

Cathay Real Estate Development Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2025 and 2024 and Independent Auditors' Review Report

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

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Notice to Reader

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

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INDEPENDENT AUDITORS' REVIEW REPORT

To Cathay Real Estate Development Co., Ltd.:

Preface

The consolidated balance sheets of Cathay Real Estate Development Co., Ltd. and its subsidiaries (Cathay Real Estate Group) as of June 30, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity, and cash flows for the three months and six months ended June 30, 2025 and 2024, as well as the notes to the consolidated financial statements (including a summary of significant accounting policies), have been reviewed by the undersigned CPA. The management is responsible for preparing the consolidated financial statements that present fairly in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34 "Interim Financial Reporting" as endorsed and effective by the FSC. The responsibility of the CPA is to express a conclusion on these consolidated financial statements based on the review results.

Scope

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

Basis for Qualified Conclusions

As stated in Note 11 to the consolidated financial statements, Cathay Real Estate Group's investments accounted for using the equity method amounted to NT\$1,977,263 thousand

and NT\$1,989,168 thousand as of June 30, 2025 and 2024, respectively, and the related comprehensive income (loss) recognized was NT\$20,937 thousand, NT\$4,945 thousand, NT\$25,938 thousand and (NT\$11,052) thousand for the three months ended June 30, 2025 and 2024, and the six months ended June 30, 2025 and 2024, respectively. The information related to these investee companies accounted for using the equity method, as described in Note 30 to the consolidated financial statements, was recognized and disclosed based on the financial statements of the investee companies for the same periods that have not been reviewed by CPAs.

Qualified Conclusion

Except for the adjustments to the consolidated financial statements, if any, that might have been determined to be necessary had the financial statements of the investees accounted for using the equity method been reviewed, based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Cathay Real Estate Group as of June 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the three months ended June 30, 2025 and 2024, and the six months ended June 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" as endorsed by the FSC.

Deloitte & Touche

CPA Shu-Wan Lin

CPA Chih-Ming Shao

Financial Supervisory Commission
approval document No.

J.G.Z.L.Z. No. 0930160267

Securities and Futures Commission
approval document No.

T.C.Z.L.Z. No. 0930128050

August 6, 2025

Cathay Real Estate Development Co., Ltd. and Subsidiaries

Consolidated Balance Sheet

June 30, 2025, December 31, 2024 and June 30, 2024

Unit: NT\$ Thousand

Code	Assets	June 30, 2025		December 31, 2024		June 30, 2024	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and cash equivalents (Notes 6 and 25)	\$ 7,256,665	8	\$ 6,775,388	8	\$ 7,216,826	8
1120	Financial assets at fair value through other comprehensive profit or loss – Current (Notes 7 and 26)	3,712,619	4	4,037,768	5	3,774,119	4
1140	Contract asset – Current (Note 19)	101,766	-	22,249	-	85,217	-
1150	Net Notes Receivable (Notes 8 and 19)	2,013	-	3,757	-	1,519	-
1170	Net accounts receivable (Notes 8 and 19)	433,646	1	1,027,787	1	875,297	1
1180	Net accounts receivable – related parties (Notes 25)	483,975	1	20,743	-	35,823	-
1200	Other receivables	216,967	-	218,121	-	138,535	-
1220	Current income tax assets	2,132	-	2,148	-	1,395	-
130X	Inventories (Notes 9 and 26)	49,865,417	56	49,511,444	55	48,369,128	55
1410	Prepayments (Note 25)	570,392	1	445,207	1	664,985	1
1479	Other current assets (Notes 25 and 26)	406,106	-	213,885	-	216,424	-
1480	Incremental costs of obtaining a contract – current (Note 19)	<u>1,866,509</u>	<u>2</u>	<u>1,880,371</u>	<u>2</u>	<u>1,462,432</u>	<u>2</u>
11XX	Total current assets	<u>64,918,207</u>	<u>73</u>	<u>64,158,868</u>	<u>72</u>	<u>62,841,700</u>	<u>71</u>
	Non-current assets						
1517	Financial assets at fair value through other comprehensive income – Non-current (Note 7)	480,135	1	498,270	1	558,433	1
1550	Investments accounted for using equity method (Note 11)	1,977,263	2	2,025,741	2	1,989,168	2
1600	Property, Plant and Equipment (Note 12)	4,193,005	5	4,358,546	5	4,436,015	5
1755	Right-of-use asset (Notes 13 and 25)	3,871,978	4	4,038,435	4	4,176,147	5
1760	Net investment properties (Notes 14 and 26)	12,646,442	14	12,591,682	14	12,560,980	14
1780	Intangible assets	50,178	-	54,158	-	67,501	-
1840	Deferred income tax assets	476,726	-	498,996	1	400,996	-
1900	Other non-current assets (Notes 15, 25 and 26)	<u>909,502</u>	<u>1</u>	<u>1,184,267</u>	<u>1</u>	<u>1,301,287</u>	<u>2</u>
15XX	Total non-current assets	<u>24,605,229</u>	<u>27</u>	<u>25,250,095</u>	<u>28</u>	<u>25,490,527</u>	<u>29</u>
1XXX	Total assets	<u>\$ 89,523,436</u>	<u>100</u>	<u>\$ 89,408,963</u>	<u>100</u>	<u>\$ 88,332,227</u>	<u>100</u>
	Liabilities and Equity						
	Current liabilities						
2100	Short-term loans (Notes 16 and 25)	\$ 12,135,900	14	\$ 13,216,400	15	\$ 10,987,000	12
2110	Short-term notes and bills payable (Note 16)	708,483	1	838,539	1	2,987,893	3
2130	Contract Liabilities – Current (Note 19)	12,663,100	14	12,473,835	14	10,716,619	12
2150	Notes payable	33,369	-	98,300	-	46,613	-
2170	Accounts payable	1,922,306	2	2,145,395	2	1,479,994	2
2180	Accounts payable – Related parties (Note 25)	2,698	-	4,577	-	3,176	-
2200	Other payables	1,885,569	2	994,131	1	1,888,564	2
2230	Current income tax liabilities (Note 4)	206,581	-	130,547	-	218,040	-
2280	Lease liabilities – Current (Notes 13 and 25)	431,255	1	428,876	1	439,836	1
2320	Current portion of long-term loans payable (Note 16)	8,082,627	9	10,347,531	12	9,907,000	11
2399	Other current liabilities	<u>178,200</u>	<u>-</u>	<u>292,486</u>	<u>-</u>	<u>559,157</u>	<u>1</u>
21XX	Total current liabilities	<u>38,250,088</u>	<u>43</u>	<u>40,970,617</u>	<u>46</u>	<u>39,233,892</u>	<u>44</u>
	Non-current Liabilities						
2540	Long-term loans (Note 16)	15,438,379	17	12,375,567	14	14,180,696	16
2570	Deferred income tax liabilities	45,770	-	43,798	-	40,503	-
2580	Lease liabilities – Non-current (Notes 13 and 25)	5,084,073	6	5,277,143	6	5,380,409	6
2600	Other non-current liabilities (Note 25)	<u>215,056</u>	<u>-</u>	<u>234,389</u>	<u>-</u>	<u>241,579</u>	<u>1</u>
25XX	Total non-current liabilities	<u>20,783,278</u>	<u>23</u>	<u>17,930,897</u>	<u>20</u>	<u>19,843,187</u>	<u>23</u>
2XXX	Total liabilities	<u>59,033,366</u>	<u>66</u>	<u>58,901,514</u>	<u>66</u>	<u>59,077,079</u>	<u>67</u>
	Equities attributable to Owners of Parent Company (Note 18)						
3110	Ordinary share capital	<u>11,595,611</u>	<u>13</u>	<u>11,595,611</u>	<u>13</u>	<u>11,595,611</u>	<u>13</u>
3200	Capital Surplus	<u>166,143</u>	<u>-</u>	<u>182,880</u>	<u>-</u>	<u>148,352</u>	<u>-</u>
	Retained Earnings						
3310	Legal reserve	5,207,642	6	5,033,776	6	5,033,776	6
3320	Special reserve	504,189	-	504,189	1	504,189	1
3350	Unappropriated retained earnings	<u>9,471,102</u>	<u>11</u>	<u>9,201,124</u>	<u>10</u>	<u>8,353,176</u>	<u>9</u>
3300	Total retained earnings	<u>15,182,933</u>	<u>17</u>	<u>14,739,089</u>	<u>17</u>	<u>13,891,141</u>	<u>16</u>
3400	Other equity	<u>1,401,367</u>	<u>2</u>	<u>1,746,045</u>	<u>2</u>	<u>1,339,491</u>	<u>1</u>
31XX	Total Equity Attributable to Owners of Parent	28,346,054	32	28,263,625	32	26,974,595	30
36XX	Non-controlling interests (Note 18)	<u>2,144,016</u>	<u>2</u>	<u>2,243,824</u>	<u>2</u>	<u>2,280,553</u>	<u>3</u>
3XXX	Total shareholders' equity	<u>30,490,070</u>	<u>34</u>	<u>30,507,449</u>	<u>34</u>	<u>29,255,148</u>	<u>33</u>
	Total liabilities and equity	<u>\$ 89,523,436</u>	<u>100</u>	<u>\$ 89,408,963</u>	<u>100</u>	<u>\$ 88,332,227</u>	<u>100</u>

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

(Please refer to the Audit's Report issued by Deloitte & Touche on August 6, 2025)

Chairman: Ching-Kuei Chang

Managerial Officer: Hung-Ming Lee

Chief Accountant: Yi-Chun Chang

Cathay Real Estate Development Co., Ltd. and Subsidiaries
Consolidated Statement of Comprehensive Income
For the Three Months Ended June 30, 2025 and 2024, and the Six Months Ended June 30, 2025 and 2024

Unit: NT\$ Thousand, except earnings per share expressed in NT\$

Code		April 1 to June 30, 2025		April 1 to June 30, 2024		January 1 to June 30, 2025		January 1 to June 30, 2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Notes 19 and 25)	\$ 6,221,030	100	\$4,341,563	100	\$ 11,373,261	100	\$ 11,397,813	100
5000	Operating costs (Notes 9, 20 and 25)	(3,890,396)	(63)	(3,325,385)	(76)	(8,132,945)	(72)	(9,020,883)	(79)
5900	Gross Profit	<u>2,330,634</u>	<u>37</u>	<u>1,016,178</u>	<u>24</u>	<u>3,240,316</u>	<u>28</u>	<u>2,376,930</u>	<u>21</u>
	Operating expenses (Notes 20 and 25)								
6200	Management expenses	621,948	10	517,555	12	1,188,632	10	1,053,609	9
6450	Expected Credit (Reversal Benefit)								
	Impairment Loss	(5)	-	150	-	(11)	-	151	-
6000	Total operating expenses	<u>621,943</u>	<u>10</u>	<u>517,705</u>	<u>12</u>	<u>1,188,621</u>	<u>10</u>	<u>1,053,760</u>	<u>9</u>
6900	Net operating income	<u>1,708,691</u>	<u>27</u>	<u>498,473</u>	<u>12</u>	<u>2,051,695</u>	<u>18</u>	<u>1,323,170</u>	<u>12</u>
	Non-operating revenue and net expenses								
7020	Other interests and losses (Note 20)	(20,797)	-	(6,051)	-	(36,657)	-	(7,690)	-
7050	Finance costs (Notes 20 and 25)	(117,062)	(2)	(119,304)	(3)	(241,979)	(2)	(242,509)	(2)
7060	Share of profit (loss) of joint ventures and associates accounted for using equity method (Note 11)	21,653	1	(2,138)	-	27,332	-	(14,526)	-
7100	Interest income (Note 20 and 25)	21,364	-	17,339	-	28,941	-	23,758	-
7130	Dividend income	700	-	-	-	1,150	-	450	-
7190	Net other revenue	<u>15,588</u>	<u>-</u>	<u>17,928</u>	<u>1</u>	<u>30,765</u>	<u>-</u>	<u>25,666</u>	<u>-</u>
7000	Non-operating revenue and net expenses	(78,554)	(1)	(92,226)	(2)	(190,448)	(2)	(214,851)	(2)
7900	Profit before income tax	1,630,137	26	406,247	10	1,861,247	16	1,108,319	10
7950	Income tax expense (Notes 4 and 21)	(236,737)	(4)	(79,670)	(2)	(271,690)	(2)	(224,405)	(2)
8200	Net profit for the period	<u>1,393,400</u>	<u>22</u>	<u>326,577</u>	<u>8</u>	<u>1,589,557</u>	<u>14</u>	<u>883,914</u>	<u>8</u>
	Other comprehensive income (loss) (Net value after tax)								
8310	Items components of other comprehensive income that will not be reclassified to profit or loss:								
8316	Unrealized gain (loss) on valuation of equity instruments at fair value through profit or loss	56,827	1	745,664	17	(343,284)	(3)	900,686	8
8320	Share of other comprehensive income (loss) of joint ventures and associates accounted for using equity method	(697)	-	6,784	-	(1,747)	-	3,078	-
8360	Items that may be reclassified subsequently to profit or loss:								
8370	Share of other comprehensive income (loss) of joint ventures and associates accounted for using equity method	(19)	-	299	-	353	-	396	-
8300	Other comprehensive income (loss) for the period (Net value after tax)	<u>56,111</u>	<u>1</u>	<u>752,747</u>	<u>17</u>	<u>(344,678)</u>	<u>(3)</u>	<u>904,160</u>	<u>8</u>
8500	Total comprehensive income for the period	<u>\$1,449,511</u>	<u>23</u>	<u>\$1,079,324</u>	<u>25</u>	<u>\$1,244,879</u>	<u>11</u>	<u>\$1,788,074</u>	<u>16</u>
	Net profit (loss) attributable to:								
8610	Owners of parent company	\$1,410,372	22	\$ 341,590	8	\$1,603,405	14	\$ 890,705	8
8620	Non-controlling interests	(16,972)	-	(15,013)	-	(13,848)	-	(6,791)	-
8600		<u>\$1,393,400</u>	<u>22</u>	<u>\$ 326,577</u>	<u>8</u>	<u>\$1,589,557</u>	<u>14</u>	<u>\$ 883,914</u>	<u>8</u>
	Total comprehensive profit (loss) attributable to:								
8710	Owners of parent company	\$1,466,483	23	\$1,094,337	25	\$1,258,727	11	\$1,794,865	16
8720	Non-controlling interests	(16,972)	-	(15,013)	-	(13,848)	-	(6,791)	-
8700		<u>\$1,449,511</u>	<u>23</u>	<u>\$1,079,324</u>	<u>25</u>	<u>\$1,244,879</u>	<u>11</u>	<u>\$1,788,074</u>	<u>16</u>
	Earnings per share (Note 22)								
9710	Basic	<u>\$ 1.21</u>		<u>\$ 0.30</u>		<u>\$ 1.38</u>		<u>\$ 0.77</u>	
9810	Dilution	<u>\$ 1.21</u>		<u>\$ 0.30</u>		<u>\$ 1.38</u>		<u>\$ 0.77</u>	

