

Stock Code : 2501



Cathay Real Estate Development Co., Ltd.

2025 Annual General Shareholders' Meeting Agenda Handbook

Meeting Time : June 13, 2025, at 9 : 00 a.m.

**Place : 2F., No. 6, Section 3, Minsheng East Road, Taipei,
Taiwan R.O.C.**

**Courtyard by Marriott Taipei Downtown (Lily
Conference Hall)**

Shareholders meeting will be held by means of physical
shareholders meeting

<https://www.cathay-red.com.tw>

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Cathay Real Estate Development Co., Ltd.

2025 Shareholder Meeting Agenda

1. Commencement of Meeting
2. Chairman's Remarks
3. Matters to Report
 - (1) 2024 Business Report
 - (2) Audit Committee's Review Report
 - (3) 2024 Compensation Report for Employees and Directors
4. Matters for Acknowledgement
 - (1) Acknowledgement of 2024 Business Report and Financial Statements
 - (2) Acknowledgement of Proposal for 2024 Earnings Distribution
5. Matters for Discussion
 - (1) Discussion on the amendments of "The Articles of Incorporation"
 - (2) Discussion on the amendment of the Company's "Procedures for Lending Funds and Making Endorsements/Guarantees"
6. Provisional Motion(s)
7. Adjournment

1. Matters to Report

(1) 2024 Business Report

In the middle of 2024, major global economies gradually entered an interest rate-cutting cycle. Coupled with strong demand for emerging technology development, Taiwan's 2024 economic growth rate exceeded expectations, significantly stimulating high investment confidence and enabling the stock market to maintain prosperity at 20,000 points. Regarding domestic demand, due to improved corporate profits and continued salary adjustment trends, private consumption maintained moderate growth. Even with the high base period of the previous year, quarterly growth rates remained positive. Regarding external demand, continued expansion was driven by information and communication products. Traditional industries also rebounded in the third quarter after a previous period of decline. Overall, all economic indicators in 2024 were impressive.

2024 marked a significant milestone for the Company as we proudly celebrated our 60th anniversary. To commemorate, we launched 8 new construction projects: Cathay Cheng Zhen in Taipei, Cathay · Xu, META PARK (joint venture), RiVER PARK (joint venture), and METRO PARK (joint venture) in New Taipei City, Cathay Yang Hui, and Cathay Sen Lin Hui in Taichung, and Cathay Yang Mu in Tainan. Owing to strategic product planning aligning with

market demands and robust market conditions in the first half of 2024, these projects achieved outstanding sales performance. In terms of revenue, the recognized construction projects include: Cathay He He in New Taipei City, Cathay Xi Jing in Taoyuan, and Cathay MOST+ in Taichung, in addition to unsold housing units from the previous year's completed projects. The total annual revenue amounted to approximately NT\$13,081,640,000.

Assuming that inflation gradually stabilizes in 2025, and the monetary easing strategies of major countries become clearer, despite the fact that the global economy will be affected by unfavorable consumption and investment in the two major economies of China and the United States, economic growth for other regions is expected to remain similar to this year. According to forecasts by the Directorate-General of Budget, Accounting and Statistics and major economic research institutions, the domestic economic growth rate for 2025 is projected to be 3.42%. In the second half of 2024, following the Central Bank's implementation of a seventh wave of credit controls, and the strict management of real estate credit limits and bank lending levels, consumers became more cautious. Although the number of investors decreased, rigid demand in the market remained. Given that government policies continue to encourage first-time homebuyers to enter the market, and the limited room for downward adjustment of housing

prices due to construction costs, along with the favorable prospects of Taiwan's stock market and economic development, the overall real estate market in 2025 is expected to experience a volatility contraction pattern (VCP) with both upward and downward market forces at play.

Looking ahead to 2025, we plan to launch a total of six projects across Taiwan, including in Wenshan, Taipei; Xinzhuang, New Taipei City; Zhonglu, Taoyuan; as well as in Taichung, Tainan, and Kaohsiung. The total project value will exceed NT\$25 billion. Under the Central Bank's credit control policy, our company will adjust the pace of project launches based on market conditions, continue to increase land reserves through diversified development strategies, and steadily advance toward becoming a comprehensive developer.

The company will continue to strategically acquire land in prime areas and carefully select the best partners and vendors in order to provide consumers with exceptional housing options. Committed to sustainable development, we aim to construct “Quality Lifetime Houses” for the community. The real estate group will actively pursue expansion and broaden its revenue landscape.

I'd like to express my deepest appreciation for your presence today.

I wish you good health and good luck, thank you!

Chairman: Ching-kuei Chang

President: Hung-Ming Lee

Chief Accountant: Yi-Chun Chang

(2) Audit Committee's Review Report

The Board of Directors prepared the Company's 2024 annual Business Report, Financial Statements (including consolidated financial statements), and an earnings distribution proposal, among which the Financial Statements (including consolidated financial statements) have been audited by Shu-Wan Lin, and Chih-Ming Shao, CPAs, at Deloitte & Touche, by whom an audit report has been issued.

The above mentioned reports and statements produced and submitted by the Board of Directors have been audited by the Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, and there is no inconformity. Meanwhile, the report has been prepared as required. Please check and approve.

To

Cathay Real Estate Development Co., Ltd.

2025 Annual Meeting of Shareholders

Auditing Committee

Convener: Yuan-Hsiao Chang

April 28, 2025

(3) 2024 Compensation Report for Employees and Directors

Explanation:

1. Conducted in accordance with Article 27 of the Articles of Incorporation.
2. 2024 Financial Statements have been audited by Deloitte & Touche. The earnings before tax are NT\$1,976,018,911 where 0.1% amounting to NT\$1,976,019 is allotted as 2024 total employee compensation, and 0.1215% amounting to NT\$2.4 million is allotted as 2024 total directors compensation. The above compensation is to be distributed in cash.

2. Matters for Acknowledgement

(1) Acknowledgement of 2024 Business Report and Financial Statements.

