and joint ventures (Note 10)	276,954	2	690,420	10
Interest income (Notes 19 and 24)	27,700	-	34,278	1
Dividend income	132,477	1	61,287	1
Other income, net (Note 24)	146,311	1	71,793	1
Total non-operating income and expenses	279,181	2	556,998	8
PROFIT BEFORE INCOME TAX	1,971,643	15	2,240,210	33
INCOME TAX EXPENSE (Notes 4 and 20)	(394,243)	(3)	(75,773)	(1)
NET PROFIT FOR THE YEAR	1,577,400	12	2,164,437	32

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CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 16)	$ 3,506	-	$ (421)	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income (Notes 4, 17 and 23)	1,441,275	11	213,675	3
Share of the other comprehensive income (loss) of subsidiaries and associates accounted for using equity method (Notes 4, 10 and 17)	27,534	-	(180)	-
Income tax related to items that will not be reclassified subsequently to profit or loss (Notes 4 and 20)	(701)	-	84	-
Items that may be reclassified subsequently to profit or loss:				
Share of the other comprehensive income of subsidiaries and associates accounted for using the equity method (Notes 4, 10 and 17)	353	-	81	-
Other comprehensive income for the year, net of income tax	1,471,967	11	213,239	3
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 3,049,367	23	$ 2,377,676	35
EARNINGS PER SHARE (Note 21)				
Basic	$ 1.36		$ 1.87	
Diluted	$ 1.36		$ 1.87	

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

(With Deloitte & Touche auditors' report dated March 12, 2025) (Concluded)

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

			Retained Earnings				Other Equity					
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translation of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Remeasurements of Defined Benefit Plans	Loss on Hedging Instruments	(Loss) Gain Gain on Property Revaluation	Total Equity
BALANCE AT 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
Appropriation of 2022 earnings												
Legal reserve	-	-	108,069	-	(108,069)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(579,781)	(579,781)	-	-	-	-	-	(579,781)
Change in equity of subsidiaries and associates accounted for using equity method	-	47,090	-	-	(143,947)	(143,947)	-	-	-	-	-	(96,857)
Other changes in capital surplus	-	6,054	-	-	-	-	-	-	-	-	-	6,054
Net profit for the year ended December 31, 2023	-	-	-	-	2,164,437	2,164,437	-	-	-	-	-	2,164,437
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-	-	81	206,202	3,250	-	3,706	213,239
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	2,164,437	2,164,437	81	206,202	3,250	-	3,706	2,377,676
BALANCE AT DECEMBER 31, 2023	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
Appropriation of 2023 earnings												
Legal reserve	-	-	202,049	-	(202,049)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,159,561)	(1,159,561)	-	-	-	-	-	(1,159,561)
Change in equity of subsidiaries and associates accounted for using equity method	-	62,619	-	-	-	-	-	-	-	-	-	62,619
Other changes in capital surplus	-	1,855	-	-	-	-	-	-	-	-	-	1,855
Net profit for the year ended December 31, 2024	-	-	-	-	1,577,400	1,577,400	-	-	-	-	-	1,577,400
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	-	-	393	1,455,008	20,312	(40)	(3,706)	1,471,967
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	1,577,400	1,577,400	393	1,455,008	20,312	(40)	(3,706)	3,049,367
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	161,253	161,253	-	(161,253)	-	-	-	-
BALANCE AT DECEMBER 31, 2024	$ 11,595,611	$ 182,880	$ 5,033,776	$ 504,189	$ 9,201,124	$ 14,739,089	$ 906	$ 1,724,609	$ 20,570	$ (40)	$ -	$ 28,263,625

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

(With Deloitte & Touche auditors' report dated March 12, 2025)

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 1,971,643	$ 2,240,210
Adjustments for:		
Depreciation expense	275,398	206,582
Amortization expense	2,869	3,201
Expected credit loss (gain)	1	(1)
Interest expense	287,856	249,250
Interest income	(27,700)	(34,278)
Dividend income	(132,477)	(61,287)
Share of profit of subsidiaries associates and joint ventures	(276,954)	(690,420)
Gain on disposal of property, plant and equipment, net	(8,109)	(2,814)
Loss on disposal of investment property	15,586	-
Impairment loss recognized on non-financial assets	-	52,089
Changes in operating assets and liabilities		
Notes receivable	19,094	16,053
Accounts receivable	308,976	(687,055)
Accounts receivable from related parties	320	1,145
Other receivables	370	8,860
Inventories	(2,300,402)	(5,079,587)
Prepayments	(17,581)	(52,835)
Other current assets	(92,487)	(3,125)
Incremental costs of obtaining a contract	(34,281)	(186,206)
Other operating assets	(122,271)	89,057
Contract liabilities	2,061,735	702,639
Notes payable	53,560	(32,970)
Accounts payable	120,067	274,110
Accounts payable to related parties	917,193	715,928
Other payables	36,270	(252,182)
Other current liabilities	(29,480)	56,887
Cash generated from (used in) operations	3,029,196	(2,466,749)
Interest received	27,800	34,142
Income tax paid	(475,997)	(35,971)
Net cash generated from (used in) operating activities	2,580,999	(2,468,578)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceed from sale of financial assets at fair value through other comprehensive income	157,396	-
Acquisition of investments accounted for using equity method	(127,500)	(172,800)
Payments for property, plant and equipment	(53,333)	(18,624)
Proceeds from disposal of property, plant and equipment	33,668	9,334
Payments for intangible assets	(1,407)	(2,752)
Other non-current assets	236,950	306,347
Dividends received	858,755	538,179
Net cash generated from investing activities	1,104,529	659,684

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CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	$ 2,382,000	$ (1,975,000)
Decrease in short-term bills payable	(1,498,104)	(496,476)
Proceeds from long-term borrowings	3,043,428	5,898,691
Repayments of long-term borrowings	(4,669,692)	(4,360,000)
Repayments of the principal portion of lease liabilities	(20,968)	(23,410)
Other non-current liabilities	4,188	18,067
Distribution of cash dividends	(1,159,561)	(579,781)
Interest paid	(708,255)	(650,376)
Other financing activities	(9,568)	(1,663)
Net cash used in financing activities	(2,636,532)	(2,169,948)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,048,996	(3,978,842)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3,110,974	7,089,816
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 4,159,970	$ 3,110,974

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

(With Deloitte & Touche auditors' report dated March 12, 2025) (Concluded)

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Cathay Real Estate Development Co., Ltd. (the "Company") was incorporated on December 1, 1964. The main businesses of the Company are entrusted the manufacturer to build residential and commercial buildings for leasing and selling.

The Company has been listed and traded on Taiwan Stock Exchange (TWSE) since October 1967.

This parent company only financial statements are presented in the Company's functional currency, the New Taiwan dollars.

2. APPROVAL OF PARENT COMPANY ONLY STATEMENTS

The parent company only financial statements were approved by the Company's board of directors on March 12, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS accounting standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Company's accounting policies.

b. The IFRS accounting standards endorsed by the FSC for application starting from 2025

New, Amended or Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note 2)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Company shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025. An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

As of the date the parent company only financial statements were authorized for issue, the Company has assessed that the application of other standards and interpretations will not have material impact on the Company's financial position and financial performance.

c. The IFRS accounting standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended or Revised Standards and Interpretations	**Effective Date Announced by IASB (Note)**
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determine by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

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

IFRS 18 "Presentation and Disclosure in Financial Statements"

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

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

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

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The parent company only statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS accounting standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

The parent company only statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for trading purposes

2) Liabilities due for settlement within 12 months after the balance sheet date even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; and

3) Liabilities for which the Company does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

The Company is engaged in the construction business, which has an operating cycle of over one year. The normal operating cycle applies when considering the classification of the Company's construction-related assets and liabilities.

d. Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting parent company only financial statements, the financial statements of the Company's foreign operations (including subsidiaries and associates in other countries) that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income attributed to the owners of the Company and non-controlling interests as appropriate.

e. Inventories

Inventories consist of construction land, real estate under construction, and real estate held for sale and are measured at the lower of cost and net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the specific identification of cost on the balance sheet date.

The Company recognizes inventories at acquisition cost. The cost of constructing buildings is included in real estate under construction. When revenue from the sale of these real estate is recognized, the cost is transferred to the operating cost of the period. Real estate that are completed but not yet sold are classified as real estate held for sale. Construction land is reclassified as real estate under construction once active development begins, and interest costs directly attributable to construction activities are capitalized from the period of active development or construction until completion.

For a contract where a land owner provides land for construction of buildings by a property developer in exchange for a certain percentage of the buildings, no exchange gain or loss is recognized if the buildings acquired are classified as properties held for sale. Revenue is recognized when the properties held for sale are sold to third parties.

f. Investment in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are accounted for as equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of loss of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further loss, if any.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Company directly disposed of the related assets or liabilities.

Profit or loss resulting from downstream transactions is eliminated in full only in the parent company only financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

In order to align the current year's profit, other comprehensive income, and equity in the parent company only financial statements with those attributable to the owners of the Company as presented in the consolidated financial statements, certain accounting differences between the parent company basis and the consolidated basis have been adjusted. These adjustments pertain to “Investments accounted for using the equity method,” “Share of profit or loss of subsidiaries accounted for using the equity method,” “Share of other comprehensive income of subsidiaries accounted for using the equity method,” and related equity items.

g. Investment in associates and joint ventures

An associate is an entity over which the Company has significant influence and which is neither a subsidiary nor an interest in a joint venture. A joint venture is a joint arrangement whereby the Company and other parties that have joint control of the arrangement have rights to the net assets of the arrangement. The Company uses the equity method to account for its investments in associates and joint ventures.

Under the equity method, investments in an associate and a joint venture are initially recognized at cost and adjusted thereafter to recognize the Company’s share of the profit or loss and other comprehensive income of the associate and joint venture. The Company also recognizes the changes in the Company’s share of the equity of associates and joint ventures attributable to the Company.

Any excess of the cost of acquisition over the Company’s share of the net fair value of the identifiable assets and liabilities of an associate and a joint venture at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company’s share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of an associate and a joint venture at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company’s proportionate interest in the associate and joint venture. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates and joint ventures accounted for using the equity method. If the Company’s ownership interest is reduced due to its additional subscription of the new shares of the associate and joint venture, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and joint venture is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Company’s share of losses of an associate and a joint venture equals or exceeds its interest in that associate and joint venture (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company’s net investment in the associate and joint venture), the Company discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate and joint venture.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date on which its investment ceases to be an associate and a joint venture. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate and joint venture attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate and joint venture. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate and joint venture on the same basis as would be required had that associate directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Company continues to apply the equity method and does not remeasure the retained interest.