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

(Please refer to the Audit's Report issued by Deloitte & Touche on August 6, 2025)

Chairman: Ching-Kuei Chang Managerial Officer: Hung-Ming Lee Chief Accountant: Yi-Chun Chang

Cathay Real Estate Development Co., Ltd. and Subsidiaries
Consolidated Statement of Changes in Equity
For the Six Months Ended June 30, 2025 and 2024

Unit: NT\$ Thousand

		Equities Attributable to Owners of Parent Company													
								Other equity							
		Retained Earnings						Exchange differences on translation of foreign financial statements	Unrealized Profits and Losses of Financial Assets at Fair Value through Other Comprehensive Income	Remeasurements Amounts of Defined Benefit Plans	Gains and losses on hedging instruments	Revaluation increment of property	Total	Non-controlling interests	Total shareholders' equity
Code		Ordinary share capital	Capital Surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total								
A1	Balance on January 1, 2024	\$ 11,595,611	\$ 118,406	\$ 4,831,727	\$ 504,189	\$ 8,824,081	\$ 14,159,997	\$ 513	\$ 430,854	\$ 258	\$ -	\$ 3,706	\$ 26,309,345	\$ 2,222,905	\$ 28,532,250
	2023 Surplus Appropriation and Distribution														
B1	Provision for legal surplus reserve	-	-	202,049	-	(202,049)	-	-	-	-	-	-	-	-	-
B5	Cash dividends for shareholders of the company	-	-	-	-	(1,159,561)	(1,159,561)	-	-	-	-	-	(1,159,561)	-	(1,159,561)
C7	Due to an increase in the changes of associates and joint ventures accounted for using the equity method.	-	30,473	-	-	-	-	-	-	-	-	-	30,473	-	30,473
C17	Changes in other capital surplus	-	(527)	-	-	-	-	-	-	-	-	-	(527)	-	(527)
D1	Net profit (loss) from January 1 to June 30, 2024	-	-	-	-	890,705	890,705	-	-	-	-	-	890,705	(6,791)	883,914
D3	Other Comprehensive Income from January 1 to June 30, 2024	-	-	-	-	-	-	396	907,470	-	-	(3,706)	904,160	-	904,160
D5	Total Comprehensive Income from January 1 to June 30, 2024	-	-	-	-	890,705	890,705	396	907,470	-	-	(3,706)	1,794,865	(6,791)	1,788,074
O1	Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	64,439	64,439
Z1	Balance on June 30, 2024	<u>\$ 11,595,611</u>	<u>\$ 148,352</u>	<u>\$ 5,033,776</u>	<u>\$ 504,189</u>	<u>\$ 8,353,176</u>	<u>\$ 13,891,141</u>	<u>\$ 909</u>	<u>\$ 1,338,324</u>	<u>\$ 258</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,974,595</u>	<u>\$ 2,280,553</u>	<u>\$ 29,255,148</u>
A1	Balance as of January 1, 2025	\$ 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	\$ 2,243,824	\$ 30,507,449
	2024 Annual Surplus Appropriation and Distribution														
B1	Provision for legal surplus reserve	-	-	173,866	-	(173,866)	-	-	-	-	-	-	-	-	-
B5	Cash dividends for shareholders of the company	-	-	-	-	(1,159,561)	(1,159,561)	-	-	-	-	-	(1,159,561)	-	(1,159,561)
C7	Due to an increase in the changes of associates and joint ventures accounted for using the equity method.	-	(16,346)	-	-	-	-	-	-	-	-	-	(16,346)	-	(16,346)
C17	Changes in other capital surplus	-	(391)	-	-	-	-	-	-	-	-	-	(391)	-	(391)
D1	Net profit (loss) from January 1 to June 30, 2025	-	-	-	-	1,603,405	1,603,405	-	-	-	-	-	1,603,405	(13,848)	1,589,557
D3	Other Comprehensive Income from January 1 to June 30, 2025	-	-	-	-	-	-	353	(345,031)	-	-	-	(344,678)	-	(344,678)
D5	Total Comprehensive Income from January 1 to June 30, 2025	-	-	-	-	1,603,405	1,603,405	353	(345,031)	-	-	-	1,258,727	(13,848)	1,244,879
O1	Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(85,960)	(85,960)
Z1	Balance on June 30, 2025	<u>\$ 11,595,611</u>	<u>\$ 166,143</u>	<u>\$ 5,207,642</u>	<u>\$ 504,189</u>	<u>\$ 9,471,102</u>	<u>\$ 15,182,933</u>	<u>\$ 1,259</u>	<u>\$ 1,379,578</u>	<u>\$ 20,570</u>	<u>(\$ 40)</u>	<u>\$ -</u>	<u>\$ 28,346,054</u>	<u>\$ 2,144,016</u>	<u>\$ 30,490,070</u>

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

(Please refer to the Audit's Report issued by Deloitte & Touche on August 6, 2025)

Chairman: Ching-Kuei Chang Managerial Officer: Hung-Ming Lee Chief Accountant: Yi-Chun Chang

Cathay Real Estate Development Co., Ltd. and Subsidiaries

Consolidated Statement of Cash Flows

For the Six Months Ended June 30, 2025 and 2024

		Unit: NT\$ Thousand	
<u>Code</u>		<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
	Cash flows from operating activities		
A10000	Profit before income tax	\$ 1,861,247	\$ 1,108,319
A20010	Adjustments to reconcile profit (loss):		
A20100	Depreciation	564,192	549,497
A20200	Amortization expense	11,452	9,324
A20300	Expected Credit (Reversal Benefit) Impairment Loss	(11)	151
A20900	Interest expense	241,979	242,509
A21200	Interest income	(28,941)	(23,758)
A21300	Dividend income	(1,150)	(450)
A22300	Share of (Profit) Loss of Joint Ventures and Associates Accounted for Using Equity Method	(27,332)	14,526
A22500	Loss (gain) on disposal of real estate, plant and equipment	29,129	(2,535)
A22700	Loss on Disposal of Investment Property	1,042	-
A22800	Disposal loss of intangible assets	1,981	-
A30000	Net changes in operating assets and liabilities		
A31125	Contract asset	(79,517)	86,206
A31130	Notes receivable	1,744	20,950
A31150	Accounts receivable	594,152	405,816
A31160	Accounts receivable – related parties	(463,232)	(21,670)
A31180	Other receivables	1,701	7,891
A31200	Inventories	(186,896)	(3,190,267)
A31230	Prepayments	(125,185)	(299,205)
A31240	Other current assets	(192,221)	(153,670)
A31270	Incremental Costs of Obtaining Contract	13,862	(56,368)
A31990	Other operating assets	34,066	-
A32125	Contract liabilities	189,265	3,120,464
A32130	Notes payable	(64,931)	23,436
A32150	Accounts payable	(223,089)	(636,616)
A32160	Accounts payable – related parties	(1,879)	(105)
A32180	Other payables	(230,611)	(243,361)
A32230	Other current liabilities	(114,286)	368,950
A33000	Cash generated from operations	1,806,531	1,330,034

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Code		January 1 to June 30, 2025	January 1 to June 30, 2024
A33100	Interest Received	\$ 28,394	\$ 23,586
A33500	Income tax paid	(171,398)	(218,247)
AAAA	Net cash inflows (outflows) from operating activities	<u>1,663,527</u>	<u>1,135,373</u>
	Cash Flows from Investing Activities		
B02700	Purchase of Property, Plant and Equipment	(82,499)	(126,115)
B02800	Proceeds from disposal of real estate, plant, and equipment	2,974	23,394
B04500	Purchase of intangible assets	(9,305)	(16,507)
B06700	Decrease in other non-current assets	94,384	56,459
B07600	Dividends received	<u>59,220</u>	<u>450</u>
BBBB	Net cash inflows (outflows) used in investing activities	<u>64,774</u>	(62,319)
	Cash flows from financing activities		
C00100	Increase (decrease) in short-term borrowings	(1,080,500)	520,400
C00500	Increase (decrease) in short-term notes and bills payable	(130,056)	408,559
C01600	Borrowing of long-term loans	3,547,771	2,790,550
C01700	Repayment of long-term loans	(2,775,000)	(2,035,691)
C04020	Principal repayment of lease liabilities	(226,780)	(216,198)
C04400	Decrease in other non-current liabilities	(19,333)	(2,385)
C05600	Interest paid	(477,166)	(453,494)
C05800	Change in non-controlling interests	(85,960)	64,439
CCCC	Net cash inflows (outflows) used in financing activities	(1,247,024)	<u>1,076,180</u>
EEEE	Net increase in cash and cash equivalents	481,277	2,149,234
E00100	Beginning balance of cash and cash equivalents	<u>6,775,388</u>	<u>5,067,592</u>
E00200	Ending balance of cash and cash equivalents	<u>\$ 7,256,665</u>	<u>\$ 7,216,826</u>

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

(Please refer to the Audit's Report issued by Deloitte & Touche on August 6, 2025)

Chairman: Ching-Kuei Chang Managerial Officer: Hung-Ming Lee Chief Accountant: Yi-Chun Chang

Cathay Real Estate Development Co., Ltd. and Subsidiaries

Note of consolidated financial statements

For the Six Months Ended June 30, 2025 and 2024

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

1. Company History

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

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

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

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

The consolidated financial report was approved by the Board of Directors on August 6, 2025.

3. Application of New and Amended Standards and Interpretations

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

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

- (2) International Financial Reporting Standards (IFRS) accounting standards recognized by the Financial Supervisory Commission applicable in 2026

New/Revised/Amended Standards and Interpretations	Issuance valid date of IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity	January 1, 2026
"Annual Improvements to IFRS Accounting Standards – Volume 11"	January 1, 2026
IFRS 17 "Insurance contract"	January 1, 2023
Amendment of IFRS 17	January 1, 2023
Amendment of IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparative Information"	January 1, 2023

As of the date of authorization of the consolidated financial statements, the consolidated company continues to assess the impact of the aforementioned amendments on its financial position and financial performance.

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

New/Revised/Amended Standards and Interpretations	Issuance valid date of IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture"	To be determined
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note 1: Unless otherwise specified, the aforementioned/ New/ Amended/ Revised Standards and Interpretations shall be effective for the annual reporting period after the specified dates.

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will replace IAS 1 "Presentation of Financial Statements", and the main changes include:

- The income statement should classify income and expense items into operating, investing, financing, income tax, and discontinued operations categories.
- The income statement should present subtotals and totals for operating profit or loss, profit or loss before financing and income tax, and profit or loss.
- Guidance is provided to strengthen aggregation and disaggregation requirements: The Consolidated Company must identify assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other events, and classify and aggregate them based on common characteristics, so that each line item presented in the primary financial statements has at least one similar characteristic. Items with dissimilar characteristics should be disaggregated in the primary financial statements and notes. The Consolidated Company should only label items as "other" when they cannot find more informative labels.
- Increased disclosure of management-defined performance measures: When the Consolidated Company engages in public communication outside the financial statements and communicates management's views on certain aspects of the company's overall financial performance to financial statement users, it should disclose information about management-defined performance measures in a single note to the financial statements, including a description of the measure, how it is calculated, its reconciliation with subtotals or totals specified by IFRS accounting standards, and the income tax and non-controlling interest effects of the reconciling items.

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

4. Summary of Significant Accounting Policies

(1) Compliance Declaration

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

(2) Preparation Basis

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

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

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

(3) Consolidated Basis

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

non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

For details of subsidiaries, their ownership percentages, and business scope, please refer to Note 10 and Table 6.

(4) Other Major Accounting Policies

Apart from the following explanations, please refer to the summary of significant accounting policies in the 2024 consolidated financial statements.

1. Defined Benefit of Retirement Benefits

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

2. Income Tax Expense

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

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

Please refer to the 2024 consolidated financial statements as primary sources and explanations of uncertainties in material accounting judgments, estimates, and assumptions.

6. Cash and Cash Equivalents

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Cash on hand and allowance	\$ 18,195	\$ 17,980	\$ 15,515
Checks and demand deposits in banks	5,479,219	5,779,593	5,887,994
Cash equivalents			
Bank Time Deposits	193,050	167,050	123,350
Short-term Bills	<u>1,566,201</u>	<u>810,765</u>	<u>1,189,967</u>
	<u>\$ 7,256,665</u>	<u>\$ 6,775,388</u>	<u>\$ 7,216,826</u>

7. Financial Assets at Fair Value through Other Comprehensive Income

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
<u>Current</u>			
Listed companies' shares	<u>\$ 3,712,619</u>	<u>\$ 4,037,768</u>	<u>\$ 3,774,119</u>
<u>Non-current</u>			
Non-listed companies' shares	<u>\$ 480,135</u>	<u>\$ 498,270</u>	<u>\$ 558,433</u>

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

For information on the pledging of equity instrument investments measured at fair value through other comprehensive income, please refer to Note 26.