[Proposed by the Board of Directors]

Explanation:

1. The Company's 2024 Financial Statements have been audited by Shu-Wan Lin /CPA and Chin-Ming Shao /CPA from Deloitte & Touche, and an unmodified audit report has been issued.
2. The above Financial Statements, together with the Business Report, have been reviewed by the Company's audit committee.
3. Business Report (Please refer to this handbook) 、Financial Statements(Appendix at the back)

Resolution:

INDEPENDENT AUDITORS' REPORT

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

Opinion

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

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

Basis for Opinion

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

Key Audit Matter

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

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

Valuation of Construction Land

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

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

1. We obtained and assessed the reasonableness of the valuation methodology and data used by the management when evaluating construction land.
2. We sampled and evaluated the reasonableness of the net realizable value assessment results of construction land as of the balance sheet date and confirmed that the construction land was measured at the lower of cost and net realizable value.

Other Matter

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

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

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

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

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 12, 2025

Notice to Readers

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

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

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

PARENT COMPANY ONLY BALANCE SHEETS

DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

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

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

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

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

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

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 18 and 24)	\$ 13,081,648	100	\$ 6,829,160	100
OPERATING COSTS (Notes 4, 9, 19 and 24)	<u>(10,188,318)</u>	<u>(78)</u>	<u>(4,538,110)</u>	<u>(66)</u>
GROSS PROFIT	2,893,330	22	2,291,050	34
REALIZED SALES PROFIT	<u>41</u>	<u>-</u>	<u>41</u>	<u>-</u>
NET GROSS PROFIT	<u>2,893,371</u>	<u>22</u>	<u>2,291,091</u>	<u>34</u>
OPERATING EXPENSES (Notes 4, 19 and 24)				
General and administrative expenses	1,200,908	9	607,880	9
Expected credit loss (gain)	<u>1</u>	<u>-</u>	<u>(1)</u>	<u>-</u>
Total operating expenses	<u>1,200,909</u>	<u>9</u>	<u>607,879</u>	<u>9</u>
PROFIT FROM OPERATIONS	<u>1,692,462</u>	<u>13</u>	<u>1,683,212</u>	<u>25</u>
NON-OPERATING INCOME AND EXPENSES				
Other gains and losses (Note 19)	(16,405)	-	(51,530)	(1)
Finance costs (Notes 4, 19 and 24)	(287,856)	(2)	(249,250)	(4)
Share of profit or loss of subsidiaries, associates and joint ventures (Note 10)	276,954	2	690,420	10
Interest income (Notes 19 and 24)	27,700	-	34,278	1
Dividend income	132,477	1	61,287	1
Other income, net (Note 24)	<u>146,311</u>	<u>1</u>	<u>71,793</u>	<u>1</u>
Total non-operating income and expenses	<u>279,181</u>	<u>2</u>	<u>556,998</u>	<u>8</u>
PROFIT BEFORE INCOME TAX	1,971,643	15	2,240,210	33
INCOME TAX EXPENSE (Notes 4 and 20)	<u>(394,243)</u>	<u>(3)</u>	<u>(75,773)</u>	<u>(1)</u>
NET PROFIT FOR THE YEAR	<u>1,577,400</u>	<u>12</u>	<u>2,164,437</u>	<u>32</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				

(Continued)

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

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

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

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

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

(Concluded)

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

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

	Share Capital	Capital Surplus	Retained Earnings			Total	Other Equity					Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings		Exchange Differences on Translation of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Profit or Loss	Reversals on Plans of Defined Benefit	Loss on Hedging Instruments	(Less) Gain on Property Revaluation	
BALANCE AT JANUARY 1, 2023	\$ 11,595,611	\$ 65,262	\$ 4,723,658	\$ 504,189	\$ 7,491,441	\$ 12,719,288	\$ 432	\$ 224,652	\$ (2,992)	\$ -	\$ -	\$ 24,602,253
Appropriation of 2022 earnings	-	-	108,069	-	(108,069)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(579,781)	(579,781)	-	-	-	-	-	(579,781)
Change in equity of subsidiaries and associates accounted for using equity method	-	47,090	-	-	(143,947)	(143,947)	-	-	-	-	-	(96,857)
Other changes in capital surplus	-	6,054	-	-	-	-	-	-	-	-	-	6,054
Net profit for the year ended December 31, 2023	-	-	-	-	2,164,437	2,164,437	-	-	-	-	-	2,164,437
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-	-	81	206,302	3,250	-	3,206	213,239
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	2,164,437	2,164,437	81	206,302	3,250	-	3,206	237,676
BALANCE AT DECEMBER 31, 2023	11,595,611	110,406	4,831,727	504,189	8,824,081	14,159,997	513	430,954	258	-	3,206	24,609,345
Appropriation of 2023 earnings	-	-	202,049	-	(202,049)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,159,561)	(1,159,561)	-	-	-	-	-	(1,159,561)
Change in equity of subsidiaries and associates accounted for using equity method	-	62,619	-	-	-	-	-	-	-	-	-	62,619
Other changes in capital surplus	-	1,855	-	-	-	-	-	-	-	-	-	1,855
Net profit for the year ended December 31, 2024	-	-	-	-	1,577,400	1,577,400	-	-	-	-	-	1,577,400
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	-	-	393	1,455,008	20,312	(40)	(3,206)	1,471,967
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	1,577,400	1,577,400	393	1,455,008	20,312	(40)	(3,206)	3,049,367
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2024	11,595,611	182,880	5,033,776	504,189	9,201,124	14,179,089	906	1,724,609	20,270	(40)	-	28,263,625

The accompanying notes are an integral part of the parent company only financial statements.
(With Deloitte & Touche auditors' report dated March 12, 2025)

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

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

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

(Continued)

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

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

	2024	2023
Net cash generated from investing activities	<u>1,104,529</u>	<u>659,684</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	2,382,000	(1,975,000)
Decrease in short-term bills payable	(1,498,104)	(496,476)
Proceeds from long-term borrowings	3,043,428	5,898,691
Repayments of long-term borrowings	(4,669,692)	(4,360,000)
Repayments of the principal portion of lease liabilities	(20,968)	(23,410)
Other non-current liabilities	4,188	18,067
Distribution of cash dividends	(1,159,561)	(579,781)
Interest paid	(708,255)	(650,376)
Other financing activities	<u>(9,568)</u>	<u>(1,663)</u>
Net cash used in financing activities	<u>(2,636,532)</u>	<u>(2,169,948)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,048,996	(3,978,842)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>3,110,974</u>	<u>7,089,816</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 4,159,970</u>	<u>\$ 3,110,974</u>

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

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

(Concluded)

INDEPENDENT AUDITORS' REPORT

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

Opinion

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

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Group's consolidated financial statements for the year ended December 31, 2024 are stated as follows:

Valuation of Construction Land

The Group is engaged in property development and real estate transactions. The net realizable value of

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

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

1. We obtained and assessed the reasonableness of the valuation methodology and data used by the management when evaluating construction land.
2. We sampled and evaluated the reasonableness of the net realizable value assessment results of construction land as of the balance sheet date and confirmed that the construction land was measured at the lower of cost and net realizable value.