When the Company transacts with its associate and joint venture, profits and losses resulting from the transactions with the associate and joint venture are recognized in the Company's consolidated financial statements only to the extent of interests in the associate and joint venture that are not related to the Company.

h. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Investment properties

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

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognized using he straight-line method.

Investment properties under construction are measured at cost less accumulated impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Depreciation of these assets commences when the assets are ready for their intended use.

For a transfer of classification from investment properties to property, plant and equipment, the deemed cost of the property for subsequent accounting is its carrying amount at the commencement of owner-occupation.
For a transfer of classification from inventories to investment properties, the deemed cost of an item of property for subsequent accounting is its carrying amount at the commencement of operating lease.

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

j. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

k. Assets related to contract costs

When a sales contract is obtained, commission paid to who sold the property and selling service fees paid to agents under exclusive sale agreements are recognized as assets (incremental costs of obtaining a contract) to the extent of the expected recoverable costs and are recognized in profit or loss when the property is transferred to the customers.

l. Impairment of property, plant and equipment, investment properties, right-of-use asset, intangible assets and assets related to contract costs

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, investment properties, right-of-use asset, and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

Before the Company recognizes an impairment loss from assets related to contract costs, any impairment loss on inventories, property, plant and equipment and intangible assets related to the contract applicable under IFRS 15 shall be recognized in accordance with applicable standards. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Company expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and which have not been recognized as expenses. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

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

m. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

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

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at amortized cost and equity instruments at fair value through other comprehensive income (FVTOCI).

i. Financial assets at amortized cost

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

i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Cash equivalents include time deposits and with original maturities within 12 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

ii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets and contract assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including account receivables), as well as contract assets.

The Company always recognizes lifetime expected credit losses (ECLs) for account receivables and contract assets. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs. If, on the other hand, the credit risk on a financial instrument has increased significantly since initial recognition, a loss allowance is recognized based on lifetime ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

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

Equity instruments issued by the Company are recognized at the amount received, net of direct issuance costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

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

n. Revenue recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

The Company engages in commissioning contractors for real estate construction and sales service. Revenue is recognized when the legal ownership of the real estate is transferred to the customer and the real estate is physically handed over to the customer.

For properties selling contract in the normal course of business, the fixed transaction price is received in instalments and recognized as a contract liability. The transaction price, after adjusting for the effect of the significant financing component, is recognized as revenue when the construction is completed and the property is transferred to the buyer.

o. Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

1) The Company as lessor

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

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

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

2) The Company as lessee

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

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

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

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee’s incremental borrowing rate will be used.

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

p. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

q. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

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

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

r. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused tax credits for investments to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

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

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

3) Current and deferred tax

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Valuation of Inventories

Inventories are measured at the lower of cost or net realizable value. Accordingly, the Company exercises judgment and estimates to determine the net realizable value of inventories as of the balance sheet date. The Company evaluates the carrying amounts of inventories to reflect reductions for changes in market conditions or items with no marketable value, and writes down the cost of inventories to their net realizable value. Such valuation is primarily based on estimated product demand over specific future periods, which may result in material fluctuations.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	2023
Cash on hand and petty cash	$ 398	$ 763
Checking accounts and demand deposits	3,658,696	2,409,819
Cash equivalents - short-term notes	500,876	700,392
	$ 4,159,970	$ 3,110,974

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2024	2023
Current		
Listed company	$ 4,037,768	$ 2,926,542
Non-current		
Unlisted company	$ 486,116	$ 493,512

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

In December 31, 2024, the Company, sold a portion of its ordinary shares in Cathay Financial Holding Co., Ltd. due to its investment strategy. The shares sold had a fair value of $337,445 thousand and its related unrealized valuation gain of $161,253 thousand was transferred from other equity to retained earnings.

Dividend of $132,477 thousand and $61,287 thousand were recognized during 2024 and 2023, respectively. Those related to investments derecognized during 2024 and 2023 were $9,700 thousand and $0 thousand, respectively, and those related to investments held at December 31, 2024 and 2023 were $122,777 thousand and $61,287 thousand, respectively.

8. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	December 31	
	2024	2023
Notes receivables	$ 2,819	$ 21,913
Less: Allowance for doubtful accounts	-	-
	$ 2,819	$ 21,913
Account receivables	$ 382,151	$ 691,127
Less: Allowance for doubtful accounts	(1)	-
	$ 382,150	$ 691,127

The Company's average credit period for receivables is 30 to 365 days. The Company has established a dedicated department to manage receivables, with relevant policies and procedures in place to implement credit verification and quota management to ensure the interest of Company.

The Company applies the simplified approach under IFRS 9 to recognize the allowance for expected credit losses on receivables based on the lifetime expected credit losses. The lifetime expected credit losses are calculated using a provision matrix, which considers the customer's past default history, current financial condition, industry economic conditions, as well as GDP forecasts and industry outlooks. Since the Company 's historical credit loss experience indicates no significant differences in loss patterns across different customer groups, the provision matrix does not further distinguish customer segments but instead sets expected credit loss rates based on the aging of receivables.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Company's provision matrix:

December 31, 2024

	Not Past Due	1 to 90 Days	91 to 180 Days	181 to 270 Days	Over 271 Days	Total
Expected credit loss rate	-	-	-	-	-	
Gross carrying amount	$ 369,677	$ 15,293	$ -	$ -	$ -	$ 384,970
Loss allowance (Lifetime ECL)	-	(1)	-	-	-	(1)
Amortized cost	$ 369,677	$ 15,292	$ -	$ -	$ -	$ 384,969

December 31, 2023

	Not Past Due	1 to 90 Days	91 to 180 Days	181 to 270 Days	Over 271 Days	Total
Expected credit loss rate	-	-	-	-	-	
Gross carrying amount	$ 710,015	$ 3,025	$ -	$ -	$ -	$ 713,040
Loss allowance (Lifetime ECL)	-	-	-	-	-	-
Amortized cost	$ 710,015	$ 3,025	$ -	$ -	$ -	$ 713,040

9. INVENTORIES

	December 31	
	2024	2023
Construction land	$ 10,228,339	$ 8,327,074
Construction in progress	25,520,739	25,102,298
Real estate held for sale	2,768,903	4,567,716
	38,517,981	37,997,088
Prepayments for land	84,300	1,183,889
	$ 38,602,281	$ 39,180,977

The Company has entered into trust agreements with Cathay United Bank to manage the funds related to the pre-sale payments made by purchasers for construction projects, which ensures the completion of the construction and transfer of the properties. The trust period, as per the agreement, will extend until the completion of the project, the issuance of the occupancy permit, and the completion of the first property ownership registration. As of December 31, 2024 and 2023, the Company's funds managed by Cathay United Bank under the aforementioned trust agreements amounted to $2,567,327 thousand and $1,943,785 thousand, respectively. Additionally, the funds that belongs to the co-developer to be entrusted for the Cathay Yongcui project amounted to $25,978 thousand and $286,933 thousand, respectively, which are consistent with the receivables from the pre-sale property contracts. Furthermore, there have been no delays in transferring the payments from the buyers to the trust.

The operating costs amounts which are related to inventory are as follows:

	For the Year Ended December 31	
	2024	2023
Construction costs	$ 9,791,535	$ 4,205,593

The construction costs mentioned above for the years ended December 31, 2024 and 2023 include NT$0 thousand in inventory write-downs for both years.

Refer to Note 25 for information relating to inventories pledged secure borrowings.

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2024	2023
Investments in subsidiaries	$ 6,868,112	$ 7,075,378
Investments in associates	247,794	271,846
	$ 7,115,906	$ 7,347,224

a. Investments in subsidiaries

	December 31	
	2024	2023
San-Ching Engineering Co., Ltd.	$ 2,830,540	$ 2,978,397
Cathay Healthcare Management Co., Ltd.	762,683	647,572
Cathay Real Estate Management Co., Ltd.	138,125	139,517
Cathay Hospitality Consulting Co., Ltd.	105,175	128,441
Lin Yuan Property Management Co., Ltd.	87,883	73,857
Cathay Hospitality Management Co., Ltd.	70,962	63,758
Cymbal Medical Network Co., Ltd.	48,713	172,373
Sanchong Realty Co., Ltd.	1,687,419	1,761,939
Bannan Realty Co., Ltd.	480,760	575,544
Jinhua Realty Co., Ltd.	334,586	337,027
Zhulun Realty Co., Ltd.	321,266	196,953
	$ 6,868,112	$ 7,075,378

The Company's proportion of ownership and voting rights of its subsidiaries as of the balance sheet date were as follows:

	December 31	
Name of Subsidiaries	2024	2023
San-Ching Engineering Co., Ltd.	100%	100%
Cathay Healthcare Management Co., Ltd.	85%	85%
Cathay Real Estate Management Co., Ltd.	100%	100%
Cathay Hospitality Consulting Co., Ltd.	100%	100%
Cathay Hospitality Management Co., Ltd.	100%	100%

(Continued)

Name of Subsidiaries	December 31 2024	2023
Lin Yuan Property Management Co., Ltd.	51%	51%
Cymbal Medical Network Co., Ltd.	100%	100%
Sanchong Realty Co., Ltd.	66%	66%
Bannan Realty Co., Ltd.	51%	51%
Jinhua Realty Co., Ltd.	51%	51%
Zhulun Realty Co., Ltd.	51%	51%

(Concluded)

b. Investments in associates and joint ventures

	December 31 2024	2023
Associates that are not individually material		
San Hsiung Fongshan Lalaport Co., Ltd.	$ 147,810	$ 176,352
Symphox Information Co., Ltd. (Note)	-	95,494
Joint venture that is not individually material		
Symphox Information Co., Ltd. (Note)	99,984	-
	$ 247,794	$ 271,846

Company Name	Proportion of Ownership and Voting Rights December 31, 2024	December 31, 2023
San Hsiung Fongshan Lalaport Co., Ltd.	30.0%	30.0%
Symphox Information Co., Ltd. (Note)	11.2%	11.0%

Note: In April 2024, Symphox Information Co., Ltd. repurchased its treasury shares, resulting in an increase in the Company’s direct ownership from 11.0% to 11.2%. The Company’s total effective ownership consequently increased to 50%, comprising a direct holding of 11.2% and an indirect holding of 38.8% through its subsidiary, San-Ching Engineering. As a result, both the Company and the other shareholder each hold 50% ownership interest. Since neither party has unilateral control, the investment is accounted for as a joint venture.