8. Notes and Accounts Receivable

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Notes receivable	\$ 2,013	\$ 3,757	\$ 1,519
Less: Loss allowance	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,013</u>	<u>\$ 3,757</u>	<u>\$ 1,519</u>
Accounts receivable	\$ 442,292	\$ 1,036,444	\$ 875,562
Less: Loss allowance	(<u>8,646</u>)	(<u>8,657</u>)	(<u>265</u>)
	<u>\$ 433,646</u>	<u>\$ 1,027,787</u>	<u>\$ 875,297</u>

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

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

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

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

June 30, 2025

	Not Pass Due	Past Due 1 to 90 Days	Past Due 91 to 180 Days	Past Due 181 to 270 Days	Past Due More Than 271 Days	Total
Expected credit losses ratio	1.24%	22.06%	-	-	80.65%	
Total carrying amount	\$ 429,734	\$ 14,272	\$ 79	\$ 34	\$ 186	\$ 444,305
Loss allowance (lifetime expected credit losses)	(5,347)	(3,149)	-	-	(150)	(8,646)
Amortized cost	<u>\$ 424,387</u>	<u>\$ 11,123</u>	<u>\$ 79</u>	<u>\$ 34</u>	<u>\$ 36</u>	<u>\$ 435,659</u>

December 31, 2024

	Not Pass Due	Past Due 1 to 90 Days	Past Due 91 to 180 Days	Past Due 181 to 270 Days	Past Due More Than 271 Days	Total
Expected credit losses ratio	0.82%	0.56%	60.48%	-	-	
Total carrying amount	\$1,020,640	\$ 19,313	\$ 248	\$ -	\$ -	\$1,040,201
Loss allowance (lifetime expected credit losses)	(8,398)	(109)	(150)	-	-	(8,657)
Amortized cost	<u>\$1,012,242</u>	<u>\$ 19,204</u>	<u>\$ 98</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,031,544</u>

June 30, 2024

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

Changes in the allowance for doubtful accounts is as follows:

	January 1 to June 30, 2025	January 1 to June 30, 2024
Beginning balance	\$ 8,657	\$ 114
Reversal (provision) of impairment loss for the period	(11)	151
Ending balance	<u>\$ 8,646</u>	<u>\$ 265</u>

9. Inventories

	June 30, 2025	December 31, 2024	June 30, 2024
Building Land	\$ 12,981,149	\$ 12,687,566	\$ 13,277,449
Land under construction	36,568,490	33,963,553	32,038,888
Real estate held for sale	290,264	2,768,903	197,475
Others	<u>5,755</u>	<u>7,122</u>	<u>5,234</u>
Subtotal	49,845,658	49,427,144	45,519,046
Prepayments for land	<u>19,759</u>	<u>84,300</u>	<u>2,850,082</u>
	<u>\$ 49,865,417</u>	<u>\$ 49,511,444</u>	<u>\$ 48,369,128</u>

For the smooth construction and delivery of construction projects and engineering cases, the consolidated company has established trust agreements with Cathay United Bank Co., Ltd. to manage funds, commissioning them to manage the funds paid by pre-sale purchasers and other related matters. The trust period is in accordance with the agreement until the project is completed, the building use permit is obtained, and the first registration of property ownership is completed.

As of June 30, 2025, December 31, 2024, and June 30, 2024, the fund balances managed under the aforementioned trust agreements were NT\$3,243,593 thousand, NT\$3,197,417 thousand, and NT\$3,030,521 thousand, respectively. Additionally, the trust fund balances for the Cathay Yong Cui Project's joint construction party were NT\$300,031 thousand, NT\$299,198 thousand, and NT\$289,600 thousand, respectively, which match the receivable amounts in the pre-sale housing contracts. There were no delays in transferring the payments collected from buyers to the trust.

As of June 30, 2025, the consolidated company has registered trust agreements for the following projects: Cathay You Ran, Cathay You Jing, Cathay Shi Mei, Cathay Yong Cui, Dunnan Lin Yuan, Cathay Min Le, Cathay. Xu, Cathay Cheng Zhen, Cathay GRAND PARK, Cathay THE PARK, Cathay Sen Lin Hui, Cathay Mei He, Cathay Yang Hui, Cathay Pan Yun, Cathay Yang Mu, Cathay Yi He, UNi PARK, META PARK, METRO PARK and RiVER PARK.

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

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Construction costs	<u>\$ 1,851,168</u>	<u>\$ 620,077</u>	<u>\$ 4,152,606</u>	<u>\$ 4,307,174</u>

The above construction costs include inventory devaluation losses of NT\$0 thousand for the three months ended June 30, 2025 and 2024, and the six months ended June 30, 2025 and 2024.

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

10. Subsidiaries Included in the Consolidated Financial Statements

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

Name of Inventor Company	Subsidiary	Nature of Business	Percentage of Ownership			Des- cription
			June 30, 2025	December 31, 2024	June 30, 2024	
The Company	San Ching Engineering Co., Ltd. (San Ching Engineering)	Construction Contractor	100.00%	100.00%	100.00%	-
The Company	Cathay Real Estate Management Co., Ltd. (Cathay Real Estate Management)	Construction Management	100.00%	100.00%	100.00%	-
The Company	Cathay Healthcare Management Co., Ltd. (Cathay Healthcare)	Consultancy	85.00%	85.00%	85.00%	-
The Company	Cathay Hospitality Management Co., Ltd. (Cathay Hospitality)	Service industry	100.00%	100.00%	100.00%	-
The Company	Cathay Hospitality Consulting Co., Ltd. (Cathay Hospitality Consulting)	Service industry	100.00%	100.00%	100.00%	-
The Company	Cymbal Medical Network Co., Ltd. (Cymbal Medical Network)	Wholesale of Drugs, Medical Goods	100.00%	100.00%	100.00%	-
The Company	Lin Yuan Property Management Co., Ltd. (Lin Yuan Property)	Apartment building management service industry	51.00%	51.00%	51.00%	-
The Company	Jinhua Realty Co., Ltd. (Jinhua Realty)	Housing and Building Development and Rental industry	51.00%	51.00%	51.00%	-
The Company	Bannan Realty Co., Ltd. (Bannan Realty)	Housing and Building Development and Rental industry	51.00%	51.00%	51.00%	-
The Company	Sanchong Realty Co., Ltd. (Sanchong Realty)	Housing and Building Development and Rental industry	66.00%	66.00%	66.00%	-
The Company	Zhulun Realty Co., Ltd. (Zhulun Realty)	Housing and Building Development and Rental industry	51.00%	51.00%	51.00%	-
Cathay Hospitality Consulting Co., Ltd.	Cathay Food & Beverage Group Co., Ltd. (Cathay Food & Beverage)	Service industry	100.00%	100.00%	100.00%	-
Cymbal Medical Network Co., Ltd.	Cymder Co., Ltd. (Cymder)	Manpower dispatch and leasing industry	-	100.00%	100.00%	Note
Cymbal Medical Network Co., Ltd.	Cymlin Co., Ltd. (Cymlin)	Manpower dispatch and leasing industry	100.00%	100.00%	100.00%	-

Note: To integrate group resources and achieve operational synergies, Cymbal Medical Network Co., Ltd. and Cymder Co., Ltd. passed a merger resolution through their respective boards of directors in May 2025, with the merger effective date of June 1, 2025, and Cymbal Medical Network Co., Ltd. as the surviving company after the merger.

The accounts of all aforementioned subsidiaries have been included in the preparation of the consolidated financial statements from January 1 to June 30, 2025 and 2024.

11. Investments Accounted for Using Equity Method

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Investments in Associates	\$ 1,557,820	\$ 1,581,613	\$ 1,560,928
Investment joint venture	<u>419,443</u>	<u>444,128</u>	<u>428,240</u>
	<u>\$ 1,977,263</u>	<u>\$ 2,025,741</u>	<u>\$ 1,989,168</u>

(1) Investments in Associates

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
San Hsiung Fongshan			
LaLaport Co., Ltd.	\$ 155,251	\$ 147,810	\$ 162,212
Cathay Power Inc.	<u>1,402,569</u>	<u>1,433,803</u>	<u>1,398,716</u>
	<u>\$ 1,557,820</u>	<u>\$ 1,581,613</u>	<u>\$ 1,560,928</u>

The affiliated enterprise consolidated information is as follows:

	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
The Consolidated Company's share				
Net profit for the period	\$ 25,711	\$ 15,151	\$ 34,277	\$ 2,763
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	(<u>3,609</u>)
Total Comprehensive Income	<u>\$ 25,711</u>	<u>\$ 15,151</u>	<u>\$ 34,277</u>	(<u>\$ 846</u>)

(2) Investment Joint Venture

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Symphox Information Co., Ltd.			
(Note)	<u>\$ 419,443</u>	<u>\$ 444,128</u>	<u>\$ 428,240</u>

Note: In April 2024, Symphox Information Co., Ltd. bought back treasury shares, resulting in the consolidated company's comprehensive shareholding increasing from 49.12% to 50%, with the consolidated company and another shareholder each holding 50% ownership. As neither party has sole control, it became a joint venture investment.

Summary information on investment in joint ventures is as follows:

	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
The Consolidated Company's share				
Current net loss	(\$ 4,058)	(\$ 17,289)	(\$ 6,945)	(\$ 17,289)
Other comprehensive income	(<u>716</u>)	<u>7,083</u>	(<u>1,394</u>)	<u>7,083</u>
Total Comprehensive Income	(<u>\$ 4,774</u>)	(<u>\$ 10,206</u>)	(<u>\$ 8,339</u>)	(<u>\$ 10,206</u>)

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

12. Real Estate, Plant, and Equipment

	June 30, 2025	December 31, 2024	June 30, 2024
Self-use	\$ 3,214,854	\$ 3,348,517	\$ 3,462,310
Operating lease for rental	<u>978,151</u>	<u>1,010,029</u>	<u>973,705</u>
	<u>\$ 4,193,005</u>	<u>\$ 4,358,546</u>	<u>\$ 4,436,015</u>

(1) Self-use

	Land	Buildings	Leasehold Improvements	Other equipment	Unfinished construction and equipment pending acceptance	Total
<u>Cost</u>						
Balance on January 1, 2024	\$1,616,689	\$1,186,491	\$2,100,496	\$ 727,077	\$ 34,374	\$5,665,127
Addition	-	-	1,422	24,986	18,183	44,591
Disposal	-	-	(739)	(7,861)	-	(8,600)
Transfers and others	-	-	-	258	(35,942)	(35,684)
Balance on June 30, 2024	<u>\$1,616,689</u>	<u>\$1,186,491</u>	<u>\$2,101,179</u>	<u>\$ 744,460</u>	<u>\$ 16,615</u>	<u>\$5,665,434</u>
<u>Accumulated Depreciation and Impairment</u>						
Balance on January 1, 2024	\$ -	\$ 435,037	\$1,053,490	\$ 577,309	\$ -	\$2,065,836
Depreciation	-	15,756	92,728	37,192	-	145,676
Disposal	-	-	(677)	(7,711)	-	(8,388)
Balance on June 30, 2024	<u>\$ -</u>	<u>\$ 450,793</u>	<u>\$1,145,541</u>	<u>\$ 606,790</u>	<u>\$ -</u>	<u>\$2,203,124</u>
Net amount as of June 30, 2024	<u>\$1,616,689</u>	<u>\$ 735,698</u>	<u>\$ 955,638</u>	<u>\$ 137,670</u>	<u>\$ 16,615</u>	<u>\$3,462,310</u>
<u>Cost</u>						
Balance as of January 1, 2025	\$1,616,689	\$1,186,491	\$2,006,328	\$ 836,838	\$ 34,787	\$5,681,133
Addition	-	-	2,100	20,158	11,554	33,812
Disposal	-	-	(44)	(8,609)	-	(8,653)
Transfers and others	-	-	(518)	23	(23,579)	(24,074)
Balance on June 30, 2025	<u>\$1,616,689</u>	<u>\$1,186,491</u>	<u>\$2,007,866</u>	<u>\$ 848,410</u>	<u>\$ 22,762</u>	<u>\$5,682,218</u>
<u>Accumulated Depreciation and Impairment</u>						
Balance as of January 1, 2025	\$ -	\$ 472,443	\$1,209,245	\$ 650,928	\$ -	\$2,332,616
Depreciation	-	18,343	79,883	45,065	-	143,291
Disposal	-	-	(17)	(8,526)	-	(8,543)
Balance on June 30, 2025	<u>\$ -</u>	<u>\$ 490,786</u>	<u>\$1,289,111</u>	<u>\$ 687,467</u>	<u>\$ -</u>	<u>\$2,467,364</u>
Net amount as of January 1, 2025	<u>\$1,616,689</u>	<u>\$ 714,048</u>	<u>\$ 797,083</u>	<u>\$ 185,910</u>	<u>\$ 34,787</u>	<u>\$3,348,517</u>
Net amount as of June 30, 2025	<u>\$1,616,689</u>	<u>\$ 695,705</u>	<u>\$ 718,755</u>	<u>\$ 160,943</u>	<u>\$ 22,762</u>	<u>\$3,214,854</u>