Recognition of Construction Revenue

The Company's subsidiary engages in construction contracting activities, and its revenue is recognized based on the estimated percentage of completion and the total price of the construction contract. As the estimates are required to be made with reference to internal and external documents during the calculation of the percentage of completion of construction, the calculation of the percentage of completion is considered complex due to the internal and external information and the management's estimation in the calculation. Therefore, we considered the accuracy of construction revenue a key audit matter. For the relevant accounting policies, accounting estimates, assumptions, uncertainties and note disclosures, please refer to Notes 4, 5, and 19 of the consolidated financial statements.

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

1. We obtained an understanding of and tested the design and operating effectiveness of the internal controls related to the estimation of the percentage of completion and the accuracy of construction revenue recognized.
2. We evaluated and confirmed that the accounting policies on the estimation of the percentage of completion were consistently applied.
3. We performed tests of the details of on-going construction contracts at the end of the year and confirmed the accuracy of construction revenue recognized.

Other Matter

Among the investments accounted for using equity method included in the Group's consolidated financial statements, we did not audit the financial statements for the year ended December 31, 2024 of Symphox Information Co., Ltd. and San Hsiung Fongshan Lalaport Co., Ltd. Therefore, in our expression of an opinion on the Group's consolidated financial statements, those investments and share of profits are based on the audit report of other accountants. The investment accounted for using equity method audited by other accountants as of December 31, 2024 amounted to NT\$591,938 thousand, representing 0.66% of the total assets. For the year ended December 31, 2024, the share of profits or losses from these investees amounted to NT\$ (80,545) thousand, representing (3.89)% of the profit before income tax.

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

We have also audited the parent company only financial statements of Cathay Real Estate Development

Co., Ltd. as of and for the years ended December 31, 2024, on which we have issued an unmodified opinion with other matter paragraph.

The parent company only financial statements of Cathay Real Estate Development Co., Ltd. as of and for the years ended December 31, 2023 were audited by other accountant, who issued an unmodified opinion with an other matter paragraph on March 14, 2024.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

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

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 12, 2025

Notice to Readers

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

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

CATHAY REAL ESTATE DEVELOPMENT CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4, 6 and 25)	\$ 6,775,388	8	\$ 5,067,592	6
Financial assets at fair value through other comprehensive income - current (Notes 4 and 7)	4,037,768	5	2,926,542	4
Contract assets - current (Note 19)	22,249	-	171,423	-
Notes receivable, net (Notes 4 and 8)	3,757	-	22,469	-
Accounts receivable, net (Notes 4 and 8)	1,027,787	1	1,281,264	2
Accounts receivable from related parties, net (Notes 4 and 25)	20,743	-	14,153	-
Other receivables	218,121	-	82,685	-
Current tax assets (Notes 4 and 21)	2,148	-	1,025	-
Inventories (Notes 4, 5, 9 and 26)	49,511,444	55	48,205,258	59
Prepayments	445,207	1	365,780	-
Other current assets (Notes 25)	213,885	-	62,754	-
Incremental costs of obtaining contracts - current (Notes 4 and 19)	1,880,371	2	1,406,064	2
Total current assets	64,158,868	72	59,607,009	73
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 7)	498,270	1	505,324	1
Investments accounted for using equity method (Notes 4 and 11)	2,025,741	2	2,033,316	2
Property, plant and equipment (Notes 4, 12 and 20)	4,358,546	5	4,559,240	6
Right-of-use assets (Notes 4, 13, 20 and 25)	4,038,435	4	4,286,906	5
Investment property, net (Notes 4, 14, 20 and 26)	12,591,682	14	9,155,140	11
Intangible assets (Notes 4 and 20)	54,158	-	51,271	-
Deferred tax assets (Notes 4 and 21)	498,996	1	414,391	-
Other non-current assets (Notes 15 and 25)	1,184,267	1	1,409,159	2
Total non-current assets	25,250,095	28	22,414,747	27
TOTAL	\$ 89,408,963	100	\$ 82,021,756	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4, 16 and 25)	\$ 13,216,400	15	\$ 10,466,600	13
Short-term bills payable (Notes 4 and 16)	838,539	1	2,579,334	3
Contract liabilities - current (Notes 4 and 19)	12,473,835	14	7,596,155	9
Notes payable	98,300	-	23,177	-
Accounts payable	2,145,395	2	2,116,610	3
Accounts payables to related parties (Note 25)	4,577	-	3,281	-
Other payables	994,131	1	995,669	1
Current tax liabilities (Notes 4 and 21)	130,547	-	224,512	-
Lease liabilities - current (Notes 4, 13 and 25)	428,876	1	433,695	1
Current portion of long-term borrowings (Notes 4 and 16)	10,347,531	12	7,580,000	9
Other current liabilities	292,486	-	190,207	-
Total current liabilities	40,970,617	46	32,209,240	39
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 4 and 16)	12,375,567	14	15,741,295	19
Deferred tax liabilities (Notes 4 and 21)	43,798	-	40,898	-
Lease liabilities - non-current (Notes 4, 13 and 25)	5,277,143	6	5,254,109	7
Other non-current liabilities (Notes 17 and 25)	234,389	-	243,964	-
Total non-current liabilities	17,930,897	20	21,280,266	26
Total liabilities	58,901,514	66	53,489,506	65
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 18)				
Ordinary shares	11,595,611	13	11,595,611	14
Capital surplus	182,880	-	118,406	-
Retained earnings				
Legal reserve	5,033,776	6	4,831,727	6
Special reserve	504,189	1	504,189	-
Unappropriated earnings	9,201,124	10	8,824,081	11
Total retained earnings	14,739,089	17	14,159,997	17
Other equity	1,746,045	2	435,331	1
Total equity attributable to owners of the Company	28,263,625	32	26,309,345	32
NON-CONTROLLING INTERESTS	2,243,824	2	2,222,905	3
Total equity	30,507,449	34	28,532,250	35
TOTAL	\$ 89,408,963	100	\$ 82,021,756	100