Aggregate information of associates and joint ventures:

	For the Year Ended December 31 2024	2023
The Company’s share of:		
Net (loss) profit for the years	$ (40,188)	$ 22,744
Other comprehensive income (loss)	2,113	(31,651)
Total comprehensive income	$ (38,075)	$ (8,907)

The investment accounted for using equity method and the share of profit or loss and other comprehensive income of those investments for the years ended 2024 and 2023 were based on the results which have been audited for the same years.

11. PROPERTY, PLANT AND EQUIPMENT

	December 31 2024	December 31 2023
Assets used by the Company	$ 32,540	$ 26,687
Assets under operating leases	62,024	65,051
	$ 94,564	$ 91,738

a. Assets used by the Company

	Land	Buildings	Leasehold Improvements	Other Equipment	Total
Cost					
Balance at January 1, 2023	$ 1,346	$ 1,829	$ 27,816	$ 37,355	$ 68,346
Additions	-	-	-	2,880	2,880
Balance at December 31, 2023	$ 1,346	$ 1,829	$ 27,816	$ 40,235	$ 71,226
Accumulated depreciation					
Balance at January 1, 2023	$ -	$ 484	$ 19,739	$ 18,551	$ 38,774
Depreciation expenses	-	36	1,813	3,916	5,765
Balance at December 31, 2023	$ -	$ 520	$ 21,552	$ 22,467	$ 44,539
Carrying amount at December 31, 2023	$ 1,346	$ 1,309	$ 6,264	$ 17,768	$ 26,687
Cost					
Balance at January 1, 2024	$ 1,346	$ 1,829	$ 27,816	$ 40,235	$ 71,226
Additions	-	-	-	12,141	12,141
Reclassification	-	-	-	1,020	1,020
Balance at December 31, 2024	$ 1,346	$ 1,829	$ 27,816	$ 53,396	$ 84,387
Accumulated depreciation					
Balance at January 1, 2024	$ -	$ 520	$ 21,552	$ 22,467	$ 44,539
Depreciation expenses	-	36	1,515	4,737	6,288
Reclassification	-	-	-	1,020	1,020
Balance at December 31, 2024	$ -	$ 556	$ 23,067	$ 28,224	$ 51,847
Carrying amount at December 31, 2024	$ 1,346	$ 1,273	$ 4,749	$ 25,172	$ 32,540

b. Assets under operating leases

	Transportation Equipment
Cost	
Balance at January 1, 2023	$ 141,012
Additions	15,744
Disposals	(24,498)
Balance at December 31, 2023	$ 132,258
Accumulated depreciation	
Balance at January 1, 2023	$ 67,034
Depreciation expenses	20,028
Disposals	(19,855)
Balance at December 31, 2023	$ 67,207
Carrying amount at December 31, 2023	$ 65,051
Cost	
Balance at January 1, 2024	$ 132,258
Additions	41,192
Disposals	(66,668)
Balance at December 31, 2024	$ 106,782
Accumulated depreciation	
Balance at January 1, 2024	$ 67,207
Depreciation expenses	18,660
Disposals	(41,109)
Balance at December 31, 2024	$ 44,758
Carrying amount at December 31, 2024	$ 62,024

Operating leases relate to leases certain transportation equipment with lease terms between 2 and 5 years. All operating lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

The above items of property, plant and equipment are depreciated on a straight-line based over their estimated useful lives as follows:

Buildings	50 years
Leasehold improvements	The shorter of lease terms or estimated useful lives
Transportation equipment	5 years
Other equipment	3-5 years

12. LEASE ARRANGEMENTS

a. The Company as lessee

1) Right-of-use assets

	December 31	
	2024	2023
Carrying amount		
Land	$ 2,534	$ 6,879
Buildings	8,313	24,938
	$ 10,847	$ 31,817

	For the Year Ended December 31	
	2024	2023
Additions to right-of-use assets	$ -	$ 33,251
Depreciation expense of right-of-use assets		
Land	$ 4,345	$ 7,522
Buildings	16,625	16,562
	$ 20,970	$ 24,084

2) Lease liabilities

	December 31	
	2024	2023
Carrying amount		
Current	$ 10,666	$ 20,968
Non-current	-	10,666
	$ 10,666	$ 31,634

Range of discount rates for lease liabilities was as follows:

	December 31	
	2024	2023
Land	1.85%	1.85%
Buildings	2.41%	2.41%

3) Material leasing activities and terms

The Company leases certain land and buildings for the use of offices with lease terms of 2 to 3 years. The Company does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

4) Other lease information

	For the Year Ended December 31	
	2024	2023
Expenses relating to short-term or low-value asset leases	$ 417	$ 523
Total cash outflow for leases	$ 21,874	$ 24,504

b. The Company as lessor

The maturity analysis of lease payments receivable under operating lease was as following:

	December 31	
	2024	2023
Year 1	$ 549,493	$ 441,880
Year 2	481,868	338,298
Year 3	439,470	294,953
Year 4	403,434	272,698
Year 5	263,513	250,236
Year 6 and onwards	929,702	749,987
	$ 3,067,480	$ 2,348,052

13. INVESTMENT PROPERTIES

	Land	Buildings	Investment Properties under Construction	Total
Cost				
Balance at January 1, 2023	$ 7,212,547	$ 6,197,123	$ -	$ 13,409,670
Additions	-	38,888	-	38,888
Disposals	(32,783)	(232,169)	-	(264,952)
Transferred from inventories	39,462	41,014	-	80,476
Balance at December 31, 2023	$ 7,219,226	$ 6,044,856	$ -	$ 13,264,082
Accumulated depreciation and impairment				
Balance at January 1, 2023	$ -	$ 2,870,186	$ -	$ 2,870,186
Depreciation expenses	-	156,705	-	156,705
Disposals	-	(135,130)	-	(135,130)
Impairment loss recognized	-	52,089	-	52,089
Balance at December 31, 2023	$ -	$ 2,943,850	$ -	$ 2,943,850
Carrying amount at December 31, 2023	$ 7,219,226	$ 3,101,006	$ -	$ 10,320,232

(Continued)

	Land	Buildings	Investment Properties under Construction	Total
Cost				
Balance at January 1, 2024	$ 7,219,226	$ 6,044,856	$ -	$ 13,264,082
Additions	-	203,292	12,517	215,809
Disposals	(56,743)	(440,921)	-	(497,664)
Transferred from inventories	1,844,013	1,396,612	58,565	3,299,190
Transferred to property, plant and equipment	-	(1,020)	-	(1,020)
Reclassification	(413,974)	-	413,974	-
Balance at December 31, 2024	$ 8,592,522	$ 7,202,819	$ 485,056	$ 16,280,397
Accumulated depreciation and impairment				
Balance at January 1, 2024	$ -	$ 2,943,850	$ -	$ 2,943,850
Depreciation expenses	-	229,480	-	229,480
Disposals	-	(406,259)	-	(406,259)
Transferred to property, plant and equipment	-	(1,020)	-	(1,020)
Balance at December 31, 2024	$ -	$ 2,766,051	$ -	$ 2,766,051
Carrying amount at December 31, 2024	$ 8,592,522	$ 4,436,768	$ 485,056	$ 13,514,346

(Concluded)

Investment properties are depreciated on a straight-line based over their estimated useful lives as followings:

Building	
Main building	2 to 50 years
Elevator equipment	4 to 15 years
Air conditioning system	4 to 15 years

The Company's investment properties are not measured at fair value but only disclose fair value information. The fair value of the investment properties held by the Company as of December 31, 2024 and 2023, was NT$26,019,343 thousand and NT$17,712,867 thousand, respectively. The aforementioned fair values were determined based on valuations conducted by an independent qualified professional valuer and internal appraisals, using the comparative method and market transaction prices of similar properties in the vicinity, as well as actual transaction prices from the most recent year.

For other investment properties not valued by any independent valuer, the Company's management determined their fair value with reference to comparative method and rentals of similar properties in the vicinity of the Company's investment properties.

Refer to Note 25 for the information about investment properties pledged as collateral for borrowings.

14. OTHER NON-CURRENT ASSETS

	December 31	
	2024	2023
Refundable deposits	$ 360,555	$ 642,150
Prepayments for equipments	160,879	185,639
Other financial assets	50,000	-
Construction land	18,425	18,425
Other non-current assets - others	16,264	16,264
	$ 606,123	$ 862,478

The Company acquired agricultural land located at land series No. 137-2 etc., Northern Shi-zni of Hou-tsuo Section, Sanzhi District, New Taipei City, for investment and development. However, the Company was unable to transfer the ownership of the land due to the legal restriction, therefore choosing to enter into a name-borrowing contract with others. The other consented to fully cooperate with the Company in changing the ownership of the land in the future and pledge with the lands in priority to the Company. As of the December 31, 2024 and 2023, the lands registered by others were $18,425 thousand for both years.

15. BORROWINGS

a. Short-term borrowings

	December 31	
	2024	2023
Unsecured bank loans	$ 11,707,000	$ 9,025,000
Secured bank loans	500,000	800,000
	$ 12,207,000	$ 9,825,000
Interest rate interval	1.85%-2.48%	1.76%-2.30%

b. Short-term bills payable

	December 31	
	2024	2023
Short-term bills payable	$ -	$ 1,500,000
Less: Unamortized discount	-	(1,896)
	$ -	$ 1,498,104
Interest rate interval	-	1.60%-1.94%

c. Long-term borrowings

	December 31	
	2024	2023
Unsecured bank loans	$ 12,360,550	$ 15,220,550
Secured bank loans	4,500,000	3,740,000
Long- term bills payable	1,497,017	999,691
Less: Current portion	(8,652,000)	(7,580,000)
	$ 9,705,567	$ 12,380,241
Interest rate interval		
Unsecured bank loans	1.88%-2.50%	1.75%-2.18%
Secured bank loans	2.38%-2.45%	2.30%
Long- term bills payable	2.38%-2.40%	1.41%

Refer to Note 25 for the information relating to collateral pledged by the Company’s inventories and investment properties.

16. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plans adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contribute amounts equal to 2% of each employee's monthly salary to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee’s name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the “Bureau”); the Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company’s defined benefit plans were as follows:

	December 31	
	2024	2023
Present value of defined benefit obligation	$ 142,494	$ 139,063
Fair value of plan assets	(82,438)	(73,375)
Net defined benefit liabilities	$ 60,056	$ 65,688

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2023	$ 135,036	$ (66,722)	$ 68,314
Service cost			
Current service cost	4,752	-	4,752
Net interest expense (income)	1,647	(830)	817
Recognized in profit or loss	6,399	(830)	5,569
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(5,786)	(5,786)
Actuarial loss - changes in financial assumptions	801	-	801
Actuarial loss - experience adjustments	5,406	-	5,406
Recognized in other comprehensive income	6,207	(5,786)	421
Contributions from the employer	-	(8,195)	(8,195)
Benefits paid	(8,579)	8,158	(421)
Balance at December 31, 2023	139,063	(73,375)	65,688
Service cost			
Current service cost	3,315	-	3,315
Net interest expense (income)	1,551	(822)	729
Recognized in profit or loss	4,866	(822)	4,044
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(14,011)	(14,011)
Actuarial loss - changes in financial assumptions	5,728	-	5,728
Actuarial loss - experience adjustments	4,777	-	4,777
Recognized in other comprehensive income	10,505	(14,011)	(3,506)
Contributions from the employer	-	(6,170)	(6,170)
Benefits paid	(11,940)	11,940	-
Balance at December 31, 2024	$ 142,494	$ (82,438)	$ 60,056

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2 year time deposit with local banks.

2) Interest risk: A decrease in the government and corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of present value of the defined benefit obligations were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2024	**2023**
Discount rate	1.58%	1.18%
Expected rate of salary increase	3.00%	2.00%

If possible reasonable change in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligations will increase (decrease) as follows:

	December 31	
	2024	**2023**
Discount rate		
0.25% increase	$ (2,565)	$ (2,503)
0.25% decrease	$ 2,565	$ 2,503
Expected rate of salary increase		
0.5% increase	$ 4,987	$ 4,867
0.5% decrease	$ (4,845)	$ (4,728)

The sensitivity analysis was performed by assuming that all other actuarial assumptions remain unchanged, while analyzing the potential impact on the defined benefit obligation resulting from reasonably possible changes in a single actuarial assumption (such as the discount rate or expected rate of salary increase). Since certain actuarial assumptions are interrelated, it is rare in practice for only one assumption to change, and thus the analysis has its limitations.

The methods and assumptions used for the current period’s sensitivity analysis are consistent with those used in the prior period.

	December 31	
	2024	**2023**
The expected contributions to the plan for the next year	$ 6,030	$ 7,742
The average duration of defined benefit obligations	6.7 years	7.4 years

17. EQUITY

a. Ordinary shares

	December 31	
	2024	**2023**
Number of shares authorized (in thousands)	2,000,000	2,000,000
Value of shares authorized	$ 20,000,000	$ 20,000,000
Number of shares issued and fully paid (in thousands)	1,159,561	1,159,561
Value of share issued	$ 11,595,611	$ 11,595,611

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and a right to dividends.

b. Capital surplus

	December 31	
	2024	2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*		
The difference between the consideration paid or received and the carrying amount of the subsidiaries' net assets during actual acquisition or disposal	$ 262	$ 262
Treasury share transactions	10,407	10,407
Only available for covering losses		
Changes in percentage of ownership interest in associates accounted for using equity method	126,161	63,542
Unclaimed dividends	46,050	44,195
	$ 182,880	$ 118,406

* Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of paid-in capital).

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders.

For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, refer to employees' compensation and remuneration of directors in Note 19 (f).

In response to changes in the economic and market environment, the Company is pursuing diversified investment development to enhance profitability. Considering long-term financial planning and future funding needs, the dividend policy follows a residual dividend approach, aiming for steady growth and sustainable operations. Based on the Company's operational plans, capital investments, and the shareholders' need for cash inflows, while also avoiding excessive capital expansion, the distribution of earnings will prioritize cash dividends. Stock dividends may also be issued; however, the proportion of cash dividends distributed, in principle, not be less than 50% of the total dividend distributed.

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.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Under the local regulations, an amount equals to the net debit balance of total other equity items shall be appropriated as a special reserve. The special reserve may be reversed to the extent of the decrease in the net debit balance.

The appropriations of earnings for 2023 and 2022, were as follows:

	For the Year Ended December 31	
	2023	2022
Legal reserve	$ 202,049	$ 108,069
Cash dividends	$ 1,159,561	$ 579,781
Cash dividends per share (NT$)	$ 1.0	$ 0.5

The above appropriations of earnings were resolved and approved by the shareholders in their meetings on June 14, 2024 and June 9, 2023, respectively

The appropriations of earnings for 2024 will be resolved by the board of directors and the shareholders in their meeting in April 2025, and June 2025, respectively.

Information about the appropriations of earnings and distribution of capital surplus are available at the Market Observation Post System website of the Taiwan Stock Exchange.

d. Other equity items

	Exchange Differences Arising from the Translation of Financial Statements of Foreign Operations	Unrealized Gain (Loss) on financial assets at fair value through other comprehensive income	Remeasurement of Defined Benefit Plans	Gains (Loss) on Hedging Instruments	Gain (loss) on property revaluation
Balance at January 1, 2023	$ 432	$ 224,652	$ (2,992)	$ -	$ -
Remeasurement of defined benefit plans	-	-	(421)	-	-
Income tax related to actuarial gains and losses	-	-	84	-	-
Unrealized gains and losses on equity instrument investments	-	213,675	-	-	-
Share of subsidiaries and associates accounted for using the equity method	81	(7,473)	3,587	-	3,706
Balance at December 31, 2023	$ 513	$ 430,854	$ 258	$ -	$ 3,706
Balance at January 1, 2024	$ 513	$ 430,854	$ 258	$ -	$ 3,706
Remeasurement of defined benefit plans	-	-	3,506	-	-
Income tax related to actuarial gains and losses	-	-	(701)	-	-
Unrealized gains and losses on equity instrument investments	-	1,441,275	-	-	-
Share of subsidiaries and associates accounted for using the equity method	393	13,733	17,507	(40)	(3,706)
Cumulative gains of equity instruments transferred to retained earnings due to disposal	-	(161,253)	-	-	-
Balance at December 31, 2024	$ 906	$1,724,609	$ 20,570	$ (40)	$ -

18. REVENUE

	For the Year Ended December 31	
	2024	2023
Revenue from contracts with customers - sales of real estate	$ 12,625,458	$ 6,454,013
Rental income	456,190	375,147
	$ 13,081,648	$ 6,829,160
Timing of revenue recognition		
At a point in time	$ 12,625,458	$ 6,454,013
Over time	456,190	375,147
	$ 13,081,648	$ 6,829,160

a. Contract balances

	December 31	
	2024	2023
Contract liabilities - sales of real estate	$ 8,264,483	$ 6,202,748

For the years ended December 31, 2024 and 2023, the movement in the contract liabilities are as follows:

	For the Year Ended December 31	
	2024	2023
Revenue recognized during the year that was included in the balance at the beginning of the year	$ (1,235,851)	$ (1,478,767)
Increase in receipt in advance during the period	$ 3,297,586	$ 2,181,406

b. Assets related to contracts costs

	December 31	
	2024	2023
Incremental costs of obtaining a contract	$ 1,231,187	$ 1,196,906

The Company considered its past experience and believes that the commission paid for obtaining the contract is wholly recoverable. Amortization expenses recognized are NT$365,997 thousand and NT$126,758 thousand for the years ended December 31, 2024 and 2023, respectively.

19. NET PROFIT

a. Interest income

	For the Year Ended December 31	
	2024	2023
Bank deposits	$ 15,646	$ 11,010
Other	12,054	23,268
	$ 27,700	$ 34,278

b. Other gains and losses

	For the Year Ended December 31	
	2024	2023
Loss on disposal of investment properties	$ (15,586)	$ -
Gain on disposal of property, plant and equipment	8,109	2,814
Impairment loss on non-financial assets	-	(52,089)
Others	(8,928)	(2,255)
	$ (16,405)	$ (51,530)

c. Finance costs

	For the Year Ended December 31	
	2024	2023
Interest on bank loans	$ 707,459	$ 654,422
Interest on lease liabilities	489	571
Less: Amounts included in the cost of qualifying assets	(420,092)	(405,743)
	$ 287,856	$ 249,250
Interest capitalization rate	1.81%-3.74%	1.46%-3.53%

d. Depreciation and amortization

	For the Year Ended December 31	
	2024	2023
Property, plant and equipment	$ 24,948	$ 25,793
Investment properties	229,480	156,705
Right-of-use assets	20,970	24,084
Intangible assets	2,869	3,201
	$ 278,267	$ 209,783
An analysis of depreciation by function		
Operating costs	$ 248,140	$ 176,733
Operating expenses	27,258	29,849
	$ 275,398	$ 206,582

(Continued)

	For the Year Ended December 31	
	2024	2023
An analysis of amortization by function		
Operating expenses	$ 2,869	$ 3,201

(Concluded)

e. Employee benefits expense

	For the Year Ended December 31	
	2024	2023
Short-term employee benefits		
Salaries	$ 231,066	201,481
Labor and health insurance	16,227	14,921
	247,293	216,402
Post-employment benefits		
Defined contribution plan	5,826	5,109
Defined benefit plan (Note 16)	4,044	5,569
	9,870	10,678
Other employee benefits	7,167	3,040
Total employee benefits	$ 264,330	$ 230,120
An analysis of employee benefits expense by function		
Operating costs	$ 27,908	$ 33,939
Operating expenses	236,422	196,181
	$ 264,330	$ 230,120

f. Compensation of employees and remuneration of directors and supervisors

According to the Company's Articles, if there is a profit in a given fiscal year, the Company accrues compensation of employees at rate 0.1% to 1%, and remuneration of directors at rate no higher than 1%. However, if there are accumulated deficit, the deficit should be offset first. The aforementioned employee compensation may be paid in stock or cash, and such decisions must be made by a resolution of the board of directors, with more than two-thirds of the directors in attendance and the majority of those present agreeing, and subsequently reported to the shareholders' meeting.

The compensation of employees and remuneration of directors for the years ended December 31, 2024, and 2023, which were approved by the Company's board of directors on March 12, 2025 and March 14, 2024, respectively, were as follows:

	For the Year Ended December 31	
	2024	2023
Compensation of employees	$ 1,976	$ 2,245
Remuneration of directors	2,400	2,400

If there is a change in the proposed amounts after the parent company only financial statements are authorized for issue, the differences are recorded as a change in accounting estimate.