(2) Operating Lease for Rental

	<u>Leasehold Improvements</u>	<u>Transportation Equipment</u>	<u>Other equipment</u>	<u>Total</u>
<u>Cost</u>				
Balance on January 1, 2024	\$ 717,042	\$ 132,258	\$ 574,338	\$1,423,638
Addition	17,419	28,962	19,611	65,992
Disposal	-	(46,485)	(7,614)	(54,099)
Transfers and others	<u>23,506</u>	<u>-</u>	<u>3,131</u>	<u>26,637</u>
Balance on June 30, 2024	<u>\$ 757,967</u>	<u>\$ 114,735</u>	<u>\$ 589,466</u>	<u>\$1,462,168</u>
<u>Accumulated Depreciation and Impairment</u>				
Balance on January 1, 2024	\$ 155,181	\$ 67,207	\$ 241,301	\$ 463,689
Depreciation	18,360	9,440	30,192	57,992
Disposal	<u>-</u>	<u>(28,567)</u>	<u>(4,651)</u>	<u>(33,218)</u>
Balance on June 30, 2024	<u>\$ 173,541</u>	<u>\$ 48,080</u>	<u>\$ 266,842</u>	<u>\$ 488,463</u>
Net amount as of June 30, 2024	<u>\$ 584,426</u>	<u>\$ 66,655</u>	<u>\$ 322,624</u>	<u>\$ 973,705</u>
<u>Cost</u>				
Balance as of January 1, 2025	\$ 862,306	\$ 106,782	\$ 549,323	\$1,518,411
Addition	13,425	1,178	19,265	33,868
Disposal	(42,147)	(3,370)	(10,762)	(56,279)
Transfers and others	<u>11,033</u>	<u>-</u>	<u>12,893</u>	<u>23,926</u>
Balance on June 30, 2025	<u>\$ 844,617</u>	<u>\$ 104,590</u>	<u>\$ 570,719</u>	<u>\$1,519,926</u>
<u>Accumulated Depreciation and Impairment</u>				
Balance as of January 1, 2025	\$ 217,527	\$ 44,758	\$ 246,097	\$ 508,382
Depreciation	23,231	7,964	26,484	57,679
Disposal	(14,884)	(2,258)	(7,144)	(24,286)
Balance on June 30, 2025	<u>\$ 225,874</u>	<u>\$ 50,464</u>	<u>\$ 265,437</u>	<u>\$ 541,775</u>
Net amount as of January 1, 2025	<u>\$ 644,779</u>	<u>\$ 62,024</u>	<u>\$ 303,226</u>	<u>\$1,010,029</u>
Net amount as of June 30, 2025	<u>\$ 618,743</u>	<u>\$ 54,126</u>	<u>\$ 305,282</u>	<u>\$ 978,151</u>

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

13. Lease Agreements

1. Right-Of-Use Asset

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

2. Lease Liabilities

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Lease liabilities carrying amount			
Current	<u>\$ 431,255</u>	<u>\$ 428,876</u>	<u>\$ 439,836</u>
Non-current	<u>\$ 5,084,073</u>	<u>\$ 5,277,143</u>	<u>\$ 5,380,409</u>

Discount rate range for lease liabilities:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Land	1.85%	1.85%	1.85%
Buildings	1.85%~3.44%	1.51%~3.44%	1.51%~3.34%
Transportation Equipment	1.20%~2.75%	1.20%~2.66%	1.20%~2.66%
Other equipment	1.80%~2.80%	1.80%~2.80%	1.80%~2.80%

3. Significant Leasing Activities and Terms

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

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

4. Others Lease Information

	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Leases overheads of short-term and low-value assets	<u>\$ 9,166</u>	<u>\$ 10,198</u>	<u>\$ 18,405</u>	<u>\$ 17,745</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 11,848</u>	<u>\$ 8,419</u>	<u>\$ 26,043</u>	<u>\$ 22,215</u>
Total cash outflow for lease	<u>\$ 172,925</u>	<u>\$ 167,553</u>	<u>\$ 350,184</u>	<u>\$ 338,812</u>

(2) The Consolidated Company as Lessor

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

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
1st year	\$ 537,677	\$ 516,640	\$ 426,173
2nd year	467,686	439,093	346,639
3rd year	368,302	392,707	310,213
4th year	265,926	287,707	248,795
5th year	134,253	185,899	168,705
Over 5 years	<u>285,482</u>	<u>325,702</u>	<u>315,316</u>
	<u>\$ 2,059,326</u>	<u>\$ 2,147,748</u>	<u>\$ 1,815,841</u>

14. Investment properties

	<u>Land</u>	<u>Buildings</u>	<u>Right-Of-Use Asset</u>	<u>Investment properties under construction</u>	<u>Total</u>
<u>Cost</u>					
Balance on January 1, 2024	\$ 5,833,014	\$ 4,905,607	\$ 1,068,040	\$ -	\$11,806,661
Addition	1,844,013	1,448,024	348,381	-	3,640,418
Disposal	-	-	(51,130)	-	(51,130)
Transfers and reclassifications	-	-	(62,785)	-	(62,785)
Balance on June 30, 2024	<u>\$ 7,677,027</u>	<u>\$ 6,353,631</u>	<u>\$ 1,302,506</u>	<u>\$ -</u>	<u>\$15,333,164</u>
<u>Accumulated Depreciation and Impairment</u>					
Balance on January 1, 2024	\$ -	\$ 2,513,961	\$ 137,560	\$ -	\$ 2,651,521
Depreciation	-	98,730	47,498	-	146,228
Disposal	-	-	(25,565)	-	(25,565)
Balance on June 30, 2024	<u>\$ -</u>	<u>\$ 2,612,691</u>	<u>\$ 159,493</u>	<u>\$ -</u>	<u>\$ 2,772,184</u>
Net amount as of June 30, 2024	<u>\$ 7,677,027</u>	<u>\$ 3,740,940</u>	<u>\$ 1,143,013</u>	<u>\$ -</u>	<u>\$12,560,980</u>
<u>Cost</u>					
Balance as of January 1, 2025	\$ 7,206,310	\$ 6,060,801	\$ 1,344,292	\$ 485,056	\$15,096,459
Addition	-	-	-	23,032	23,032
Disposal	(28,825)	(31,740)	-	-	(60,565)
Transfers and reclassifications	45,951	204,592	-	-	250,543
Balance on June 30, 2025	<u>\$ 7,223,436</u>	<u>\$ 6,233,653</u>	<u>\$ 1,344,292</u>	<u>\$ 508,088</u>	<u>\$15,309,469</u>
<u>Accumulated Depreciation and Impairment</u>					
Balance as of January 1, 2025	\$ -	\$ 2,299,261	\$ 205,516	\$ -	\$ 2,504,777
Depreciation	-	111,833	48,843	-	160,676
Disposal	-	(2,426)	-	-	(2,426)
Balance on June 30, 2025	<u>\$ -</u>	<u>\$ 2,408,668</u>	<u>\$ 254,359</u>	<u>\$ -</u>	<u>\$ 2,663,027</u>
Net amount as of January 1, 2025	<u>\$ 7,206,310</u>	<u>\$ 3,761,540</u>	<u>\$ 1,138,776</u>	<u>\$ 485,056</u>	<u>\$12,591,682</u>
Net amount as of June 30, 2025	<u>\$ 7,223,436</u>	<u>\$ 3,824,985</u>	<u>\$ 1,089,933</u>	<u>\$ 508,088</u>	<u>\$12,646,442</u>

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

Property	
Main building	2 to 50 years
Elevator equipment	4 to 15 years
Air conditioning system	4 to 15 years
Right-Of-Use Asset	2 to 20 years

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

The investment properties held by the consolidated company are not measured at fair value, and only the fair value information is disclosed. The fair values of the investment properties held by the consolidated company as of June 30, 2025, December 31, 2024, and June 30, 2024 were NT\$23,336,541 thousand, NT\$23,393,563 thousand, and NT\$23,476,164 thousand, respectively.

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

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

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

15. Other Non-current Assets

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Refundable deposit	\$ 772,361	\$ 832,832	\$ 907,962
Other financial assets	23,200	96,400	60,900
Building Land	18,425	18,425	18,425
Prepayments for business facilities	12,977	160,879	253,049
Other Non-Current Assets, Others	<u>82,539</u>	<u>75,731</u>	<u>60,951</u>
	<u>\$ 909,502</u>	<u>\$ 1,184,267</u>	<u>\$ 1,301,287</u>

The Consolidated Company acquired farmland located at Lot No. 137-2 of Beishizi Section, Houcu Section, Sanzhi District, New Taipei City for investment and development purposes. However, due to legal restrictions, the ownership transfer registration could not be completed. Therefore, the Consolidated Company signed a title trust agreement with other parties, stipulating that they would assist in handling land conversion matters as requested by the Consolidated Company in the future without compensation. A first-priority mortgage with sufficient coverage has been established in favor of the Consolidated Company. As of June 30, 2025, December 31, 2024, and June 30, 2024, the amount of land registered under other parties' names was valued at NT\$18,425 thousand.

16. Loans

(1) Short-Term loans

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Bank credit loans	\$ 11,135,900	\$ 12,716,400	\$ 9,687,000
Bank secured loans	<u>1,000,000</u>	<u>500,000</u>	<u>1,300,000</u>
	<u>\$ 12,135,900</u>	<u>\$ 13,216,400</u>	<u>\$ 10,987,000</u>
Annual interest rate	1.85%~2.50%	1.85%~2.50%	1.76%~2.42%

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

(2) Short-Term Notes and Bills Payable

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Short-term notes and bills payable	\$ 709,000	\$ 839,000	\$ 2,992,000
Less: Payable discount on short-term notes and bills	(<u>517</u>)	(<u>461</u>)	(<u>4,107</u>)
	<u>\$ 708,483</u>	<u>\$ 838,539</u>	<u>\$ 2,987,893</u>
Annual interest rate	1.93%~2.16%	1.99%~2.28%	1.50%~2.28%

(3) Long-Term Loans

	June 30, 2025	December 31, 2024	June 30, 2024
Bank credit loans	\$ 12,459,640	\$ 13,310,550	\$ 15,910,550
Bank secured loans	7,520,000	6,220,000	6,820,000
Long-term notes and bills payable	3,541,366	3,192,548	1,357,146
Less: Listed as part of expiring within 1 year	(8,082,627)	(10,347,531)	(9,907,000)
	<u>\$ 15,438,379</u>	<u>\$ 12,375,567</u>	<u>\$ 14,180,696</u>
Annual interest rate			
Bank credit loans	1.88%~2.74%	1.81%~2.68%	1.88%~2.32%
Bank secured loans	2.45%~2.74%	2.38%~2.74%	2.12%~2.74%
Long-term notes and bills payable	2.34%~2.62%	2.38%~2.62%	2.50%~2.55%

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

17. **Benefit Plan After Retirement**

The retirement pension expenses recognized for the defined benefit plans for the three months ended June 30, 2025 and 2024, and the six months ended June 30, 2025 and 2024 were calculated based on the retirement pension cost rates determined by actuarial valuations as of December 31, 2024 and 2023, amounting to NT\$2,235 thousand, NT\$2,712 thousand, NT\$4,469 thousand and NT\$5,431 thousand, respectively.

18. **Equity**

(1) Capital – Common Stock

	June 30, 2025	December 31, 2024	June 30, 2024
Number of shares authorized (in thousands)	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
Share capital authorized (Each share values NT\$10)	<u>\$ 20,000,000</u>	<u>\$ 20,000,000</u>	<u>\$ 20,000,000</u>
Number of Shares (Thousand shares)	<u>1,159,561</u>	<u>1,159,561</u>	<u>1,159,561</u>
Share capital issued	<u>\$ 11,595,611</u>	<u>\$ 11,595,611</u>	<u>\$ 11,595,611</u>

Each issued common share has a par value of NT\$10, with rights to one vote and dividend payments.

(2) Capital surplus

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
<u>Used to make up for losses,</u> <u>distribute cash or transfer to</u> <u>capital stock (1)</u>			
Difference between the actual acquisition or disposal price of a subsidiary's equity and the book value	\$ 262	\$ 262	\$ 262
Transaction of treasury stock	10,407	10,407	10,407
<u>Only used to offset losses</u>			
Recognize changes in ownership interest in associates	109,815	126,161	94,015
Unclaimed dividends over time	<u>45,659</u>	<u>46,050</u>	<u>43,668</u>
	<u>\$ 166,143</u>	<u>\$ 182,880</u>	<u>\$ 148,352</u>

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

(3) Retained Earnings and Dividend Policy

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

The Company's policies on the distribution of employee and director compensation are set forth in Note 20(6) Compensation to directors and employees.

The Company is diversifying its investments to increase profitability in response to changes in the economic and market environment. Considering long-term financial planning and future capital requirements, the dividend policy follows a residual dividend policy to pursue steady growth and sustainable operations. Based on the Company's operational planning, capital investment, and consideration for shareholders' needs for cash inflows, while avoiding excessive capital expansion, profit distribution prioritizes cash dividends and may also

distribute stock dividends. However, the cash dividend distribution ratio shall be no less than 50% of the total dividends.

To comply with the Taiwan Stock Exchange Corporation Governance No. 1120014763 and the FSC's guidelines on sound dividend policies, the Company's shareholders' meetings proposed on June 14, 2024 to amend the Company's Articles of Incorporation, stipulating that the total dividend distribution shall not be less than 20% of the current year's profit, and the cash dividend distribution shall not be less than 50% of the total dividend distribution.

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

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

The Company's appropriation of earnings for 2024 and 2023 is as follows:

	2024	2023
Provision for legal surplus reserve	<u>\$ 173,866</u>	<u>\$ 202,049</u>
Cash dividends	<u>\$ 1,159,561</u>	<u>\$ 1,159,561</u>
Cash dividend per share (NT\$)	<u>\$ 1.0</u>	<u>\$ 1.0</u>

The aforementioned surplus distribution items were resolved for distribution at the Annual General Meetings held on June 13, 2025 and June 14, 2024, respectively.