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

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

CATHAY REAL ESTATE DEVELOPMENT CO., LTD. AND SUBSIDIARIES

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

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 5, 19 and 25)	\$ 23,858,689	100	\$ 15,480,974	100
OPERATING COSTS (Notes 4, 9, 20 and 25)	<u>(18,728,117)</u>	<u>(79)</u>	<u>(11,120,260)</u>	<u>(72)</u>
GROSS PROFIT	<u>5,130,572</u>	<u>21</u>	<u>4,360,714</u>	<u>28</u>
OPERATING EXPENSES (Notes 4, 20 and 25)				
General and administrative expenses	2,688,241	11	1,788,104	11
Expected credit loss (Note 8)	<u>8,543</u>	<u>-</u>	<u>48</u>	<u>-</u>
Total operating expenses	<u>2,696,784</u>	<u>11</u>	<u>1,788,152</u>	<u>11</u>
PROFIT FROM OPERATIONS	<u>2,433,788</u>	<u>10</u>	<u>2,572,562</u>	<u>17</u>
NON-OPERATING INCOME AND EXPENSES				
Other gains and losses (Notes 4 and 20)	(88,613)	-	(117,986)	(1)
Finance costs (Notes 4, 20 and 25)	(493,991)	(2)	(444,975)	(3)
Share of profit or loss of associates and joint ventures (Notes 4 and 11)	(16,023)	-	277,260	2
Interest income (Notes 4, 20 and 25)	48,821	-	48,290	-
Dividend income	132,477	1	61,297	-
Other income, net	<u>55,720</u>	<u>-</u>	<u>78,772</u>	<u>1</u>
Total non-operating income and expenses	<u>(361,609)</u>	<u>(1)</u>	<u>(97,342)</u>	<u>(1)</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	2,072,179	9	2,475,220	16
INCOME TAX EXPENSE (Notes 4 and 21)	<u>(539,949)</u>	<u>(2)</u>	<u>(255,235)</u>	<u>(2)</u>
NET PROFIT FOR THE YEAR	<u>1,532,230</u>	<u>7</u>	<u>2,219,985</u>	<u>14</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 17)	28,253	-	4,015	-

(Continued)

CATHAY REAL ESTATE DEVELOPMENT CO., LTD. AND SUBSIDIARIES

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

	2024		2023	
	Amount	%	Amount	%
Unrealized gain on investments in equity instruments at fair value through other comprehensive income (Notes 4, 18 and 24)	1,441,617	6	207,415	2
Share of the other comprehensive income of associates and joint ventures accounted for using equity method (Notes 4, 11 and 18)	9,045	-	2,528	-
Income tax related to items that will not be reclassified subsequently to profit or loss (Notes 4 and 21)	(5,651)	-	(803)	-
Items that may be reclassified subsequently to profit or loss:				
Share of the other comprehensive income of associates and joint ventures accounted for using equity method (Notes 4, 11 and 18)	<u>353</u>	<u>-</u>	<u>81</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>1,473,617</u>	<u>6</u>	<u>213,236</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 3,005,847</u>	<u>13</u>	<u>\$ 2,433,221</u>	<u>16</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,577,400	6	\$ 2,164,437	14
Non-controlling interests (Note 18)	<u>(45,170)</u>	<u>-</u>	<u>55,548</u>	<u>-</u>
	<u>\$ 1,532,230</u>	<u>6</u>	<u>\$ 2,219,985</u>	<u>14</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 3,049,367	13	\$ 2,377,676	15
Non-controlling interests (Note 18)	<u>(43,520)</u>	<u>-</u>	<u>55,545</u>	<u>1</u>
	<u>\$ 3,005,847</u>	<u>13</u>	<u>\$ 2,433,221</u>	<u>16</u>
EARNINGS PER SHARE (Note 22)				
Basic	<u>\$ 1.36</u>		<u>\$ 1.87</u>	
Diluted	<u>\$ 1.36</u>		<u>\$ 1.87</u>	

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

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

(Concluded)