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the parent company only financial statements for the years ended December 31, 2023 and 2022.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

20. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense were as follows:

	For the Year Ended December 31	
	2024	2023
Current tax		
In respect of the current year	$ 7,778	$ 71,725
Land value increment tax	369,693	4,219
Adjustments for prior year	(8,685)	(23,796)
Income tax on unappropriated earnings	32,944	19,642
	401,730	71,790
Deferred tax		
In respect of the current year	(7,741)	3,983
Adjustments for prior year	254	-
	(7,487)	3,983
Income tax expense recognized in profit or loss	$ 394,243	$ 75,773

A reconciliation of accounting profit and income tax expenses is as follows:

	For the Year Ended December 31	
	2024	2023
Profit before tax	$ 1,971,643	$ 2,240,210
Income tax expense calculated at the statutory rate (20%)	$ 394,328	$ 448,042
Nondeductible expenses in determining taxable income	8,583	6,955
Tax-exempt income	(402,874)	(379,289)
Income tax on unappropriated earnings	32,944	19,642
Land value increment tax	369,693	4,219
Adjustments for prior years	(8,431)	(23,796)
Income tax expense recognized in profit or loss	$ 394,243	$ 75,773

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2024	2023
Deferred tax		
In respect of the current year		
Remeasurement of defined benefit plan	$ (701)	$ 84

c. Current income tax liabilities

	December 31	
	2024	2023
Income taxes payable	$ 3,584	$ 77,851

d. Deferred tax assets and liabilities

The movements of deferred income tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2024

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Investment properties	$ 176,410	$ (5,346)	$ -	$ 171,064
Unrealized expenses	150,074	24,035	-	174,109
Unrealized sales profits	17,372	(8)	-	17,364
Allowance for loss on inventories	13,287	(10,672)	-	2,615
Defined benefit retirement plan	8,816	(425)	(701)	7,690
Others	3,351	(97)	-	3,254
	$ 369,310	$ 7,487	$ (701)	$ 376,096
Deferred tax liabilities				
Temporary differences				
Investment properties -land value increment tax	$ 10,049	$ -	$ -	$ 10,049

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Investment properties	$ 181,756	$ (5,346)	$ -	$ 176,410
Unrealized expenses	158,415	(8,341)	-	150,074
Unrealized sales profits	17,380	(8)	-	17,372
Allowance for loss on inventories	2,869	10,418	-	13,287
Defined benefit retirement plan	9,341	(609)	84	8,816
Others	3,448	(97)	-	3,351
	$ 373,209	$ (3,983)	$ 84	$ 369,310
Deferred tax liabilities				
Temporary differences				
Investment properties -land value increment tax	$ 10,049	$ -	$ -	$ 10,049

e. Income tax assessments

Income tax returns through 2022 and of the Company has been assessed and cleared by the tax authorities.

21. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31 2024	2023
Basic earnings per share	$ 1.36	$ 1.87
Diluted earnings per share	$ 1.36	$ 1.87

The net income and weighted average number of ordinary shares used in the computation of earnings per share were as follows:

Net profit for the Year

	For the Year Ended December 31 2024	2023
Profit for the year attributable to owners of the Company	$ 1,577,400	$ 2,164,437

Number of Shares

(In thousands)

	For the Year Ended December 31	
	2024	**2023**
Weighted average number of ordinary shares in the computation of basic earnings per share	1,159,561	1,159,561
Effect of potentially dilutive ordinary shares:		
Compensation of employees	106	139
Weighted average number of ordinary shares in the computation of diluted earnings per share	1,159,667	1,159,700

The Company may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

22. CAPITAL MANAGEMENT

The capital structure of the Company consists of debt and equity of the Company (comprising issued capital, capital surplus, retained earnings and other equity).

Key management personnel of the Company reviews the capital structure on a periodic basis. As part of this review, the key management personnel considers the cost of capital and the risks associated with each class of capital. In order to balance the overall capital structure, the Company may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and/or the amount of new debt issued or existing debt redeemed.

23. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

The management considers that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

	Level 1	**Level 2**	**Level 3**	**Total**
December 31, 2024				
Financial assets at FVTOCI				
Listed shares	$ 4,037,768	$ -	$ -	$ 4,037,768
Unlisted shares	-	-	486,116	486,116
	$ 4,037,768	$ -	$ 486,116	$ 4,523,884

(Continued)

	Level 1	Level 2	Level 3	Total
December 31, 2023				
Financial assets at FVTOCI				
Listed shares	$ 2,926,542	$ -	$ -	$ 2,926,542
Unlisted shares	-	-	493,512	493,512
	$ 2,926,542	$ -	$ 493,512	$ 3,420,054

(Concluded)

There were no transfers between Levels 1 and 2 for the years ended December 31, 2024 and 2023.

2) Reconciliation of Level 3 fair value measurements of financial instruments

Financial Assets at FVTOCI

	For the Year Ended December 31	
	2024	2023
Balance at January 1	$ 493,512	$ 647,654
Recognized in other comprehensive income	(7,396)	(154,142)
Balance at December 31	$ 486,116	$ 493,512
Change in unrealized gains or losses for the current year recognized in other comprehensive income that is relating to assets held at the end of the year	$ (7,396)	$ (154,142)

3) Valuation techniques and inputs applied for Level 3 fair value measurement

December 31, 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 discount for lack of marketability, the lower the fair value of the stocks.	If the percentage of lack of marketability increases/decreases by 10%, the Company's equity will decrease/increase by NT$58,402 thousand.
	Asset-based approach	Lack of marketability discount	0%-30%	The higher the discount for lack of marketability, the lower the fair value of the stocks.	If the percentage of lack of marketability increases/decreases by 10%, the Company's equity will decrease/increase by NT$7,725 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 discount for lack of marketability, the lower the fair value of the stocks.	If the percentage of lack of marketability increases/decreases by 10%, the Company's equity will decrease/increase by NT$66,972 thousand.
	Asset-based approach	Lack of marketability discount	0%-30%	The higher the discount for lack of marketability, the lower the fair value of the stocks.	If the percentage of lack of marketability increases/decreases by 10%, the Company's equity will decrease/increase by NT$2,555 thousand.

c. Categories of financial instruments

	December 31	
	2024	2023
Financial assets		
Financial Assets at FVTOCI	$ 4,523,884	$ 3,420,054
Financial assets at amortized cost (Note 1)	5,087,114	4,468,160
Financial liabilities		
Financial liabilities at amortized cost (Note 2)	34,400,363	34,041,984

Note 1: The balances include financial assets at amortized cost, which comprise cash and cash equivalents (excluding cash on hand and petty cash), notes receivable, accounts receivables, accounts receivable from related parties, other receivables, and refundable deposits (classified as other non-current assets).

Note 2: The balances include financial liabilities at amortized cost, which comprise short-term borrowings, short-term bills payable, notes payable, accounts payable, accounts payable to related parties, other payables, lease liabilities, long-term borrowings, current portion of long-term borrowings, and guarantee deposits received (classified as other non-current liabilities).

d. Financial risk management objectives and policies

The Company's main target of financial risk management is to manage the market risk related to operating activity (including foreign currency risk, interest risk, and other price risk), credit risk and liquidity risk. The Company identifies, measures, and manages the aforementioned risks base on the Company's policy and risk appetite.

The Company has established appropriate policies, procedures, and internal controls for the management of the abovementioned financial risks in compliance with relevant regulations. Significant financial activities are subject to review by the board of directors and the audit committee in accordance with applicable regulations and the internal control system. During the execution of financial management activities, the Company is required to strictly adhere to the established financial risk management policies.

1) Market risk

a) Foreign currency risk

The Company primarily activities 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 Company.

b) Interest rate risk

Interest rate risk refers to the risk of fluctuations infuture cash flows on financial instruments due to changes in market interest rates. The Company's interest rate risk primarily arises from borrowings with floating interest rates.

The sensitivity analysis was made on the basis of the Company's financial assets and liabilities with floating interest rates as of the balance sheet date. Assuming a 10 basis point higher/lower during the fiscal year, the Company's profit before tax for the years ended December 31, 2024 and 2023 would have decreased/increased by NT$26,906 thousand and NT$27,375 thousand, respectively.

c) Other price risk

The Company was exposed to equity price risk through its investments in listed and unlisted The Company established a real-time control system for the risk, and management does not anticipate any material loss due to this risk.

The sensitivity analysis of the above investment were determined based on financial assets were measured at fair value at the end of reporting period. If market price had been 5% higher/lower, the effects on the Company's other comprehensive income for the years ended December 31, 2024 and 2023 would have been incresased/decreased by NT$226,194 thousand and NT$171,003 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company's credit risk arises from its operating activities - primarily contract assets, accounts receivable, and notes receivable - as well as from its financing activities, which mainly include bank deposits and various financial instruments.

Each unit of the 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 Company's internal rating standards. The 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 December 31, 2024 and 2023, the receivables from the top ten customers of the Company accounted for only a small percentage of total receivables, indicating no significant concentration of credit risk.

The Company's finance department manages the credit risk with bank deposits and other financial instruments in accordance with internal policies. As the 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 Company maintains financial flexibility through a combination of cash and cash equivalents, highly liquid securities, bank borrowings, and the issuance of corporate bonds. The following table summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows and the earliest date on which repayment may be required. The amounts disclosed included contractual interest payments. For liabilities with floating rates, the undiscounted interest amounts are derived from the yield curve at the end of the reporting period.

The following shows the remaining contractual maturities of the Company's non-derivative financial liabilities based on the agreed repayment periods. The table had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be require to pay.

December 31, 2024

	Less than 1 Year	2-3 Years	4-5 Years	Over 5 Years	Total
Borrowing	$ 21,537,874	$ 10,044,850	$ -	$ -	$ 31,582,724
Payables	3,692,101	-	-	-	3,692,101
Lease liabilities	10,666	-	-	-	10,666
Guarantee deposits received	47,726	18,381	38,269	28,653	133,029
	$ 25,288,367	$ 10,063,231	$ 38,269	$ 28,653	$ 35,418,520

December 31, 2023

	Less than 1 Year	2-3 Years	4-5 Years	Over 5 Years	Total
Borrowing	$ 19,282,703	$ 12,152,005	$ 458,316	$ -	$ 31,893,024
Payables	2,600,331	-	-	-	2,600,331
Lease liabilities	20,968	10,666	-	-	31,634
Guarantee deposits received	60,831	17,309	7,320	41,214	126,674
	$ 21,964,833	$ 12,179,980	$ 465,636	$ 41,214	$ 34,651,663

As of December 31, 2024 and 2023, the Company's unused bank amounted to NT$22,641,780 thousand and NT$20,320,760 thousand, respectively.

24. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere in the other notes, details of transactions between the Company and other related parties are disclosed as follows.

a. Related party name and category

Related Party Name	Related Party Category
San-Ching Engineering Co., Ltd. (San-Ching Engineering)	Subsidiary
Cathay Hospitality Management Co., Ltd. (Cathay Hospitality Management)	Subsidiary
Cathay Hospitality Consulting Co., Ltd. (Cathay Hospitality Consulting)	Subsidiary
Lin Yuan Property Management Co., Ltd. (Lin Yuan Property)	Subsidiary

(Continued)

Related Party Name	Related Party Category
Bannan Realty Co., Ltd. (Bannan Realty)	Subsidiary
Sanchong Realty Co., Ltd. (Sanchong Realty)	Subsidiary
Zhulun Realty Co., Ltd. (Zhulun Realty)	Subsidiary
Cathay Life Insurance Co., Ltd. (Cathay Life Insurance)	Other related party
Cathay Century Insurance Co., Ltd. (Cathay Century Insurance)	Other related party
Cathay United Bank Co., Ltd. (Cathay United Bank)	Other related party
Lin Yuan Investment Co., Ltd. (Lin Yuan Investment)	Other related party
Hsien Fang Capital Co., Ltd. (Hsien Fang Capital)	Other related party
Cheng Dao Capital Co., Ltd. (Cheng Dao Capital)	Other related party
Hung Chig Capital Co., Ltd. (Hung Chig Capital)	Other related party
Mr./Ms. Hsu	Spouse of the Company's key management personnel
Mr./Ms. Lu	Spouse of the Company's key management personnel

(Concluded)

b. Operating revenue

Line Item	Related Party Category/Name	For the Year Ended December 31 2024	2023
Rental income	Subsidiary		
	Cathay Hospitality Management	$ 43,042	$ 32,797
	Cathay Hospitality Consulting	39,157	37,586
	Lin Yuan Property Management	5,120	1,084
	Other related party		
	Cathay Life Insurance	13,197	18,180
	Cathay United Bank	3,766	6,609
		$ 104,282	$ 96,256

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 transactions.

c. Purchases

Related Party Category/Name	Nature of the Transaction	For the Year Ended December 31 2024	2023
Subsidiary			
San-Ching Engineering	Building construction or expansion	$ 4,305,093	$ 3,512,915
	Demolition compensation costs	-	4,963
Other related parties			
Cathay United Bank	Rent subsidies	44,924	-
	Price trust management fees	4,758	5,053
Lin Yuan Investment	Rent subsidies	6,720	6,720
		$ 4,361,495	$ 3,529,651

1) Purchases were made at market prices to reflect the quantity of goods purchased and the relationships between the parties.

2) As of December 31, 2024, the Company has entered into a construction contract with its subsidiary, San-Ching Engineering Co., Ltd., with a total contract value of NT$23,642,760 thousand, of which NT$15,870,506 thousand remains unpaid.

d. Bank deposits and short-term borrowings

		December 31, 2024		
Related Party Category/Name	**Nature of The Transaction**	**Highest Balance**	**Ending Balance**	**Interest Rate**
Other related parties				
Cathay United Bank	Demand deposits	$ 6,479,428	$ 1,588,996	0.64%
	Check deposits	2,340,576	38,108	-
	Securities account	1,780,851	195,612	0.01%
	Time deposits	1,610,000	1,610,000	0.67%-0.68%
	Short-term loans	2,300,000	500,000	2.14%

		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	$ 5,722,729	$ 1,703,560	0.51%
	Check deposits	2,884,685	7,026	-
	Securities account	1,098,654	37,140	0.01%
	Short-term loans	2,420,000	800,000	1.93%

		For the Year Ended December 31	
Line Item	**Related Party Category/Name**	**2024**	**2023**
Finance costs	Other related parties		
	Cathay United Bank	$ 29,119	$ 19,580
Interest income	Other related parties		
	Cathay United Bank	$ 15,643	$ 9,322

e. Receivable from related parties

	December 31	
Related Party Category/Name	**2024**	**2023**
Other related parties		
Cathay United Bank	$ -	$ 320

f. Payables to related parties

Related Party Category/Name	December 31 2024	December 31 2023
Subsidiary		
San-Ching Engineering	$ 2,292,076	$ 1,373,956
Others	162	807
	2,292,238	1,374,763
Other relate parties	359	641
	$ 2,292,597	$ 1,375,404

g. Lease agreement

Related Party Category/Name	For the Year Ended December 31 2024	For the Year Ended December 31 2023
Acquisition of right-of-use assets		
Other related parties		
Cathay Life Insurance	$ -	$ 33,251

Related Party Category/Name	December 31 2024	December 31 2023
Lease liabilities		
Other related parties		
Cathay Life Insurance	$ 8,463	$ 25,088

Related Party Category/Name	For the Year Ended December 31 2024	For the Year Ended December 31 2023
Interest expense		
Other related parties		
Cathay Life Insurance	$ 388	$ 379

h. Other non-current assets/liabilities

Line Item	Related Party Category/Name	For the Year Ended December 31 2024	For the Year Ended December 31 2023
Refundable deposit	Other related parties		
	Lin Yuan Investment	$ 8,000	$ 8,000
	Cathay Life Insurance	4,039	4,414
		$ 12,039	$ 12,414
Guarantee deposits received	Other related parties		
	Cathay United Bank	$ 2,324	$ 4,482

i. Pre-sale real estate purchase agreement

The total transaction amount of pre-sale real estate purchase agreements entered into between the Company and related parties is as follows:

Related Party Category/Name	For the Year Ended December 31 2024	2023
Spouse of the Company's key management personnel		
Mr./Ms. Lu	$ 33,450	$ -
Mr./Ms. Hsu	-	35,130
	33,450	35,130
Other related parties		
Hsien Fang Capital	-	425,690
Hung Chig Capital	-	387,360
Cheng Dao Capital	-	380,980
	-	1,194,030
	$ 33,450	$ 1,229,160

j. Other transactions with related parties

Line Item	Related Party Category/Name	For the Year Ended December 31 2024	2023
Other revenue	Subsidiary		
	Bannan Realty	$ 77,267	$ 6,429
	Sanchong Realty	11,750	11,750
	Zhulun Realty	8,333	8,333
	Other related parties		
	Cathay United Bank	4,788	4,890
	Cathay Life Insurance	4,357	4,119
		$ 106,495	$ 35,521
Operating costs	Subsidiary		
	Lin Yuan Property Management	$ 51,638	$ 49,072
	Other related parties		
	Cathay Century Insurance	5,733	6,306
		$ 57,371	$ 55,378
Operating expenses	Subsidiary		
	San-Ching Engineering	$ 10,212	$ 14,782
	Other related parties		
	Cathay Life Insurance	3,174	2,907
		$ 13,386	$ 17,689

k. Remuneration of key management personnel

	For the Year Ended December 31	
	2024	2023
Short-term employee benefits	$ 42,971	$ 32,552
Others	216	216
	$ 43,187	$ 32,768

The remuneration of directors and key executives, as determined by the remuneration committee, is based on the performance of individuals and market trends.

25. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were pledged as the Company's collateral for bank loans:

	December 31	
	2024	2023
Inventories	$ 5,697,600	$ 5,880,000
Investment properties	7,492,332	7,638,372
	$ 13,189,932	$ 13,518,372

26. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant commitments and contingencies of the Company as of December 31, 2024 were as follows:

a. Significant contract

As of December 31, 2024, the Company has signed construction contracts with non-related parties with a total contract price of NT$6,043,191 thousand, with an unpaid amount of NT$2,573,695 thousand.

b. Others

As of December 31, 2024, promissory notes issued by the Company to financial institutions in connection with borrowings amounted to NT$38,081,330 thousand.

27. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and b. information on investees:

1) Financing provided to others (None)

2) Endorsements/guarantees provided (Table 1)

3) Marketable securities held (excluding investments in subsidiaries, associates) (Table 2)

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital (Table 3)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital (Table 4)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital (Table 5)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 6)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (None)

9) Trading in derivative instruments (None)

10) Other: Intercompany relationships and significant intercompany transactions (Table 7)

c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 8)

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

ENDORSEMENTS AND GUARANTEES PROVIDED FOR OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsed and Guaranteed Party		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Company Name	Relationship (Note 1)										
0	Cathay Real Estate Development Co., Ltd.	Bannan Realty Co., Ltd.	a	$ 8,479,088	$ 5,763,000	$ 5,763,000	$ 255,000	$ -	20.39	$ 16,958,175	Y	N	N

Note 1: The categories of relationship between the endorsing and guaranteed parties are as follows:

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

Note 2: Limits on endorsement guarantee given on behalf of each party represents 30% of the net equity on the most current financial statements.

Note 3: Aggregate endorsement guarantee limit represents 60% of the net equity on the most current financial statements

TABLE 2

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

MARKETABLE SECURITIES HELD
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Cathay Real Estate Development Co., Ltd.	Ordinary shares							
	Cathay Financial Holdings Co., Ltd.	Other related parties	Financial assets at FVTOCI - current	59,118,129	$ 4,037,768	0.40	$ 4,037,768	
	Gong Cheng Industrial Co., Ltd.	-	Financial assets at FVTOCI - non-current	1,580,083	-	3.23	-	
	Gian Feng Investment Co., Ltd.	-	〃	2,000,000	25,171	10.00	25,171	
	Metro Walk international Co., Ltd.	-	〃	3,448,276	52,037	1.72	52,037	
	Budworth Investments Ltd.	-	〃	30,314	45	3.33	45	
	Nangang International One Co., Ltd.	Other related parties	〃	27,465,000	188,135	7.85	188,135	
	Nangang International Two Co., Ltd.	Other related parties	〃	32,460,000	220,728	8.12	220,728	

Note 1: The securities mentioned in the table above are those classified as financial instruments under IFRS 9, including shares, bonds, beneficiary certificates, and all other securities derived from those items.

Note 2: Refer to Table 7 for information on investments in subsidiaries and associates.

TABLE 3

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Other Adjustments (Note 2)	Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Price	Carrying Amount	Gains or Losses on Disposal (Note 1)		Number of Shares	Number of Shares
Cathay Real Estate Development Co., Ltd.	Ordinary shares Cathay Financial Holding Co., Ltd.	Financial assets at FVTOCI - current	-	-	63,968,129	$ 2,926,542	-	$ -	4,850,000	$ 337,445	$ 176,192	$ 161,253	$ 1,448,671	59,118,129	$ 4,037,768

Note 1: Cumulative gains of equity instruments transferred to retained earnings from unrealized gain (loss) on financial assets at fair value through other comprehensive income.