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

(4) Other Equity Items

	Exchange differences on translation of foreign financial statements	Unrealized Profits and Losses of Financial Assets at Fair Value Through Other Comprehensive Income	Remeasurements Amounts of Defined Benefit Plans	Gains and losses on hedging instruments	Revaluation increment of property
Balance on January 1, 2024	\$ 513	\$ 430,854	\$ 258	\$ -	\$ 3,706
Unrealized gains or losses on equity instruments investments	-	900,686	-	-	-
Share of joint ventures and associates accounted for using equity method	396	6,784	-	-	(3,706)
Balance on June 30, 2024	<u>\$ 909</u>	<u>\$1,338,324</u>	<u>\$ 258</u>	<u>\$ -</u>	<u>\$ -</u>
Balance as of January 1, 2025	\$ 906	\$1,724,609	\$ 20,570	(\$ 40)	\$ -
Unrealized gains or losses on equity instruments investments	-	(343,284)	-	-	-
Share of joint ventures and associates accounted for using equity method	353	(1,747)	-	-	-
Balance on June 30, 2025	<u>\$ 1,259</u>	<u>\$1,379,578</u>	<u>\$ 20,570</u>	<u>(\$ 40)</u>	<u>\$ -</u>

(5) Non-controlling Interests

	January 1 to June 30, 2025	January 1 to June 30, 2024
Beginning balance	\$ 2,243,824	\$ 2,222,905
Net income attributable to non-controlling interests		
Net profit for the period	(13,848)	(6,791)
Cash capital increase of subsidiary	-	122,500
Subsidiary distributes cash dividends	(82,960)	(58,061)
Repurchase of subsidiary's preferred shares	(3,000)	-
Ending balance	<u>\$ 2,144,016</u>	<u>\$ 2,280,553</u>

19. Operating Revenue

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Revenue from contracts with customers				
Property sales revenue	\$ 3,453,573	\$ 1,216,852	\$ 6,181,710	\$ 5,867,048
Construction contract revenue	1,375,863	1,867,275	2,362,085	3,008,524
Service revenue	1,157,182	1,067,598	2,373,217	2,158,663
Other operating revenue	68,742	55,414	128,200	103,493
	6,055,360	4,207,139	11,045,212	11,137,728
Rental income	165,670	134,424	328,049	260,085
	<u>\$ 6,221,030</u>	<u>\$ 4,341,563</u>	<u>\$11,373,261</u>	<u>\$11,397,813</u>

(1) Disaggregation of Revenue from Contracts With Customers

April 1 to June 30, 2025

	Reportable Department			Total
	Property and real estate investment development department	Construction department	Other department	
<u>Type of goods or services</u>				
Property sales revenue	\$ 3,453,573	\$ -	\$ -	\$ 3,453,573
Construction contract revenue	-	1,375,863	-	1,375,863
Service revenue	-	-	1,157,182	1,157,182
Other revenue	-	-	68,742	68,742
Rental income	113,096	-	52,574	165,670
	<u>\$ 3,566,669</u>	<u>\$ 1,375,863</u>	<u>\$ 1,278,498</u>	<u>\$ 6,221,030</u>
<u>Revenue Recognition</u>				
Performance obligations satisfied at a point in time	\$ 3,453,573	\$ -	\$ 1,225,924	\$ 4,679,497
Performance obligations satisfied over time	113,096	1,375,863	52,574	1,541,533
	<u>\$ 3,566,669</u>	<u>\$ 1,375,863</u>	<u>\$ 1,278,498</u>	<u>\$ 6,221,030</u>

April 1 to June 30, 2024

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

January 1 to June 30, 2025

	Reportable Department			Total
	Property and real estate investment development department	Construction department	Other department	
<u>Type of goods or services</u>				
Property sales revenue	\$ 6,181,710	\$ -	\$ -	\$ 6,181,710
Construction contract revenue	-	2,362,085	-	2,362,085
Service revenue	-	-	2,373,217	2,373,217
Other revenue	-	-	128,200	128,200
Rental income	223,709	-	104,340	328,049
	<u>\$ 6,405,419</u>	<u>\$ 2,362,085</u>	<u>\$ 2,605,757</u>	<u>\$ 11,373,261</u>
<u>Revenue Recognition</u>				
Performance obligations satisfied at a point in time	\$ 6,181,710	\$ -	\$ 2,501,417	\$ 8,683,127
Performance obligations satisfied over time	223,709	2,362,085	104,340	2,690,134
	<u>\$ 6,405,419</u>	<u>\$ 2,362,085</u>	<u>\$ 2,605,757</u>	<u>\$ 11,373,261</u>

January 1 to June 30, 2024

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

(2) Contract Balance

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Notes and accounts receivable (including related parties) (Note 8)	<u>\$ 919,634</u>	<u>\$ 1,052,287</u>	<u>\$ 912,639</u>
Contract asset			
Construction contract	<u>\$ 101,766</u>	<u>\$ 22,249</u>	<u>\$ 85,217</u>
Contract liabilities			
Sales of properties	\$ 11,992,716	\$ 11,781,685	\$ 10,432,385
Construction contract	562,385	555,408	177,468
Rendering of services	<u>107,999</u>	<u>136,742</u>	<u>106,766</u>
	<u>\$ 12,663,100</u>	<u>\$ 12,473,835</u>	<u>\$ 10,716,619</u>

1. Contract Asset

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

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
The contract costs incurred plus recognized profits (less recognized losses)	\$ 10,584,954	\$ 8,237,773	\$ 5,595,446
Less: Accounts receivable for construction work in progress	(<u>11,045,573</u>)	(<u>8,770,932</u>)	(<u>5,687,697</u>)
Net contract assets (liabilities) in progress	(<u>\$ 460,619</u>)	(<u>\$ 533,159</u>)	(<u>\$ 92,251</u>)
Information expressed in the balance sheet:			
Contract assets –			
Construction contracts	\$ 101,766	\$ 22,249	\$ 85,217
Contract liabilities –			
Construction contracts	(<u>562,385</u>)	(<u>555,408</u>)	(<u>177,468</u>)
Net amount	(<u>\$ 460,619</u>)	(<u>\$ 533,159</u>)	(<u>\$ 92,251</u>)

Explanation of major changes in contract assets balances of the consolidated company from January 1 to June 30, 2025 and 2024:

	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Beginning balance reclassified to accounts receivable this period	(<u>\$ 16,072</u>)	(<u>\$ 170,547</u>)
Change in measurement of percentage of completion	<u>\$ 95,589</u>	<u>\$ 84,341</u>

2. Contract Liabilities

Explanation of major changes in contract liabilities balances of the consolidated company from January 1 to June 30, 2025 and 2024:

	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Beginning balance reclassified to revenue this period	(\$ <u>1,806,212</u>)	(\$ <u>1,207,449</u>)
Increase in advance receipts for current period	<u>\$ 1,995,477</u>	<u>\$ 4,327,913</u>

(3) Transaction Price Allocated to Remaining Performance Obligations

As of June 30, 2025, the consolidated company has an aggregate transaction price of NT\$15,838,878 thousand allocated to remaining performance obligations. The consolidated company will recognize revenue progressively as the construction projects are completed. These construction projects are expected to be completed between 2025 and 2030.

(4) Contract Cost-Related Assets

Incremental Costs of Obtaining Contract

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Property sales	<u>\$ 1,866,509</u>	<u>\$ 1,880,371</u>	<u>\$ 1,462,432</u>

The amortization amounts of incremental costs from obtaining contracts recognized during the reporting period for the consolidated company were NT\$191,349 thousand and NT\$121,031 thousand for the six months ended June 30, 2025 and 2024, respectively.

20. Net Profit for the Period

(1) Interest Income

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Bank deposits	\$ 15,991	\$ 13,035	\$ 18,004	\$ 14,698
Other interest income	<u>5,373</u>	<u>4,304</u>	<u>10,937</u>	<u>9,060</u>
	<u>\$ 21,364</u>	<u>\$ 17,339</u>	<u>\$ 28,941</u>	<u>\$ 23,758</u>

(2) Other Interests and Losses

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Gain (loss) on disposal of real estate, plant and equipment	(\$ 24,941)	\$ 85	(\$ 29,129)	\$ 2,535
Loss on Disposal of Investment Property	-	-	(1,042)	-
Disposal loss of intangible assets	(1,981)	-	(1,981)	-
Net foreign currency exchange (loss)	1,281	(368)	1,093	(497)
Others	<u>4,844</u>	<u>(5,768)</u>	<u>(5,598)</u>	<u>(9,728)</u>
	<u>(\$ 20,797)</u>	<u>(\$ 6,051)</u>	<u>(\$ 36,657)</u>	<u>(\$ 7,690)</u>

(3) Finance Costs

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Interest on bank loan	\$ 200,804	\$ 197,541	\$ 400,264	\$ 374,081
Interest on lease liabilities	39,165	41,069	78,955	82,654
Less: Amounts included in the cost of qualifying assets	(<u>122,907</u>)	(<u>119,306</u>)	(<u>237,240</u>)	(<u>214,226</u>)
	<u>\$ 117,062</u>	<u>\$ 119,304</u>	<u>\$ 241,979</u>	<u>\$ 242,509</u>
Compound interest rate	1.86%~2.74%	1.81%~2.74%	1.86%~2.74%	1.81%~2.74%

(4) Depreciation and Amortization Expenses

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Real estate, plant, and equipment	\$ 99,796	\$ 98,359	\$ 200,970	\$ 203,668
Investment properties	80,573	74,501	160,676	146,228
Right-Of-Use Asset	101,274	100,440	202,546	199,601
Intangible assets	<u>5,296</u>	<u>4,611</u>	<u>11,452</u>	<u>9,324</u>
	<u>\$ 286,939</u>	<u>\$ 277,911</u>	<u>\$ 575,644</u>	<u>\$ 558,821</u>
Depreciation expenses by function				
Operating Costs	\$ 198,255	\$ 189,656	\$ 397,460	\$ 383,291
Operating expenses	<u>83,388</u>	<u>83,644</u>	<u>166,732</u>	<u>166,206</u>
	<u>\$ 281,643</u>	<u>\$ 273,300</u>	<u>\$ 564,192</u>	<u>\$ 549,497</u>
Amortization expenses by function				
Operating Costs	\$ 2,762	\$ 2,322	\$ 5,743	\$ 4,573
Operating expenses	<u>2,534</u>	<u>2,289</u>	<u>5,709</u>	<u>4,751</u>
	<u>\$ 5,296</u>	<u>\$ 4,611</u>	<u>\$ 11,452</u>	<u>\$ 9,324</u>

(5) Employee Benefit Expenses

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Short-term employee benefits				
Salary	\$ 460,622	\$ 415,714	\$ 916,352	\$ 829,093
Labor and health insurance	<u>43,120</u>	<u>39,365</u>	<u>92,119</u>	<u>83,930</u>
	<u>503,742</u>	<u>455,079</u>	<u>1,008,471</u>	<u>913,023</u>
Retirement benefits				
Defined contribution plans	19,658	17,453	38,327	34,070
Defined benefit plans (Note 17)	<u>2,235</u>	<u>2,712</u>	<u>4,469</u>	<u>5,431</u>
	<u>21,893</u>	<u>20,165</u>	<u>42,796</u>	<u>39,501</u>
Other employee benefits	<u>29,367</u>	<u>24,431</u>	<u>57,593</u>	<u>44,040</u>
Total employee benefits	<u>\$ 555,002</u>	<u>\$ 499,675</u>	<u>\$ 1,108,860</u>	<u>\$ 996,564</u>
By function				
Operating Costs	\$ 379,426	\$ 333,465	\$ 752,867	\$ 663,471
Operating expenses	<u>175,576</u>	<u>166,210</u>	<u>355,993</u>	<u>333,093</u>
	<u>\$ 555,002</u>	<u>\$ 499,675</u>	<u>\$ 1,108,860</u>	<u>\$ 996,564</u>

(6) Compensation to Directors and Employees

The Company's Articles of Incorporation stipulate that if there is profit for the year, 0.1% to 1% should be appropriated as employee compensation, and no more than 1% as director compensation. However, if there are accumulated losses, an amount should be reserved in advance for making up the losses. The

aforementioned employee compensation may be distributed in the form of shares or cash, which should be approved by a resolution of the Board of Directors with two-thirds or more of the directors present and a majority of the attending directors voting in favor, and reported to the shareholders' meeting.

In accordance with FSC Document No. 1130385442 and Article 14, Paragraph 6 of the Securities and Exchange Act, the shareholders' meeting resolved on June 13, 2025 to amend the company's Articles of Incorporation, stipulating that no less than 50% of employee compensation should be distributed to entry-level employees, with the remaining portion to be distributed to non-entry-level employees.

The estimated employee compensation (including rank-and-file employee compensation) and director compensation for the three months ended June 30, 2025 and 2024, and the six months ended June 30, 2025 and 2024, respectively, are as follows:

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Employee Compensation	<u>\$ 1,559</u>	<u>\$ 384</u>	<u>\$ 1,758</u>	<u>\$ 1,056</u>
Director Remuneration	<u>\$ 600</u>	<u>\$ 600</u>	<u>\$ 1,200</u>	<u>\$ 1,200</u>

The employee compensation and directors' compensation for the years 2024 and 2023 were resolved to be distributed in cash amounts as follows by the Board of Directors on March 12, 2025 and March 14, 2024, respectively:

	2024	2023
Employee Compensation	\$ 1,976	\$ 2,245
Director Remuneration	2,400	2,400

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

The amounts of employee compensation distributed for 2024 and 2023 and those recognized in the consolidated financial statements for 2024 and 2023 are consistent.