CATHAY REAL ESTATE DEVELOPMENT CO., LTD. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company						Other Equity				Total	Non-controlling Interests	Total Equity	
	Share Capital	Capital Surplus	Legal Reserve	Retained Earnings		Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Exchange Differences on Translation of Foreign Operations	Re-measurements of Defined Benefit Plans	Loss on Hedging Instruments	Gain (Loss) on Property Revaluation				
				Special Reserve	Unappropriated Earnings									Total
BALANCE AT JANUARY 1, 2023	\$ 11,595,611	\$ 65,262	\$ 4,723,658	\$ 504,189	\$ 7,491,441	\$ 12,719,288	\$ 432	\$ 224,652	\$ (2,992)	\$ -	\$ -	\$ 24,602,253	\$ 2,155,082	\$ 26,757,935
Appropriation of 2022 earnings	-	-	108,069	-	(108,069)	-	-	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(579,781)	(579,781)	-	-	-	-	-	(579,781)	-	(579,781)
Change in equity of associates and joint ventures	-	47,090	-	-	(143,947)	(143,947)	-	-	-	-	-	(96,857)	-	(96,857)
Other changes in capital surplus	-	6,054	-	-	-	-	-	-	-	-	-	6,054	-	6,054
Net profit for the year ended December 31, 2023	-	-	-	-	2,164,437	2,164,437	-	-	-	-	-	2,164,437	55,548	2,219,985
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-	-	81	206,202	3,706	-	3,706	213,239	(3)	213,236
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	2,164,437	2,164,437	81	206,202	3,706	-	3,706	2,377,676	55,545	2,433,221
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	11,628	11,628
BALANCE AT DECEMBER 31, 2023	11,595,611	118,406	4,831,727	504,189	8,824,081	14,159,997	513	430,854	258	-	3,706	26,309,345	2,222,905	28,532,250
Appropriation of 2023 earnings	-	-	202,049	-	(202,049)	-	-	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(1,159,561)	(1,159,561)	-	-	-	-	-	(1,159,561)	-	(1,159,561)
Change in equity of associates and joint ventures	-	62,619	-	-	-	-	-	-	-	-	-	62,619	-	62,619
Other changes in capital surplus	-	1,855	-	-	-	-	-	-	-	-	-	1,855	-	1,855
Net profit for the year ended December 31, 2024	-	-	-	-	1,577,400	1,577,400	-	-	-	-	-	1,577,400	(45,170)	1,532,230
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	-	-	393	1,455,008	(440)	-	(3,706)	1,471,067	1,650	1,473,617
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	1,577,400	1,577,400	393	1,455,008	(440)	-	(3,706)	3,049,367	(43,520)	3,005,847
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	64,439	64,439
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2024	\$ 11,595,611	\$ 182,880	\$ 5,033,776	\$ 504,189	\$ 10,262,224	\$ 17,478,680	\$ 906	\$ 1,724,609	\$ (20,520)	\$ (440)	\$ -	\$ 28,763,625	\$ 2,243,824	\$ 30,507,449

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

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

CATHAY REAL ESTATE DEVELOPMENT CO., LTD. AND SUBSIDIARIES

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

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 2,072,179	\$ 2,475,220
Adjustments for:		
Depreciation expense	1,096,440	1,022,593
Amortization expense	18,669	22,499
Expected credit loss	8,543	48
Interest expense	493,991	444,975
Interest income	(48,821)	(48,290)
Dividend income	(132,477)	(61,297)
Share of (loss) profit of associates and joint ventures	16,023	(277,260)
(Gain) Loss on disposal of property, plant and equipment, net	(34,809)	48,712
Loss on disposal of investment property	16,244	-
Loss on disposal of intangible assets	-	5
Impairment loss recognized on financial assets	32,750	-
Impairment loss recognized on non-financial assets	-	52,089
Changes in operating assets and liabilities		
Contract assets	149,174	208,058
Notes receivable	18,712	16,270
Accounts receivable	244,934	(823,296)
Accounts receivable from related parties	(6,590)	4,884
Other receivables	11,726	(2,234)
Inventories	(4,077,273)	(6,499,101)
Prepayments	(79,427)	66,369
Other current assets	(143,907)	61,039
Incremental costs of obtaining contracts	(474,307)	(186,207)
Other operating assets	(122,271)	89,058
Contract liabilities	4,877,680	968,668
Notes payable	75,123	(32,797)
Accounts payable	28,785	845,732
Accounts payable to related parties	1,296	(45,186)
Other payables	55,361	(126,447)
Other current liabilities	102,279	36,376
Cash generated from (used in) operations	4,200,027	(1,739,520)
Interest received	48,958	47,948
Income tax paid	(722,393)	(269,577)
Net cash generated from (used in) operating activities	3,526,592	(1,961,149)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceed from sale of financial assets at fair value through other comprehensive income	157,396	-
Acquisition of investments accounted for using equity method	-	(54,000)
Payments for property, plant and equipment	(252,391)	(272,326)
Proceeds from disposal of property, plant and equipment	79,089	9,599
Payments for intangible assets	(19,734)	(26,477)

(Continued)

CATHAY REAL ESTATE DEVELOPMENT CO., LTD. AND SUBSIDIARIES

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

	2024	2023
Decrease in other non-current assets	207,173	301,970
Dividends received	<u>196,046</u>	<u>80,561</u>
Net cash generated from investing activities	<u>367,579</u>	<u>39,327</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	2,749,800	(1,978,400)
Decrease in short-term bills payable	(1,740,795)	(1,515,279)
Proceeds from long-term borrowings	7,043,674	7,884,295
Repayments of long-term borrowings	(7,691,691)	(6,330,000)
Repayments of the principal portion of lease liabilities	(439,593)	(437,070)
Increase in other non-current liabilities	18,678	16,685
Distribution of cash dividends	(1,159,561)	(579,781)
Interest paid	(1,021,758)	(925,208)
Changes in non-controlling interests	64,439	11,678
Other financing activities	<u>(9,568)</u>	<u>-</u>
Net cash used in financing activities	<u>(2,186,375)</u>	<u>(3,853,080)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,707,796	(5,774,902)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>5,067,592</u>	<u>10,842,494</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 6,775,388</u>	<u>\$ 5,067,592</u>

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

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

(Concluded)

(2) Acknowledgement of Proposal for 2024 Earnings Distribution.

[Proposed by the Board of Directors]

Explanation:

1. The Company's 2024 Earnings Distribution, according to Article 27 of the Articles of Incorporation, is scheduled to distribute NT\$ 1 cash dividend per share, and the undistributed profit from the most recent years shall be distributed first.
2. Upon resolution at the annual meeting of the shareholders, the board of directors is authorized to set the ex-dividend date and adjust the dividend yield based on actual circumstances.
3. For table of Earnings Distribution please refer to page 30 of this handbook.

Resolution:

Cathay Real Estate Development Co., Ltd.

Earnings Distribution Table of the 2024

Unit: NT\$ Dollar

Item	Amount
Retained earnings at the beginning	7,462,470,841
Add: Net income of 2024	1,577,400,021
Add: Disposal of investments in equity instruments at fair value through other comprehensive income	161,253,433
Less: Legal reserves	(173,865,345)
Distributable earnings	9,027,258,950
Distributable items:	
Shareholders' dividends - Cash	1,159,561,059
Unappropriated retained earnings	7,867,697,891
Note: For the Earnings Distribution, NT\$ 1 cash dividend is to be distributed per share, where undistributed earnings from the most recent years shall be distributed first.	