Note 2: Other adjustments include unrealized gain on financial assets at fair value through other comprehensive income.

TABLE 4

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Cathay Real Estate Development Co., Ltd.	Land 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	-
	Land in the Xinzhuang Sub-city Center, New Taipei City	2024/03/29	1,202,335	Pay in installments according to the contract	Kingdom 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	-
	Land in Subsection 2, Taishan Section, 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. The joint construction agreement between both parties stipulates that the Corporation will receive 48%.	Joint development and construction of residential buildings for sale.	-
	Lands in Yongfeng Section, Nantun District, Taichung City	2024/06/07	776,595	Pay in installments according to the contract	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	-
	Land and public facility reserve in Shitou Section, Sanmin District, Kaohsiung City	2024/07/25	808,000	Pay in installments according to the contract	Fu Le Investment Co., Ltd. and 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	-

TABLE 5

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Seller	Property	Event Date	Original Acquisition Date	Carrying Amount	Transaction Amount	Collection	Gain (Loss) on Disposal	Counterparty	Relationship	Purpose of Disposal	Price Reference	Other Terms
Cathay Real Estate Development Co., Ltd.	14 deals for land No. 6-1 of Subsection 3, Changchun Section, Zhongshan District	2024/06/05	1979/04/16	$ -	$ 396,698	Receipt according to contract	$ 396,698	New Construction Engineering Office, 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	-
	6 deals for land No. 412 of Subsection 3, Rongxing Section, Zhongshan District	2024/08/27	1967/07/08	-	160,554 (Note)	Receipt according to contract	160,554	New Construction Engineering Office, 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	-

Note: Although this transaction amount is less than NT$300 million, it involves the same transaction party as of June 5, 2024, and the cumulative disposal amount within one year from the date of occurrence exceeds NT$500 million, thus it is disclosed in the table above.

TABLE 6

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Transaction Details (Note)				Abnormal Transaction		Notes/Accounts Receivable (Payable) (Note)		Notes
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Cathay Real Estate Development Co., Ltd.	San Ching Engineering Co., Ltd.	Subsidiary	Purchases	$ 4,305,093	35	Not applicable	$ -	None	$ (2,292,076)	66	-

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

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss) (Note)	Note
				December 31, 2024	December 31, 2023	Number of Shares	Ratio (%)	Carrying Amount			
Cathay Real Estate Development Co., Ltd.	Cathay Real Estate Management Co., Ltd.	Taiwan	Construction management	$ 50,000	$ 50,000	5,000,000	100.00	$ 138,125	$ 36,872	$ 36,872	Subsidiary
	Cathay Healthcare Management Co., Ltd.	Taiwan	Consultancy	467,500	467,500	46,750,000	85.00	762,683	224,658	190,960	Subsidiary
	Cathay Hospitality Management Co., Ltd.	Taiwan	Service industry	1,740,000	1,740,000	25,000,000	100.00	70,962	3,652	6,960	Subsidiary
	Cathay Hospitality Consulting Co., Ltd.	Taiwan	Service industry	1,300,000	1,300,000	60,000,000	100.00	105,175	(28,010)	(23,266)	Subsidiary
	Cymbal Medical Network Co., Ltd.	Taiwan	Wholesale of drugs, medical goods	350,000	350,000	35,000,000	100.00	48,713	(123,660)	(123,660)	Subsidiary
	Lin Yuan Property Management Co., Ltd.	Taiwan	Apartment building management service industry	68,809	68,809	1,530,000	51.00	87,883	114,275	58,808	Subsidiary
	Jinhua Realty Co., Ltd.	Taiwan	Housing and building development and rental industry	408,000	408,000	40,800,000	51.00	334,586	(4,786)	(2,441)	Subsidiary
	Bannan Realty Co., Ltd.	Taiwan	Housing and building development and rental industry	586,500	586,500	58,650,000	51.00	480,760	(185,851)	(94,784)	Subsidiary
	Sanchong Realty Co., Ltd.	Taiwan	Housing and building development and rental industry	1,834,800	1,834,800	183,480,000	66.00	1,687,419	(112,909)	(74,520)	Subsidiary
	Zhulun Realty Co., Ltd.	Taiwan	Housing and building development and rental industry	331,500	204,000	33,150,000	51.00	321,266	(6,249)	(3,187)	Subsidiary
	San Ching Engineering Co., Ltd.	Taiwan	Integrated construction business	2,400,000	2,400,000	120,000,000	100.00	2,830,540	511,839	345,400	Subsidiary
	Symphox Information Co., Ltd.	Taiwan	Information software wholesale industry	67,515	67,515	5,489,000	11.20	99,984	(103,176)	(11,646)	Joint venture
	San Hsiung Fongshan LaLaport Co., Ltd.	Taiwan	Department stores	204,000	204,000	204,000,000	30.00	147,810	(95,139)	(28,542)	associate

Note: It is calculated based on financial statements audit by certified accountant.

TABLE 8

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2024

Name of Major Shareholder	Shares	
	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 of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FVTOCI - CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Securities Name	Balance, January 1, 2024		Increase in 2024		Decrease in 2024		Valuation for the Current Year	Balance, December 31, 2024			Pledged or Secured Assets	Note
	Shares	Amount	Shares	Amount	Shares	Amount	(Note 1)	Shares	Unit Price	Amount		
Listed company - ordinary shares												
Cathay Financial Holdings Co., Ltd.	63,968,129	$ 2,926,542	-	$ -	4,850,000	$ 337,445	$ 1,448,671	59,118,129	68.30	$ 4,037,768	None	Note 2

Note 1: Classified as unrealized gain (loss) on financial assets at FVTOCI.

Note 2: The unit price is calculated by the closing price as of December 31, 2024.

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

STATEMENT OF INVENTORY
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Item	Amount: Cost	Amount: Net Realizable Value	Note
Construction land	$ 10,238,992	$ 12,425,063	
Construction in progress	25,520,739	40,424,308	
Real estate held for sale	2,768,903	2,768,903	Note
Prepayments for land	84,300	84,300	
	38,612,934	$ 55,702,574	
Less: Allowance for write-downs of inventories	(10,653)		
	$ 38,602,281		

Note: The properties are stated at cost. However, since the selling prices of the properties held for sale exceed their estimated costs, there is no indication of impairment.

STATEMENT 3

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

STATEMENT OF CHANGES IN CONSTRUCTION IN PROGRESS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Name of the Project	Balance, January 1, 2024	Increase in 2024	Decrease in 2024	Balance, December 31, 2024
12565	$ 2,446,637	$ 347,040	$ -	$ 2,793,677
30767	2,014,308	446,264	-	2,460,572
12588	11,751	2,174,182	-	2,185,933
51053	1,442,618	439,935	-	1,882,553
12585	1,496,994	240,286	-	1,737,280
41049	12,946	1,576,520	-	1,589,466
12581	1,215,980	358,739	-	1,574,719
12589	1,342,613	231,927	-	1,574,540
30770	1,213,586	316,232	-	1,529,818
30769	1,300,808	31,190	-	1,331,998
19002	759,706	540,182	-	1,299,888
19009	814,143	451,086	-	1,265,229
41048	968,075	220,497	-	1,188,572
12570	3,127,865	112,759	3,240,624	-
30768	2,944,845	948,284	3,893,129	-
12580	1,531,537	691,232	2,222,769	-
12582	1,206,856	579,544	1,786,400	-
Others (Note)	1,251,030	1,855,464	-	3,106,494
	$ 25,102,298	$ 11,561,363	$ 11,142,922	$ 25,520,739

Note: The amount included in others does not exceed 5% of the account balance.

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

STATEMENT OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Investee (Note 1)	Balance, January 1, 2024		Additions in Investment (Note 2)		Decrease in Investment (Note 3)		Investment Gain (Loss) (Note 4)	Equity Adjustment (Note 5)	Balance, December 31, 2024			Net Assets Value
	Shares	Amount	Shares	Amount	Shares	Amount			Shares	%	Amount	
Unlisted company												
Symphox Information Co., Ltd.	5,489,000	$ 95,494	-	$ -	-	$ -	$ (11,646)	$ 16,136	5,489,000	11.20	$ 99,984	$ 85,351
San Hsiung Fongshan LaLaport Co., Ltd.	204,000,000	176,352	-	-	-	-	(28,542)	-	204,000,000	30.00	147,810	146,316
Cathay Real Estate Management Co., Ltd.	5,000,000	139,517	-	-	-	38,420	36,872	156	5,000,000	100.00	138,125	138,125
Cathay Healthcare Management Co., Ltd.	46,750,000	647,572	-	-	-	77,698	190,960	1,849	46,750,000	85.00	762,683	762,627
Cathay Hospitality Management Co., Ltd.	25,000,000	63,758	-	-	-	-	6,960	244	25,000,000	100.00	70,962	36,947
Cathay Hospitality Consulting Co., Ltd.	60,000,000	128,441	-	-	-	-	(23,266)	-	60,000,000	100.00	105,175	46,725
Cymbal Medical Network Co., Ltd.	35,000,000	172,373	-	-	-	-	(123,660)	-	35,000,000	100.00	48,713	48,713
Lin Yuan Property Management Co., Ltd.	1,530,000	73,857	-	-	-	46,160	58,808	1,378	1,530,000	51.00	87,883	87,327
Jinhua Realty Co., Ltd.	40,800,000	337,027	-	-	-	-	(2,441)	-	40,800,000	51.00	334,586	364,845
Bannan Realty Co., Ltd.	58,650,000	575,544	-	-	-	-	(94,784)	-	58,650,000	51.00	480,760	480,759
Sanchong Realty Co., Ltd.	183,480,000	1,761,939	-	-	-	-	(74,520)	-	183,480,000	66.00	1,687,419	1,743,622
Zhulun Realty Co., Ltd.	20,400,000	196,953	12,750,000	127,500	-	-	(3,187)	-	33,150,000	51.00	321,266	321,266
San Ching Engineering Co., Ltd.	120,000,000	2,978,397	-	-	-	564,000	345,400	70,743	120,000,000	100.00	2,830,540	3,112,803
		$ 7,347,224		$ 127,500		$ 726,278	$ 276,954	$ 90,506			$ 7,115,906	$ 7,375,426

Note 1: Except for San Hsiung Fongshan LaLaport Co., Ltd., whose shares are issued at NT$1 per share, all other investee companies have shares issued at NT$10 per share.

Note 2: The additions in investment was due to the cash capital increase.

Note 3: The decrease in investment was due to the receipt of cash dividends.