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

21. Income Tax

(1) Income Tax Recognized in Profit or Loss

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Current income tax				
Current amount generated	\$ 201,635	\$ 57,016	\$ 225,450	\$ 184,323
Surtax on unappropriated retained earnings	20,261	35,241	20,261	35,241
Land value increment tax	44,757	-	44,762	446
Adjustments from previous years	(43,025)	(8,685)	(43,025)	(8,685)
	<u>223,628</u>	<u>83,572</u>	<u>247,448</u>	<u>211,325</u>
Deferred income tax				
Current amount generated	13,109	(4,156)	24,242	12,826
Adjustments from previous years	-	254	-	254
	<u>13,109</u>	<u>(3,902)</u>	<u>24,242</u>	<u>13,080</u>
Income tax expense recognized in profit or loss	<u>\$ 236,737</u>	<u>\$ 79,670</u>	<u>\$ 271,690</u>	<u>\$ 224,405</u>

(2) Income Tax Assessment Status of the Company and its Subsidiaries

	Income Tax Return Assessment Status
The Company	Assessed up to 2022
San Ching Engineering Co., Ltd.	Assessed up to 2023
Cathay Real Estate Management Co., Ltd.	Assessed up to 2023
Cathay Healthcare Management Co., Ltd.	Assessed up to 2023
Cathay Hospitality Management Co., Ltd.	Assessed up to 2023
Cathay Hospitality Consulting Co., Ltd.	Assessed up to 2022
Cathay Food & Beverage Group Co., Ltd.	Assessed up to 2022
Lin Yuan Property Management Co., Ltd.	Assessed up to 2023
Jinhua Realty Co., Ltd.	Assessed up to 2023
Bannan Realty Co., Ltd.	Assessed up to 2023
Sanchong Realty Co., Ltd.	Assessed up to 2023
Zhulun Realty Co., Ltd.	Assessed up to 2023
Cymbal Medical Network Co., Ltd.	Assessed up to 2023
Cymlin Co., Ltd.	Assessed up to 2023

22. Earnings per Share

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

	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
<u>Net profit for the period</u>				
Net profit attributable to owners of parent company	<u>\$ 1,410,372</u>	<u>\$ 341,590</u>	<u>\$ 1,603,405</u>	<u>\$ 890,705</u>
<u>Number of Shares</u> <u>(Thousand shares)</u>				
Weighted average number of common shares used for calculation of basic earnings per share	1,159,561	1,159,561	1,159,561	1,159,561
Effect of potentially dilutive common shares:				
Employee Compensation	<u>90</u>	<u>35</u>	<u>123</u>	<u>83</u>
Weighted average number of common shares used for calculation of diluted earnings per share	<u>1,159,651</u>	<u>1,159,596</u>	<u>1,159,684</u>	<u>1,159,644</u>
<u>Earnings per Share (NT\$)</u>				
Basic earnings per share	<u>\$ 1.21</u>	<u>\$ 0.30</u>	<u>\$ 1.38</u>	<u>\$ 0.77</u>
Diluted earnings per share	<u>\$ 1.21</u>	<u>\$ 0.30</u>	<u>\$ 1.38</u>	<u>\$ 0.77</u>

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

23. Capital Risk Management

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

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

24. Financial Instruments

(1) Information on fair value – financial instruments not measured at fair value

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

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

1. Fair Value Level

June 30, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets at Fair Value through Other Comprehensive Income</u>				
Listed companies' shares	\$3,712,619	\$ -	\$ -	\$3,712,619
Non-listed companies' shares	-	-	480,135	480,135
Total	<u>\$3,712,619</u>	<u>\$ -</u>	<u>\$ 480,135</u>	<u>\$4,192,754</u>

December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets at Fair Value through Other Comprehensive Income</u>				
Listed companies' shares	\$4,037,768	\$ -	\$ -	\$4,037,768
Non-listed companies' shares	-	-	498,270	498,270
Total	<u>\$4,037,768</u>	<u>\$ -</u>	<u>\$ 498,270</u>	<u>\$4,536,038</u>

June 30, 2024

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

There was no transfer between Level 1 and Level 2 fair value measurements during January 1 to June 30, 2025 and 2024, respectively.

2. Reconciliation of financial instruments measured at fair value under Level 3

Financial Assets at Fair Value through Other Comprehensive Income

	January 1 to June 30, 2025	January 1 to June 30, 2024
Equity instruments		
Beginning balance	\$ 498,270	\$ 505,324
Recognized in other comprehensive income	(18,135)	53,109
Ending balance	\$ 480,135	\$ 558,433

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

June 30, 2025

Class of Financial Instruments	Valuation Technique	Significant Unobservable Inputs	Quantitative Information	Relationship Between Unobservable Inputs and Fair Value	Sensitivity Analysis of the Relationship Between Unobservable Inputs and Fair Value
Financial Assets: Unlisted shares measured at fair value through other comprehensive income	Market approach	Lack of marketability discount	30%~50%	The higher the degree of lack of marketability, the lower the fair value estimate.	If the percentage of lack of marketability increases/decreases by 10%, the consolidated equity will decrease/increase by NT\$57,345 thousand.
	Asset-based approach	Lack of marketability discount	0%~30%	The higher the degree of lack of marketability, the lower the fair value estimate.	If the percentage of lack of marketability increases/decreases by 10%, the consolidated equity will decrease/increase by NT\$8,008 thousand.

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 degree of lack of marketability, the lower the fair value estimate.	If the percentage of lack of marketability increases/decreases by 10%, the consolidated equity will decrease/increase by NT\$60,259 thousand.
	Asset-based approach	Lack of marketability discount	0%~30%	The higher the degree of lack of marketability, the lower the fair value estimate.	If the percentage of lack of marketability increases/decreases by 10%, the consolidated equity will decrease/increase by NT\$7,726 thousand.

June 30, 2024

Class of Financial Instruments	Valuation Technique	Significant Unobservable Inputs	Quantitative Information	Relationship Between Unobservable Inputs and Fair Value	Sensitivity Analysis of the Relationship Between Unobservable Inputs and Fair Value
Financial Assets: Unlisted shares measured at fair value through other comprehensive income	Market approach	Lack of marketability discount	30%~50%	The higher the degree of lack of marketability, the lower the fair value estimate.	If the percentage of lack of marketability increases/decreases by 10%, the consolidated equity will decrease/increase by NT\$68,575 thousand.
	Asset-based approach	Lack of marketability discount	0%~30%	The higher the degree of lack of marketability, the lower the fair value estimate.	If the percentage of lack of marketability increases/decreases by 10%, the consolidated equity will decrease/increase by NT\$7,811 thousand.

(3) Category of Financial Instruments

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial assets</u>			
Measured at amortized cost (Note 1)	\$ 9,498,076	\$ 8,957,048	\$ 9,207,862
Measured at fair value through other comprehensive income	4,192,754	4,536,038	4,332,552
<u>Financial liabilities</u>			
Measured at amortized cost (Note 2)	45,860,851	45,860,242	47,435,059

Note 1: The balance includes financial assets measured at amortized cost such as cash and cash equivalents, notes receivable, accounts receivable, accounts receivable - related parties, other receivables, financial assets measured at amortized cost - current and non-current (recorded under other current assets and other non-current assets), and refundable deposits (recorded under other current assets and other non-current assets).

Note 2: The balance includes financial liabilities measured at amortized cost such as short-term borrowings, short-term notes payable, notes payable, accounts payable, accounts payable - related parties, other payables, lease liabilities, current portion of long-term borrowings, long-term borrowings, and guarantee deposits received (recorded under other non-current liabilities).

(4) Financial Risk Management Objectives and Policies

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

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

1. Market Risk

(1) Foreign Exchange Risk

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

(2) Interest Rate Risk

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

The sensitivity analysis for interest rate risk is calculated based on financial assets and liabilities with floating interest rates as of the balance sheet date. When interest rates rise/fall by ten basis points, the Consolidated Company's pre-tax profit and loss for January 1 to June 30, 2025 and 2024 would decrease/increase by NT\$15,089 thousand and NT\$14,593 thousand, respectively.

(3) Other Price Risk

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

Regarding the sensitivity analysis of the aforementioned investment price risk, it is calculated based on the financial assets measured at fair value on the balance sheet date. When market prices rise/fall by 5%, the Consolidated Company's other comprehensive income for January 1 to June 30, 2025 and 2024 would increase/decrease by NT\$209,638 thousand and NT\$216,628 thousand, respectively.

2. Credit Risk

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

Each unit of the consolidated company follows credit risk policies, procedures, and controls to manage credit risk. The credit risk assessment of all counterparties comprehensively considers factors such as the counterparty's financial condition, credit rating agency ratings, historical transaction experience, current economic environment, and the consolidated company's internal rating standards. The consolidated company also uses certain credit enhancement instruments (such as advance receipts and insurance) at appropriate times to reduce the credit risk of specific counterparties.

As of June 30, 2025, December 31, and June 30, 2024, the receivables from the top ten customers of the consolidated company accounted for a

very low percentage of the consolidated company's total receivables, and there was no concentration of credit risk for receivables.

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

3. Liquidity Risk

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

The following table provides a detailed maturity analysis of the Consolidated Company's non-derivative financial liabilities based on the earliest date on which the consolidated company may be required to make payment, and is prepared using undiscounted cash flows of financial liabilities (including principal and estimated interest).

June 30, 2025

	Less than 1 year	2–3 years	4–5 years	Over 5 years	Total
Loans	\$24,798,440	\$10,985,192	\$1,918,076	\$ 996,370	\$38,698,078
Payables	3,843,942	-	-	-	3,843,942
Lease liabilities	431,255	887,826	892,168	3,304,079	5,515,328
Guarantee deposits received	<u>50,843</u>	<u>15,247</u>	<u>43,331</u>	<u>26,771</u>	<u>136,192</u>
	<u>\$29,124,480</u>	<u>\$11,888,265</u>	<u>\$2,853,575</u>	<u>\$4,327,220</u>	<u>\$48,193,540</u>

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

	Less than 1 year	1–5 years	5–10 years	10–15 years	Over 15 years	Total
Lease liabilities	<u>\$431,255</u>	<u>\$1,779,994</u>	<u>\$1,900,416</u>	<u>\$1,363,248</u>	<u>\$ 40,415</u>	<u>\$5,515,328</u>

December 31, 2024

	Less than 1 year	2–3 years	4–5 years	Over 5 years	Total
Loans	\$24,549,519	\$10,539,916	\$1,752,497	\$ 506,700	\$37,348,632
Payables	3,242,403	-	-	-	3,242,403
Lease liabilities	428,876	869,480	878,254	3,529,409	5,706,019
Guarantee deposits received	48,302	18,559	38,269	28,653	133,783
	<u>\$28,269,100</u>	<u>\$11,427,955</u>	<u>\$2,669,020</u>	<u>\$4,064,762</u>	<u>\$46,430,837</u>

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

	Less than 1 year	1–5 years	5–10 years	10–15 years	Over 15 years	Total
Lease liabilities	<u>\$428,876</u>	<u>\$1,747,734</u>	<u>\$1,972,287</u>	<u>\$1,461,744</u>	<u>\$ 95,378</u>	<u>\$5,706,019</u>

June 30, 2024

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

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

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

As of June 30, 2025, and December 31, 2024, and June 30, 2024, the consolidated company unused bank credit facilities amounted to NT\$52,097,653 thousand, NT\$45,424,195 thousand, and NT\$41,609,517 thousand, respectively.

25. Related Party Transactions

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

(1) Names and Relations of Related Parties

Related Party	Relationship with the consolidated company
Cathay United Bank Co., Ltd. (Cathay United Bank)	Other related parties
Cathay Life Insurance Co., Ltd. (Cathay Life Insurance)	Other related parties
Cathay General Hospital (Cathay Hospital)	Other related parties
Cathay Century Insurance Co., Ltd. (Cathay Century Insurance)	Other related parties
Lin Yuan Investment Co., Ltd. (Lin Yuan Investment)	Other related parties
Seaward Card Co., Ltd. (Seaward Card)	Other related parties
Zhensheng Industrial Co., Ltd. (Zhensheng Industrial)	Other related parties
Tung Chi Capital Co., Ltd. (Tung Chi Capital)	Other related parties
Liang Ting Industrial Co., Ltd. (Liang Ting Industrial)	Other related parties
○○ Lee	Company's main management
○○ Lee	Spouse of the Company's main management
○○ Chen	Spouse of the Company's main management
○○ Hsieh	Children of the Company's main management
○○ Tseng	Spouse of management personnel of affiliated enterprises

(2) Operating Revenue

Account item	Related Party Category/Name	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Engineering service revenue	Other related parties				
	Cathay Life Insurance	\$1,338,382	\$1,847,934	\$2,270,600	\$2,947,658
	Cathay Hospital	4,968	1,283	8,418	4,525
		<u>\$1,343,350</u>	<u>\$1,849,217</u>	<u>\$2,279,018</u>	<u>\$2,952,183</u>
Service revenue	Other related parties				
	Cathay Life Insurance	\$ 310,162	\$ 270,623	\$ 620,673	\$ 530,724
	Cathay United Bank	44,386	46,741	94,458	95,557
	Tung Chi Capital	3,302	3,146	7,803	7,625
	Liang Ting Industrial	2,901	2,838	6,835	6,724
	Zhensheng Industrial	2,483	2,350	5,764	5,665
		<u>\$ 363,234</u>	<u>\$ 325,698</u>	<u>\$ 735,533</u>	<u>\$ 646,295</u>
Rental income	Other related parties				
	Cathay United Bank	\$ 2,386	\$ 3,852	\$ 4,773	\$ 8,422
	Cathay Life Insurance	2,348	273	4,696	459
		<u>\$ 4,734</u>	<u>\$ 4,125</u>	<u>\$ 9,469</u>	<u>\$ 8,881</u>

Engineering service revenue

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

As of June 30, 2025, the total contract price of the construction projects undertaken by the consolidated company for Cathay Life Insurance and Cathay General Hospital that have been signed but not yet completed is NT\$23,295,913 thousand, of which NT\$10,476,698 thousand has been received, with NT\$12,819,215 thousand remaining to be collected in the future.