Chairman: Ching-kuei Chang

President: Hung-Ming Lee

Chief Accountant: Yi-Chun Chang

3. Matters for Discussion

(1) Discussion on the amendments of the Articles of Incorporation.

[Proposed by the Board of Directors]

Explanation:

1. To accommodate the adjustment of company operations and the addition of Article 14, Paragraph 6 of the Securities and Exchange Act by the Financial Supervisory Commission, requiring listed companies to clearly specify the proportion of employee compensation to be distributed to non-executive employees, it is proposed to amend the Company's "Articles of Incorporation. "
2. For the amendment comparison table, please refer to page 32 to 34 of this handbook.

Resolution:

Cathay Real Estate Development Co., Ltd.
**Comparison Table of Amendment to the Articles of
Incorporation**

Amended Articles	Current Articles	Explanation
<p>Article2 The Company's business scopes are as follows: 1.F208031 Retail Sale of Medical Equipment. (2.-15. omitted) <u>16. I103060 Management Consulting Services.</u> <u>17. I199990 Other Consultancy.</u> <u>18. ZZ99999All business items that are not prohibited or restricted by operation acts, except those that are subject to approval.</u></p> <p>The operations of the above businesses shall be conducted in accordance with the relevant laws and regulations.</p>	<p>Article2 The Company's business scopes are as follows: 1.F208031 Retail Sale of Medical Equipment. (2.-15. omitted) <u>16. H704041 Real Estate Agency Brokerage.</u> 17. I103060 Management Consulting Services. 18. I199990 Other Consultancy. 19. ZZ99999All business items that are not prohibited or restricted by operation acts, except those that are subject to approval.</p> <p>The operations of the above businesses shall be conducted in accordance with the relevant laws and regulations.</p>	<p>Deleted to align with business needs and the item numbering adjusted accordingly.</p>
<p>Article 7 The registered capital of the Company is NT\$20 billion, divided into 2 billion shares with a par value of NT\$10. The board of directors is authorized to issue the</p>	<p>Article 7 The registered capital of the Company is NT\$20 billion, divided into 2 billion shares with a par value of NT\$10. The board of directors is authorized to issue the</p>	<p>In accordance with business flexibility.</p>

Amended Articles	Current Articles	Explanation
shares in installments. <u>When the Company issues new shares and legally reserves shares for employee subscription, the employees who may subscribe to the shares include employees of subsidiaries who meet certain conditions.</u>	shares in installments.	
<p>Article 27 The Company is moving towards diversified investments to increase profitability in response to changing economic conditions and market environments. After consideration for future capital requirements and long-term financial planning, the Company's dividend policy follows a residual dividend policy, aiming for steady growth and sustainable operations.</p> <p>If there is a surplus in the fiscal year, the Company shall set aside a percentage between 0.1% and 1% as employees' compensation, <u>(of which no less than fifty percent shall be distributed to non-executive employees, and the remainder shall be</u></p>	<p>Article 27 The Company is moving towards diversified investments to increase profitability in response to changing economic conditions and market environments. After consideration for future capital requirements and long-term financial planning, the Company's dividend policy follows a residual dividend policy, aiming for steady growth and sustainable operations.</p> <p>If there is a surplus in the fiscal year, the Company shall set aside a percentage between 0.1% and 1% as employees' compensation, and no more than 1% as directors' compensation. However, the Company's</p>	<p>In response to the addition of Article 14, Paragraph 6 of the Securities and Exchange Act by the Financial Supervisory Commission, requiring listed companies to clearly specify the proportion of employee compensation to be distributed to non-executive employees.</p>

Amended Articles	Current Articles	Explanation
<p><u>distributed to executive employees)</u> and no more than 1% as directors' compensation. However, the Company's accumulated losses, if any, shall first be covered.</p> <p>(The following is omitted.)</p>	<p>accumulated losses, if any, shall first be covered.</p> <p>(The following is omitted.)</p>	
<p>Article 29 The Articles of Incorporation were established on 14 September 1964, and the 1st amendment was made on 27 February 1965 (further details are omitted below), the 47th amendment on June 14, 2024, <u>and the 48th amendment on June 13, 2025.</u></p>	<p>Article 29 The Articles of Incorporation were established on 14 September 1964, and the 1st amendment was made on 27 February 1965 (further details are omitted below) , and the 47th amendment on June 14, 2024.</p>	<p>In coordination with the revision of this chapter, the date of this revision is added.</p>

(2) Discussion on the amendment of the Company's Procedures for Lending Funds and Making Endorsements/Guarantees

[Proposed by the Board of Directors]

Explanation:

1. In response to organizational changes in the Operation Management Department in 2024, and to accurately reflect the responsible units, it is proposed to amend the Company's Procedures for Lending Funds and Making Endorsements and Guarantees.
2. For the amendment comparison table, please refer to page 36 to 48 of this handbook.

Resolution:

Cathay Real Estate Development Co., Ltd.
Comparison Table of Amendments to the Procedures for
Lending Funds and Making Endorsements and
Guarantees

Amended Articles	Current Articles	Explanation
<p>Article7</p> <p>The Company's procedures for handling fund lending operations:</p> <p>1. Credit Investigation and Review</p> <p>The Company's handling of fund lending matters requires the borrowing party to first attach the necessary information and the most recent financial statements and submit a written application for the loan amount to the Company's responsible management unit.</p> <p>After receiving the application, the Company's responsible management unit will first conduct an assessment and investigation of the borrower, including explaining the relevant funding content, necessity and reasonableness, risk assessment results, as well as the impact of the fund lending on the Company's</p>	<p>Article7</p> <p>The Company's procedures for handling fund lending operations:</p> <p>1. Credit Investigation and Review</p> <p>The Company's handling of fund lending matters requires the borrowing party to first attach the necessary information and the most recent financial statements and submit a written application for the loan amount to the Company's responsible management unit.</p> <p>After receiving the application, the Company's responsible management unit will forward it to the <u>Operation Management Department</u> to first conduct an assessment and investigation of the borrower, including explaining the relevant funding content, necessity and reasonableness, risk</p>	<p>Text adjusted to align with organizational changes in the Company's Operation Management Department.</p>