Note 4: The recognition basis for investment gain are the audited financial statements

Note 5: This includes changes in the net assets of investee recognized using the equity method, adjustments to capital reserves, remeasurement of defined benefit plans, unrealized gains or losses on financial assets at fair value through other comprehensive income, exchange differences arising from the translation of financial statements of foreign operations, revaluation increments of real estate, and gains or losses on hedging instruments.

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Type of Loan and Name of Creditors	Contract Period	Annual Interest Rates (%)	Balance, End of Year	Loan Commitments	Collateral	Note
Unsecured loans						
First Commercial Bank	2024/12/24-2025/03/24	Note 2	$ 1,000,000	$ 1,000,000	-	-
Hua Nan Bank	2024/11/22-2025/02/28	Note 2	500,000	500,000	-	Note 1
Mega International Commercial Bank	2024/10/24-2025/01/09	Note 2	288,000	500,000	-	Note 1
Mizuho Bank, Ltd.	2024/10/09-2025/04/09	Note 2	500,000	500,000	-	Note 1
Mizuho Bank, Ltd.	2024/11/22-2025/05/09	Note 2	950,000	950,000	-	Note 1
National Agricultural Bank of Taiwan	2024/05/24-2025/05/24	Note 2	300,000	500,000	-	Note 1
Bank of China	2024/10/09-2025/04/09	Note 2	1,500,000	1,500,000	-	Note 1
Chang Hwa Bank	2024/05/24-2025/05/23	Note 2	660,000	1,000,000	-	Note 1
DBS Bank	2024/11/22-2025/11/07	Note 2	1,200,000	1,200,000	-	-
China Construction Bank	2024/11/08-2025/02/24	Note 2	1,000,000	1,000,000	-	Note 1
China Construction Bank	2024/12/06-2025/02/24	Note 2	1,000,000	1,000,000	-	Note 1
Taishin International Bank	2024/12/24-2025/03/24	Note 2	500,000	1,000,000	-	Note 1
First Commercial Bank	2024/08/07-2025/08/07	Note 2	1,159,000	1,159,000	-	-
Hua Nan Bank	2024/08/07-2025/08/07	Note 2	1,150,000	1,150,000	-	Note 1
			11,707,000	12,959,000		
Secured loans						
Cathay United Bank	2024/12/27-2025/12/27	Note 2	500,000	6,999,330	Investment properties	Note 1
			$ 12,207,000	$ 19,958,330		

Note 1: The Chairman, Mr. Chang Ching-Kuei, serves as a joint guarantor.

Note 2: The annual interest rate range for short-term borrowings is 1.85% to 2.48%.

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

STATEMENT OF CONTRACT LIABILITIES
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Item	Amount
19009	$ 879,994
51053	677,963
30767	613,459
41048	613,450
30768	561,552
41049	524,693
19002	516,373
12581	508,742
19006	451,165
12580	445,972
30770	433,357
12585	396,853
Others (Note)	1,640,910
	$ 8,264,483

Note: The amount included in others does not exceed 5% of the account balance.

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Name of Creditors	Contract Period	Article	Annual Interest Rates (%)	Balance, End of Year: Due within One Year	Balance, End of Year: Due over One Year	Balance, End of Year: Balance	Collateral	Note
Taishin International Bank	2022/05/31-2025/05/31	Bullet repayment; interest payable monthly	Note 2	$ 1,967,000	$ -	$ 1,967,000	-	Note 1
Far Eastern International Bank	2022/08/10-2025/07/09	Bullet repayment; interest payable monthly	Note 2	695,000	-	695,000	-	Note 1
Far Eastern International Bank	2022/11/09-2025/07/09	Bullet repayment; interest payable monthly	Note 2	600,000	-	600,000	-	Note 1
Far Eastern International Bank	2022/11/24-2025/07/09	Bullet repayment; interest payable monthly	Note 2	350,000	-	350,000	-	Note 1
Shanghai Commercial & Savings Bank	2023/08/14-2025/08/24	Bullet repayment; interest payable monthly	Note 2	1,000,000	-	1,000,000	-	Note 1
Chang Hwa Bank	2022/09/08-2025/08/22	Bullet repayment; interest payable monthly	Note 2	1,440,000	-	1,440,000	-	Note 1
Shanghai Commercial & Savings Bank	2023/08/24-2025/10/06	Bullet repayment; interest payable monthly	Note 2	1,000,000	-	1,000,000	-	Note 1
Hua Nan Bank	2024/10/14-2027/10/14	Equal installments in each year; interest payable monthly	Note 2	900,000	1,800,000	2,700,000	-	Note 1
Hua Nan Bank	2023/08/01-2025/08/01	Equal installments in each year; interest payable monthly	Note 2	700,000	700,000	1,400,000	-	Note 1
Far Eastern International Bank	2023/08/09-2026/07/24	Bullet repayment; interest payable monthly	Note 2	-	579,000	579,000	-	Note 1
KGI Bank	2024/08/23-2026/08/23	Bullet repayment; interest payable monthly	Note 2	-	250,000	250,000	Investment properties	-
KGI Bank	2024/08/23-2026/08/23	Bullet repayment; interest payable monthly	Note 2	-	710,000	710,000	Investment properties	-
KGI Bank	2024/08/23-2026/08/23	Bullet repayment; interest payable monthly	Note 2	-	950,000	950,000	Investment properties	-
KGI Bank	2024/08/23-2026/08/23	Bullet repayment; interest payable monthly	Note 2	-	1,590,000	1,590,000	Investment properties	-
Mega International Commercial Bank	2022/07/22-2027/07/22	Bullet repayment; interest payable monthly	Note 2	-	449,550	449,550	-	Note 1
Mega International Commercial Bank	2024/08/09-2027/08/09	Bullet repayment; interest payable monthly	Note 2	-	180,000	180,000	-	Note 1
DBS Bank	2022/08/29-2026/08/29	Principal and interest are repaid in full upon maturity	Note 2	-	1,000,000	1,000,000	Inventory-construction land	-
Shanghai Commercial & Savings Bank	2024/08/23-2027/08/23	Principal and interest are repaid in full upon maturity	Note 2	-	498,683	498,683	-	Note 1
Shanghai Commercial & Savings Bank	2024/11/08-2027/11/08	Principal and interest are repaid in full upon maturity	Note 2	-	998,334	998,334	-	Note 1
				$ 8,652,000	$ 9,705,567	$ 18,357,567		

Note 1: The Chairman, Mr. Chang Ching-Kuei, serves as a joint guarantor.

Note 2: The annual interest rate range for long-term borrowings is 1.88% to 2.50%, long-term notes payable is 2.38% to 2.4%.

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

STATEMENT OF OPERATING REVENUE AND COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Item	Operating Revenue	Operation Costs
Real estate sales business		
Land	$ 7,633,477	$ 5,436,308
Houses	4,991,981	4,355,227
	12,625,458	9,791,535
Leasing business	456,190	396,783
	$ 13,081,648	$ 10,188,318

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Item	Selling and Marketing Expenses	General and Administrative Expenses	Total
Advertising expense	$ 703,115	$ -	$ 703,115
Salary and wages expense	-	204,203	204,203
Taxes and levies	-	112,917	112,917
Others (Note)	-	180,674	180,674
	$ 703,115	$ 497,794	$ 1,200,909

Note: The amount included in others does not exceed 5% of the account balance.

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

STATEMENT OF EMPLOYMENT BENEFITS, DEPRECIATION AND AMORTIZATION BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024			2023		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employment benefit expense (Note)						
Salary expense	$ 26,863	$ 195,231	$ 222,094	$ 33,647	$ 159,585	$ 193,232
Insurance expense	-	16,227	16,227	-	14,921	14,921
Pension expense	-	9,870	9,870	-	10,678	10,678
Compensation for directors	-	8,972	8,972	-	8,249	8,249
Other expense	1,045	6,122	7,167	292	2,748	3,040
	$ 27,908	$ 236,422	$ 264,330	$ 33,939	$ 196,181	$ 230,120
Depreciation expense	$ 248,140	$ 27,258	$ 275,398	$ 176,733	$ 29,849	$ 206,582
Amortization expense	$ -	$ 2,869	$ 2,869	$ -	$ 3,201	$ 3,201

Note:

1. As of December 31, 2024 and 2023, the Company had 170 and 161 employees, including 5 and 4 board of directors who were not classified as employees, respectively.

2. A company whose shares are listed on the stock exchange or traded in the over-the-counter market shall disclose the following:

   a. For the year ended December 31, 2024, the average employment benefit expenses were $1,548 thousand, respectively (“Total Employment Benefit Expense” - “Total Compensation for Directors and Supervisors”/”Number of Employees” - “Number of Board of Directors Not Classified as Employees”).

      For the year ended December 31, 2023, the average employment benefit expenses were $1,413 thousand, respectively (“Total Employment Benefit Expense” - “Total Compensation for Directors and Supervisors”/”Number of Employees” - “Number of Board of Directors Not Classified as Employees”).

   b. For the year ended, December 31, 2024, the average salary expenses were $1,346 thousand (“Total Salary Expense”/”Number of Employees” - “Number of Board of Directors Not Classified as Employees”).

      For the year ended, December 31, 2023, the average salary expenses were $1,230 thousand (“Total Salary Expense”/”Number of Employees” - “Number of Board of Directors Not Classified as Employees”).

   c. Average salary adjustment was 9.43% (“Current Year Average Salary Expense” - “Prior Year Average Salary Expense”/”Prior Year Average Salary Expense”).

   d. The company has replaced the supervisor with independent directors and no longer has the position of supervisor..

3. Salary and remuneration policy (including directors, managers and employees):

   a. According to the Company’s Articles of Incorporation, if there are profits in any given year, 0.1% to 1% of the profits should be allocated for employee compensation, with no more than 1% allocated for the compensation of directors and supervisors.

   b. The annual compensation of the Company’s executives includes salary, bonuses, and employee compensation, among others. The compensation structure is built based on the payment levels of similar companies in the market, considering the Company’s operational performance, individual performance, and the reasonableness of future risks.

      The remuneration and compensation received by executives must be approved step by step by the Chairman and then submitted to the Compensation Committee for review, followed by approval by the board of directors for implementation.

   c. The Company conducts salary surveys to assess compensation levels in the employment and talent market. Additionally, industry salary conditions are referenced to make appropriate adjustments to the overall compensation policy. In addition to annual salary adjustments and a comprehensive promotion system, various incentive programs are also established to encourage outstanding employees, attract, retain, and motivate talent.