Service revenue

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

Rental income

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

(3) Purchases

Related Party Category/Name	Nature of the transaction	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Other related parties					
Cathay United Bank	Demolition and relocation compensation fees	\$ -	\$ -	\$ 22,462	\$ 44,924
Cathay United Bank	Price trust management fee	1,745	1,651	3,353	3,234
Cathay Century Insurance	Insurance	17,895	4,808	18,101	5,028
Lin Yuan Investment	Urban renewal joint construction subsidy for landowners	3,360	3,360	3,360	3,360
		<u>\$ 23,000</u>	<u>\$ 9,819</u>	<u>\$ 47,276</u>	<u>\$ 56,546</u>

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

(4) Bank Deposits and Short-Term Borrowings

Related Party Category/Name	Nature of the transaction	June 30, 2025		
		Highest balance	Ending balance	Interest Rate
Other related parties				
Cathay United Bank	Demand deposits	\$ 8,213,110	\$ 4,040,010	0.64%
	Check deposits	1,812,247	75,788	-
	Securities account	2,580,651	257,435	0.01%
	Deposit account	1,922,050	847,150	0.68%~1.69%
	Short-term loans	1,000,000	1,000,000	2.15%

Related Party Category/Name	Nature of the transaction	December 31, 2024		
		Highest balance	Ending balance	Interest Rate
Other related parties				
Cathay United Bank	Demand deposits	\$ 13,163,871	\$ 3,653,461	0.51%~0.64%
	Check deposits	2,494,868	43,535	-
	Securities account	1,780,851	195,612	0.01%
	Deposit account	1,933,700	1,869,850	0.67%~1.69%
	Short-term loans	2,300,000	500,000	2.14%

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

Account item	Related Party Category/Name	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Finance costs	Other related parties				
	Cathay United Bank	\$ 3,622	\$ 7,462	\$ 6,268	\$ 12,909
Interest income	Other related parties				
	Cathay United Bank	\$ 14,021	\$ 9,528	\$ 15,473	\$ 10,857

(5) Accounts Receivable from Related Parties

Related Party Category/Name	June 30, 2025	December 31, 2024	June 30, 2024
Other related parties			
Cathay Life Insurance	\$ 462,137	\$ 7,963	\$ 9,303
Cathay United Bank	21,595	11,997	25,080
Others	<u>243</u>	<u>783</u>	<u>1,440</u>
	<u>\$ 483,975</u>	<u>\$ 20,743</u>	<u>\$ 35,823</u>

The outstanding receivables to related parties are unsecured. No allowance for doubtful accounts was provided for receivables from related parties as of January 1 to June 30, 2025 and 2024.

(6) Accounts Payable From Related Parties

Account item	Related Party Category/Name	June 30, 2025	December 31, 2024	June 30, 2024
Notes and accounts payable	Other related parties			
	Cathay Life Insurance	\$ 1,920	\$ 3,313	\$ 2,298
	Others	<u>778</u>	<u>1,264</u>	<u>878</u>
		<u>\$ 2,698</u>	<u>\$ 4,577</u>	<u>\$ 3,176</u>

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

The outstanding balances payable to related parties are unsecured.

(7) Lease Agreements

Related Party Category/Name	January 1 to June 30, 2025	January 1 to June 30, 2024
<u>Acquisition of right-of-use assets</u>		
Other related parties		
Cathay Life Insurance	<u>\$ 29,199</u>	<u>\$ 279,186</u>

Account item	Related Party Category/Name	June 30, 2025	December 31, 2024	June 30, 2024
Lease liabilities	Other related parties			
	Cathay Life Insurance	<u>\$ 5,325,412</u>	<u>\$ 5,497,235</u>	<u>\$ 5,574,669</u>

Related Party Category/Name	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
<u>Interest expense</u>				
Other related parties				
Cathay Life Insurance	<u>\$ 38,025</u>	<u>\$ 41,725</u>	<u>\$ 76,601</u>	<u>\$ 79,658</u>

(8) Other Current Assets – Restricted Assets

Related Party Category/Name	June 30, 2025	December 31, 2024	June 30, 2024
Other related parties			
Cathay Life Insurance	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>

(9) Prepayments

Related Party Category/Name	Nature	June 30, 2025	December 31, 2024	June 30, 2024
Other related parties				
Cathay Century Insurance	Prepaid insurance	<u>\$ 7,293</u>	<u>\$ 530</u>	<u>\$ 4,106</u>

(10) Other Non-Current Assets/Liabilities

Account item	Related Party Category/Name	June 30, 2025	December 31, 2024	June 30, 2024
Refundable deposit	Other related parties			
	Cathay Life Insurance	<u>\$ 51,220</u>	<u>\$ 50,143</u>	<u>\$ 50,051</u>
	Lin Yuan Investment	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>
		<u>\$ 59,220</u>	<u>\$ 58,143</u>	<u>\$ 58,051</u>
Guarantee deposits received	Other related parties			
	Cathay United Bank	<u>\$ 2,343</u>	<u>\$ 2,324</u>	<u>\$ 4,482</u>

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

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

Related Party Category/Name	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Company's main management				
○○ Lee	<u>\$ -</u>	<u>\$ 34,400</u>	<u>\$ -</u>	<u>\$ 34,400</u>
Spouse of management personnel of affiliated enterprises				
○○ Tseng	<u>-</u>	<u>26,290</u>	<u>-</u>	<u>26,290</u>
Spouse of the Company's main management				
○○ Chen	<u>-</u>	<u>25,060</u>	<u>-</u>	<u>25,060</u>
○○ Lee	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,500</u>
	<u>-</u>	<u>25,060</u>	<u>-</u>	<u>48,560</u>
Children of the Company's main management				
○○ Hsieh	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,450</u>
	<u>\$ -</u>	<u>\$ 85,750</u>	<u>\$ -</u>	<u>\$ 132,700</u>

(12) Other Related Parties Transactions

Account item	Related Party Category/Name	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Operating Costs	Other related parties				
	Cathay Life Insurance	\$ 40,482	\$ 34,115	\$ 76,812	\$ 65,055
	Cathay Century Insurance	540	4,088	4,950	5,540
		<u>\$ 41,022</u>	<u>\$ 38,203</u>	<u>\$ 81,762</u>	<u>\$ 70,595</u>
Operating expenses	Other related parties				
	Cathay Life Insurance	\$ 15,805	\$ 5,251	\$ 45,712	\$ 9,607
	Cathay Century Insurance	3,433	4,200	6,831	7,182
	Seaward Card Co., Ltd.	2,131	276	3,816	2,027
		<u>\$ 21,369</u>	<u>\$ 9,727</u>	<u>\$ 56,359</u>	<u>\$ 18,816</u>

(13) Compensation for the Main Management

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Short-term employee benefits	\$ 19,839	\$ 16,678	\$ 52,235	\$ 45,916
Retirement benefits	264	290	554	569
	<u>\$ 20,103</u>	<u>\$ 16,968</u>	<u>\$ 52,789</u>	<u>\$ 46,485</u>

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

26. Pledged Assets

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

	June 30, 2025	December 31, 2024	June 30, 2024
Inventories	\$ 12,366,000	\$ 11,766,000	\$ 11,948,400
Investment properties	11,572,332	7,492,332	7,638,372
Financial Assets at Fair Value through Other Comprehensive Income	2,700,400	-	-
Transferable certificates of deposit	116,811	116,811	108,522
	<u>\$ 26,755,543</u>	<u>\$ 19,375,143</u>	<u>\$ 19,695,294</u>

27. Significant Contingent Liabilities and Unrecognized Contract Commitments

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

(1) Material Contract

As of June 30, 2025, the consolidated company has signed construction contracts with non-related parties with a total contract price of NT\$11,268,753 thousand, with an unpaid amount of NT\$7,295,172 thousand.

(2) Others

1. As of June 30, 2025, the consolidated company has issued promissory notes to financial institutions for borrowings in the amount of NT\$58,041,330 thousand.
2. As of June 30, 2025, the consolidated company has issued guarantee notes for construction warranties and performance guarantees in the amount of NT\$2,958,752 thousand.

28. Significant Subsequent Events

On April 28, 2025, the consolidated company resolved through a Board of Directors' resolution to acquire 14,700 thousand shares of Xiangyang Realty Co., Ltd. (formerly Sanchong Realty Co., Ltd.) for cash of NT\$147,000 thousand, representing a 49% shareholding. The equity transaction was completed in July 2025.

29. Department Information

The information provided to the chief operating decision maker for the purpose of resource allocation and performance assessment focuses on the financial information of each department. The reportable operating segments of the consolidated company, which are based on different products and services, are as follows:

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

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

	Property and real estate investment development department	Construction department	Other department	Adjustments and write-offs	Total
<u>April 1 to June 30,</u> <u>2025</u>					
Revenue from external customers	\$ 3,566,669	\$ 1,375,863	\$ 1,278,498	\$ -	\$ 6,221,030
Revenue from other departments within the Company	<u>21,318</u>	<u>1,350,619</u>	<u>39,960</u>	<u>(1,411,897)</u>	<u>-</u>
Total revenue	<u>\$ 3,587,987</u>	<u>\$ 2,726,482</u>	<u>\$ 1,318,458</u>	<u>(\$ 1,411,897)</u>	<u>\$ 6,221,030</u>
Department income (loss)	<u>\$ 1,556,675</u>	<u>\$ 365,134</u>	<u>(\$ 58,950)</u>	<u>(\$ 232,722)</u>	<u>\$ 1,630,137</u>
<u>April 1 to June 30,</u> <u>2024</u>					
Revenue from external customers	\$ 1,299,729	\$ 1,867,275	\$ 1,174,559	\$ -	\$ 4,341,563
Revenue from other departments within the Company	<u>19,899</u>	<u>1,322,979</u>	<u>33,274</u>	<u>(1,376,152)</u>	<u>-</u>
Total revenue	<u>\$ 1,319,628</u>	<u>\$ 3,190,254</u>	<u>\$ 1,207,833</u>	<u>(\$ 1,376,152)</u>	<u>\$ 4,341,563</u>
Department income (loss)	<u>\$ 382,239</u>	<u>\$ 107,041</u>	<u>(\$ 48,378)</u>	<u>(\$ 34,655)</u>	<u>\$ 406,247</u>
<u>January 1 to June 30,</u> <u>2025</u>					
Revenue from external customers	\$ 6,405,419	\$ 2,362,085	\$ 2,605,757	\$ -	\$ 11,373,261
Revenue from other departments within the Company	<u>46,168</u>	<u>2,630,140</u>	<u>78,313</u>	<u>(2,754,621)</u>	<u>-</u>
Total revenue	<u>\$ 6,451,587</u>	<u>\$ 4,992,225</u>	<u>\$ 2,684,070</u>	<u>(\$ 2,754,621)</u>	<u>\$ 11,373,261</u>
Department income (loss)	<u>\$ 1,755,086</u>	<u>\$ 443,806</u>	<u>(\$ 14,330)</u>	<u>(\$ 323,315)</u>	<u>\$ 1,861,247</u>
<u>January 1 to June 30,</u> <u>2024</u>					
Revenue from external customers	\$ 6,023,125	\$ 3,008,524	\$ 2,366,164	\$ -	\$ 11,397,813
Revenue from other departments within the Company	<u>44,410</u>	<u>2,389,465</u>	<u>68,821</u>	<u>(2,502,696)</u>	<u>-</u>
Total revenue	<u>\$ 6,067,535</u>	<u>\$ 5,397,989</u>	<u>\$ 2,434,985</u>	<u>(\$ 2,502,696)</u>	<u>\$ 11,397,813</u>
Department income (loss)	<u>\$ 1,053,268</u>	<u>\$ 169,834</u>	<u>(\$ 12,139)</u>	<u>(\$ 102,644)</u>	<u>\$ 1,108,319</u>

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

30. Supplementary disclosures

(1) Information on Significant Transactions:

1. Funds loaned to others. (None)
2. Endorsement/guarantee for others. (Table 1)
3. Major securities held at the end of the period (excluding investments in subsidiaries, associates and joint ventures). (Table 2)
4. Purchases from or sales to related parties amounting to NT\$100 million or 20% of the paid-in capital or more (Table 3)
5. Receivables from related parties amounting to NT\$100 million or 20% of paid-up capital or more. (Table 4)
6. Others: Business relationships and significant transactions between parent and subsidiary companies, and among subsidiaries. (Table 5)

(2) Information on invested companies (Table 6)

Cathay Real Estate Development Co., Ltd. and Subsidiaries

Endorsement/guarantee for others

January 1 to June 30, 2025

Table 1

Amount in Thousand of New Taiwan Dollars, Unless Specified Otherwise

No.	Guarantor company name	Endorsed entity		Limit on Endorsement Guarantee for a Single Enterprise (Note 2)	The Highest Balance of Endorsement Guarantee for This Period	Balance of Endorsements at the End of the Period	Actual withdrawal amount	Amount of endorsement and guarantee secured by property	The Ratio of Accumulated Endorsement Guarantee Amount to the net Worth in the Most Recent Financial Statement (%)	Maximum Limit of Endorsement Guarantee (Note 3)	Parent Company's Endorsement Guarantee for Its Subsidiary	Subsidiary's endorsement and guarantee for the parent company	Endorsement and guarantee for the mainland China region
		Company Name	Relation (Note 1)										
0	Cathay Real Estate Development Co., Ltd.	Bannan Realty Co., Ltd. Xiangyang Realty Co., Ltd.	1 2 (Note 4)	\$ 8,503,816 8,503,816	\$ 5,763,000 2,940,000	\$ 5,763,000 2,940,000	\$501,886	\$ - -	20.33 10.37	\$17,007,632 17,007,632	Yes No	No No	No No

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

1. Companies in which the company directly or indirectly holds more than 50% of the voting shares.
2. Companies guaranteed by all contributing shareholders in proportion to their shareholdings due to joint investment relationships.