Amended Articles	Current Articles	Explanation
<p>operational risks, financial condition, and shareholders' equity. Collateral shall be obtained when necessary.</p> <p>2. Credit Approval</p> <p>For the Company's handling of fund lending matters, after evaluation by the Company's <u>responsible management unit</u> according to the aforementioned procedures, the matter shall be submitted to the Chairman for approval and then to the Board of Directors for resolution before implementation. This authority may not be delegated to any other person.</p> <p>3. Creditor Protection</p> <p>When the Company handles fund lending matters, except for subsidiaries in which the Company directly or indirectly holds more than fifty percent of the voting shares, the Company shall obtain a promissory note of equal amount as collateral. When necessary, a pledge or mortgage on movable or immovable property</p>	<p>assessment results, as well as the impact of the fund lending on the Company's operational risks, financial condition, and shareholders' equity. Collateral shall be obtained when necessary.</p> <p>2. Credit Approval</p> <p>When the Company handles fund lending matters, after evaluation by the Company's <u>Operation Management Department</u> according to the aforementioned procedures, it shall be submitted to the Chairman for approval. The <u>responsible management unit</u> shall then submit it to the Board of Directors for resolution before implementation. This authority may not be delegated to any other person.</p> <p>3. Creditor Protection</p> <p>When the Company handles fund lending matters, except for subsidiaries in which the Company directly or indirectly holds more than fifty percent of the voting shares, the Company shall obtain a promissory note</p>	

Amended Articles	Current Articles	Explanation
<p>should be established. However, if the borrower provides a guarantee from an individual or company with adequate financial capability and credit instead of providing collateral, the Board of Directors may make a resolution after considering the evaluation report from the <u>responsible management unit</u>. When a company serves as guarantor, attention should be paid to whether that company's articles of incorporation include provisions allowing it to provide external guarantees.</p>	<p>of equal amount as collateral. When necessary, a pledge or mortgage on movable or immovable property should be established. However, if the borrower provides a guarantee from an individual or company with adequate financial capability and credit instead of providing collateral, the Board of Directors may proceed based on the evaluation report from the <u>Operation Management Department</u>. When a company serves as guarantor, attention should be paid to whether that company's articles of incorporation include provisions allowing it to provide external guarantees.</p>	
<p>Article 9 Follow-up Control Measures for Amounts Already Loaned by the Company and Procedures for Handling Overdue Claims: 1. Control Measures (I) After the loan is disbursed, the responsible management unit shall regularly monitor the</p>	<p>Article 9 Follow-up Control Measures for Amounts Already Loaned by the Company and Procedures for Handling Overdue Claims: 1. Control Measures (I) After the loan is disbursed, the <u>responsible management unit</u> shall regularly monitor the</p>	<p>Text adjusted to align with organizational changes in the Company's Operation Management Department.</p>

Amended Articles	Current Articles	Explanation
<p>financial and business conditions and relevant credit status of the borrower and guarantor. If collateral is provided, it shall be kept by the <u>responsible management unit</u>, which shall also pay attention to any changes in the value of such collateral. In case of significant changes, they shall immediately report to the Chairman and take appropriate action as instructed.</p> <p>(II) When a loan is repaid at or before maturity, the <u>responsible management unit</u> must first calculate the interest due and collect it together with the principal before canceling any promissory notes and other loan documents and returning them to the borrower or proceeding with the cancellation of mortgages.</p>	<p>financial and business conditions and relevant credit status of the borrower and guarantor. If collateral is provided, it shall be kept by the responsible management unit, which shall also pay attention to any changes in the value of such collateral. In case of significant changes, they shall immediately report to the Chairman and take appropriate action as instructed.</p> <p>(II) When a loan is repaid at or before maturity, the <u>Operation Management Department</u> must first calculate the interest due and collect it together with the principal before canceling any promissory notes and other loan documents and returning them to the borrower or proceeding with the cancellation of mortgages.</p>	
<p>Article 10</p> <p>For the lending of funds between the Company and its subsidiaries, or between subsidiaries, the responsible management units of <u>each company</u> shall submit the matter to</p>	<p>Article 10</p> <p>For the lending of funds between the Company and its subsidiaries, or between subsidiaries, the responsible management units shall submit the matter to the Board of</p>	<p>Text revised to ensure clarity</p>

Amended Articles	Current Articles	Explanation
<p>the Board of Directors for resolution in accordance with the operating procedures of each lending company. The Board may authorize the Chairman to make multiple disbursements or to implement a revolving credit line to the same borrower within a certain amount resolved by the Board of Directors and for a period not exceeding one year.</p> <p>The 'certain amount' mentioned in the preceding paragraph, except for cases that comply with Article 6, Paragraph 2, shall not exceed 10% of the net worth as stated in the latest financial statements of the lending company, whether it is the Company or a subsidiary making the loan to a single enterprise.</p>	<p>Directors for resolution in accordance with the operating procedures of each lending company. The Board may authorize the Chairman to make multiple disbursements or to implement a revolving credit line to the same borrower within a certain amount resolved by the Board of Directors and for a period not exceeding one year.</p> <p>The 'certain amount' mentioned in the preceding paragraph, except for cases that comply with Article 6, Paragraph 2, shall not exceed 10% of the net worth as stated in the latest financial statements of the lending company, whether it is the Company or a subsidiary making the loan to a single enterprise.</p>	
<p>Article 11</p> <p>When the Company handles fund lending matters, the <u>responsible management unit</u> shall establish a reference book, to include details such as the borrower, amount, date of approval by the Board</p>	<p>Article 11</p> <p>When the Company handles fund lending matters, the <u>Operation Management Department</u> shall establish a reference book, to include details such as the borrower, amount, date of approval</p>	<p>Text adjusted to align with organizational changes in the Company's Operation Management Department.</p>