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

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

Note 4: The Company passed a board resolution for the equity investment case in April 2025 and completed the capital injection in July 2025.

Cathay Real Estate Development Co., Ltd. and Subsidiaries

Securities Held at the End of the Period

June 30, 2025

Table 2

Amount in Thousand of New Taiwan Dollars, Unless Specified Otherwise

Securities Holding Company	Type and Name of Securities (Note 1)	Relationship with Issuer of Securities	Ledger Account	Ending Balance				Note
				Shares / Unit	Carrying Amount	Proportion of Shareholdings (%)	Fair Value	
Cathay Real Estate Development Co., Ltd.	<u>Common shares</u>							
	Cathay Financial Holdings Co., Ltd.	Other related parties	Financial assets at fair value through other comprehensive profit or loss – Current	59,118,129	\$ 3,712,619	0.40	\$ 3,712,619	Note 2
	Gian Feng Investment Co., Ltd.	—	Financial assets at fair value through other comprehensive income – Non-current	2,000,000	25,018	10.00	25,018	
	Metro Walk International Co., Ltd.	—	"	3,448,276	55,014	1.72	55,014	
	Nangang International One Co., Ltd.	Other related parties	"	27,465,000	178,523	7.85	178,523	
	Nangang International Two Co., Ltd.	Other related parties	"	32,460,000	209,367	8.12	209,367	
San Ching Engineering Co., Ltd.	<u>Common shares</u>							
	China Construction Management Co., Ltd.	—	Financial assets at fair value through other comprehensive income – Non-current	1,400,000	11,438	5.48	11,438	

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

Note 2: 43,000 thousand shares have been pledged to financial institutions as collateral for loan facilities.

Note 3: This table presents marketable securities that the company has determined should be disclosed based on the materiality principle.

Note 4: For information on investments in subsidiaries, associates and joint ventures, please refer to Table 6.

Cathay Real Estate Development Co., Ltd. and Subsidiaries

Purchases from or sales to related parties amounting to NT\$100 million or 20% of the paid-in capital or more

January 1 to June 30, 2025

Table 3

Amount in Thousand of New Taiwan Dollars, Unless Specified Otherwise

Company for Purchases (Sales)	Name of Trading Partner	Relation	Transaction (Note 1)				Conditions and Reasons for Differences From Ordinary Transactions		Notes Receivable (Payable), Accounts (Note 1)		Note
			Purchases (sales)	Amount	Percentage of Total Purchase (Sales) (%)	Credit Period	Unit price	Credit Period	Balance	Percentage of Total Notes Receivable (Payable), Accounts (%)	
Cathay Real Estate Development Co., Ltd. San Ching Engineering Co., Ltd.	San Ching Engineering Co., Ltd.	Subsidiary	Purchases	\$ 1,808,474	56%	Not applicable	\$ -	—	(\$ 1,088,730)	50%	Note 2
	Cathay Real Estate Development Co., Ltd.	Parent	Sales	(1,808,474)	36%	Not applicable	-	—	1,253,020	68%	Note 2
	Jinhua Realty Co., Ltd.	Affiliated company	Sales	(335,532)	7%	Not applicable	-	—	73,920	4%	Note 2
	Sanchong Realty Co., Ltd.	Affiliated company	Sales	(221,981)	4%	Not applicable	-	—	66,465	4%	Note 2
	Bannan Realty Co., Ltd.	Affiliated company	Sales	(229,682)	5%	Not applicable	-	—	-	-	Note 2
	Cathay Life Insurance Co., Ltd.	Other related parties	Sales	(2,270,600)	45%	Not applicable	-	—	445,473	24%	
	Cathay Life Insurance Co., Ltd.	Other related parties	Sales	(616,649)	63%	30 to 90 days	-	—	16,344	26%	
Jinhua Realty Co., Ltd.	San Ching Engineering Co., Ltd.	Affiliated company	Purchases	335,532	86%	Not applicable	-	—	-	-	Note 2
Sanchong Realty Co., Ltd.	San Ching Engineering Co., Ltd.	Affiliated company	Purchases	221,981	65%	Not applicable	-	—	-	-	Note 2
Bannan Realty Co., Ltd.	San Ching Engineering Co., Ltd.	Affiliated company	Purchases	229,682	44%	Not applicable	-	—	-	-	Note 2

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

Note 2: Offset when preparing consolidated financial statements.

Cathay Real Estate Development Co., Ltd. and Subsidiaries

Receivables from related parties amounting to NT\$100 million or 20% of paid-up capital or more

June 30, 2025

Table 4

Amount in Thousand of New Taiwan Dollars, Unless Specified Otherwise

Company with Receivables	Transaction counterparty	Relation	Balance of receivable from related parties	Turnover Rate	Overdue receivables from related parties		Amount of receivables from related parties collected after period	Allowance for doubtful accounts	Note
					Amount	Handling method			
San Ching Engineering Co., Ltd.	Cathay Real Estate Development Co., Ltd.	Parent	\$ 1,253,020	1.76	\$ -	—	\$ 236,336	\$ -	Note 1 and Note 2
	Cathay Life Insurance Co., Ltd.	Other related parties	445,473	20.39	-	—	222,792	-	Note 1

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

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

Cathay Real Estate Development Co., Ltd. and Subsidiaries

Business relationships and significant transactions between parent and subsidiary companies

January 1 to June 30, 2025

Table 5

Amount in Thousand of New Taiwan Dollars, Unless Specified Otherwise

No. (Note 1)	Name of Transaction Party	Transaction Counterparty	Relationship with Issuer (Note 2)	Transactions Details			
				Account	Amount	Transaction qualifications	Percentage of Consolidated Total Revenue or Total Assets (Note 3)
0	Cathay Real Estate Development Co., Ltd.	Lin Yuan Property Management Co., Ltd.	1	Rental income	\$ 3,783	Under normal transaction qualifications	-
		Cathay Hospitality Management Co., Ltd.	1	Rental income	16,663	Under normal transaction qualifications	-
		Cathay Hospitality Consulting Co., Ltd.	1	Rental income	22,859	Under normal transaction qualifications	-
		Bannan Realty Co., Ltd.	1	Other revenue	3,214	Under normal transaction qualifications	-
		Sanchong Realty Co., Ltd.	1	Other revenue	5,875	Under normal transaction qualifications	-
		Zhulun Realty Co., Ltd.	1	Other revenue	4,167	Under normal transaction qualifications	-
		Zhulun Realty Co., Ltd.	1	Other receivables – related parties	4,167	Under normal transaction qualifications	-
1	Cathay Hospitality Consulting Co., Ltd.	Cathay Food & Beverage Group Co., Ltd.	3	Other catering services revenue	18,545	Under normal transaction qualifications	-
		Cathay Food & Beverage Group Co., Ltd.	3	Other receivables – related parties	8,262	Under normal transaction qualifications	-
2	San Ching Engineering Co., Ltd.	Cathay Real Estate Development Co., Ltd.	2	Accounts receivable – related parties	1,253,020	Under normal transaction qualifications	1%
		Cathay Real Estate Development Co., Ltd.	2	Engineering service revenue	1,808,474	Under normal transaction qualifications	16%
		Jinhua Realty Co., Ltd.	3	Accounts receivable – related parties	73,920	Under normal transaction qualifications	-
		Jinhua Realty Co., Ltd.	3	Engineering service revenue	335,532	Under normal transaction qualifications	3%
		Bannan Realty Co., Ltd.	3	Engineering service revenue	229,682	Under normal transaction qualifications	2%
		Sanchong Realty Co., Ltd.	3	Accounts receivable – related parties	66,465	Under normal transaction qualifications	-
		Sanchong Realty Co., Ltd.	3	Engineering service revenue	221,981	Under normal transaction qualifications	2%
3	Lin Yuan Property Management Co., Ltd.	Cathay Real Estate Development Co., Ltd.	2	Service revenue	27,147	Under normal transaction qualifications	-
		San Ching Engineering Co., Ltd.	3	Service revenue	20,502	Under normal transaction qualifications	-
		Cathay Healthcare Management Co., Ltd.	3	Service revenue	3,089	Under normal transaction qualifications	-

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

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

Note 2: The above transactions have been eliminated in preparing the consolidated financial statements, relationships with counterparties are classified into three types:

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

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

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

Cathay Real Estate Development Co., Ltd. and Subsidiaries

Relevant information including name and location of the company invested

January 1 to June 30, 2025

Table 6

Amount in Thousand of New Taiwan Dollars, Unless Specified Otherwise

Name of Inventor Company	Name of investee company	Location	Main Business Activities	Initial Investment		Shareholding at the end of the period			Profit (loss) of investee companies for the current period	Investment profit (loss) recognized in the current period	Note
				End of the current period	End of last year	Number of shares	Ratio (%)	Carrying Amount			
Cathay Real Estate Development Co., Ltd.	Cathay Real Estate Management Co., Ltd.	R.O.C	Construction Management	\$ 50,000	\$ 50,000	5,000,000	100.00	\$ 121,849	\$ 16,909	\$ 16,909	Subsidiary (Notes 1 and 3)
	Cathay Healthcare Management Co., Ltd.	"	Consultancy	467,500	467,500	46,750,000	85.00	642,484	38,276	32,534	Subsidiary (Notes 1 and 3)
	Cathay Hospitality Management Co., Ltd.	"	Service industry	1,740,000	1,740,000	25,000,000	100.00	96,970	24,734	26,007	Subsidiary (Notes 1 and 3)
	Cathay Hospitality Consulting Co., Ltd.	"	Service industry	1,300,000	1,300,000	60,000,000	100.00	107,371	256	2,197	Subsidiary (Notes 1 and 3)
	Cymbal Medical Network Co., Ltd.	"	Wholesale of Drugs, Medical Goods	430,000	350,000	43,000,000	100.00	63,709	(65,004)	(65,004)	Subsidiary (Notes 1 and 3)
	Lin Yuan Property Management Co., Ltd.	"	Apartment building management service industry	68,809	68,809	1,530,000	51.00	80,213	97,818	50,623	Subsidiary (Notes 1 and 3)
	Jinhua Realty Co., Ltd.	"	Housing and Building Development and Rental industry	408,000	408,000	40,800,000	51.00	333,748	(1,643)	(838)	Subsidiary (Notes 1 and 3)
	Bannan Realty Co., Ltd.	"	"	586,500	586,500	58,650,000	51.00	443,294	(73,461)	(37,465)	Subsidiary (Notes 1 and 3)
	Sanchong Realty Co., Ltd.	"	"	1,834,800	1,834,800	183,480,000	66.00	1,631,240	(85,121)	(56,180)	Subsidiary (Notes 1 and 3)
	Zhulun Realty Co., Ltd.	"	"	331,500	331,500	33,150,000	51.00	319,415	(3,628)	(1,850)	Subsidiary (Notes 1 and 3)
	San Ching Engineering Co., Ltd.	"	Construction Contractor	2,400,000	2,400,000	120,000,000	100.00	2,711,766	359,182	362,980	Subsidiary (Notes 1 and 3)
	Symphox Information Co., Ltd.	"	Wholesale of Computer Software	67,515	67,515	5,489,000	11.20	94,457	(13,889)	(1,555)	Joint Venture (Note 2)
	San Hsiung Fongshan LaLaport Co., Ltd.	"	Department Stores	204,000	204,000	204,000,000	30.00	155,251	24,801	7,440	Associate (Note 2)
Cathay Hospitality Consulting Co., Ltd.	Cathay Food & Beverage Group Co., Ltd.	"	Service industry	167,933	115,000	16,700,000	100.00	184,645	13,248	(Note 4)	Sub-subsubsidiary (Notes 1 and 3)
Cymbal Medical Network Co., Ltd.	Cymder Co., Ltd.	"	Manpower dispatch and leasing industry	-	120,000	-	-	-	(33,068)	(Note 5)	(Note 6)
	Cymlin Co., Ltd.	"	"	140,000	140,000	14,000,000	100.00	55,791	(12,099)	(Note 5)	Sub-subsubsidiary (Notes 1 and 3)
San Ching Engineering Co., Ltd.	Cathay Power Inc.	"	Solar-power generation industry	1,381,433	1,381,433	111,113,100	30.00	1,402,570	89,456	26,837	Associate (Note 2)
	Symphox Information Co., Ltd.	"	Wholesale of Computer Software	244,770	244,770	19,022,000	38.80	324,985	(13,889)	(5,390)	Joint Venture (Note 2)

Note 1: Calculated based on the financial statements of the investee companies for the same period, which have been reviewed by CPAs.

Note 2: Calculated based on the self-prepared financial statements of the investee companies for the same period, which have not been reviewed by CPAs.

Note 3: Eliminated during the preparation of consolidated financial statements.

Note 4: Its investment gains and losses have been recognized by Cathay Hospitality Consulting Co., Ltd. under the equity method.

Note 5: Its investment gains and losses have been recognized by Cymbal Medical Network Co., Ltd. under the equity method.

Note 6: Cymder Co., Ltd. and Cymbal Medical Network Co., Ltd. merged in June 2025, with Cymder Co., Ltd. as the dissolved company and Cymbal Medical Network Co., Ltd. as the surviving company.