Amended Articles	Current Articles	Explanation
<p>of Directors, date of lending, loan period, and method of interest calculation. These details shall be recorded in the reference book for future reference, and regular reports shall be filed. The Company's internal auditors shall audit the procedures for lending funds to others and their implementation at least quarterly and prepare written records. If any material violations are found, they shall immediately notify the members of the Audit Committee in writing.</p>	<p>by the Board of Directors, date of lending, loan period, and method of interest calculation. These details shall be recorded in the reference book for future reference, and regular reports shall be filed. The Company's internal auditors shall audit the procedures for lending funds to others and their implementation at least quarterly and prepare written records. If any material violations are found, they shall immediately notify the members of the Audit Committee in writing.</p>	
<p>Article 15 The Company's evaluation standards and limits for endorsements and guarantees:</p> <ol style="list-style-type: none"> 1. The total amount of endorsements and guarantees provided by the Company and its subsidiaries shall not exceed 60% of the Company's net worth. 2. The amount of endorsements and guarantees provided by the Company to a 	<p>Article 15 The Company's evaluation standards and limits for endorsements and guarantees:</p> <ol style="list-style-type: none"> 1. The total amount of endorsements and guarantees provided by the Company and its subsidiaries shall not exceed 60% of the Company's net worth. 2. The amount of endorsements and guarantees provided by the Company to a 	<p>Text adjusted to align with organizational changes in the Company's Operation Management Department.</p>

Amended Articles	Current Articles	Explanation
<p>single company shall not exceed 30% of the Company's net worth. The total amount of endorsements and guarantees provided by the Company and its subsidiaries to a single company shall not exceed 30% of the Company's net worth.</p> <p>3. For endorsements and guarantees provided by the Company to a single company due to business relationships, in addition to being subject to the aforementioned regulations, the amount shall not exceed the business transaction amount between the two parties. The term 'business transaction amount' refers to the higher of the purchase or sales amount between the two parties.</p> <p>If the Company provides endorsements and guarantees to a subsidiary with net worth less than half of its paid-in capital,</p>	<p>single company shall not exceed 30% of the Company's net worth. The total amount of endorsements and guarantees provided by the Company and its subsidiaries to a single company shall not exceed 30% of the Company's net worth.</p> <p>3. For endorsements and guarantees provided by the Company to a single company due to business relationships, in addition to being subject to the aforementioned regulations, the amount shall not exceed the business transaction amount between the two parties. The term 'business transaction amount' refers to the higher of the purchase or sales amount between the two parties.</p> <p>If the Company provides endorsements and guarantees to a subsidiary with net worth less than half of its</p>	

Amended Articles	Current Articles	Explanation
<p>the <u>responsible management unit</u> shall regularly review the financial statements of that subsidiary to control the risks that may arise from such endorsements and guarantees.</p> <p>For a subsidiary with no par value shares or with a par value other than NT\$10 per share, the paid-in capital calculated according to the preceding paragraph shall be the sum of the share capital plus capital surplus - premium on share capital.</p>	<p>paid-in capital, the <u>Operation Management Department</u> shall regularly review the financial statements of that subsidiary to control the risks that may arise from such endorsements and guarantees.</p> <p>For a subsidiary with no par value shares or with a par value other than NT\$10 per share, the paid-in capital calculated according to the preceding paragraph shall be the sum of the share capital plus capital surplus - premium on share capital.</p>	
<p>Article 16</p> <p>The Company's procedures for handling endorsements and guarantees:</p> <p>1. Credit Investigation and Review</p> <p>When handling endorsement and guarantee matters, the Company requesting the endorsement and/or guarantee shall first submit the necessary company information and the most recent financial statements in writing to</p>	<p>Article 16</p> <p>The Company's procedures for handling endorsements and guarantees:</p> <p>1. Credit Investigation and Review</p> <p>When handling endorsement and guarantee matters, the Company requesting the endorsement and/or guarantee shall first submit the necessary company information and the most recent financial statements in writing to</p>	<p>Text adjusted to align with organizational changes in the Company's Operation Management Department.</p>

Amended Articles	Current Articles	Explanation
<p>the responsible management unit of the Company.</p> <p>After receiving the application, the Company's responsible management unit shall evaluate and investigate the company requesting the endorsement and/or guarantee, clearly stating the relevant content of the endorsement and/or guarantee, its necessity and reasonableness, risk assessment results, as well as the impact of such endorsement and/or guarantee on the Company's operational risk, financial status, and shareholders' equity.</p> <p>Collateral shall be obtained when necessary.</p> <p>2. Approval and Authorization</p> <p>When handling endorsement and guarantee matters, after being evaluated by the Company's <u>responsible management unit</u> according to the above procedures, these matters shall be submitted to the Chairman for approval and then to the Board of</p>	<p>the responsible management unit of the Company.</p> <p>After receiving the application, the Company's responsible management unit shall refer the matter to the <u>Operation Management Department</u> to evaluate and investigate the company requesting the endorsement and/or guarantee, clearly stating the relevant content of the endorsement and/or guarantee, its necessity and reasonableness, risk assessment results, as well as the impact of such endorsement and/or guarantee on the Company's operational risk, financial status, and shareholders' equity.</p> <p>Collateral shall be obtained when necessary.</p> <p>2. Approval and Authorization</p> <p>When handling endorsement and guarantee matters, after the Company's <u>Operations Management Department</u> has evaluated according to the above procedures, these matters shall be</p>	

Amended Articles	Current Articles	Explanation
<p>Directors for resolution before implementation. However, the Board of Directors may authorize the Chairman to make decisions within a specific scope of entities and up to NT\$1 billion and subsequently report to the Board of Directors for ratification.</p> <p>When submitting the evaluation results to the Board of Directors for discussion in accordance with the preceding paragraph, the opinions of each independent director shall be fully considered, and their clear stance of consent or objection, as well as the reasons for any objections, shall be recorded in the minutes of the Board meeting.</p>	<p>submitted to the Chairman for approval. The <u>responsible management unit</u> shall then submit them to the Board of Directors for resolution before implementation. However, the Board of Directors may authorize the Chairman to make decisions within a specific scope of entities and up to NT\$1 billion and subsequently report to the Board of Directors for ratification.</p> <p>When submitting the evaluation results to the Board of Directors for discussion in accordance with the preceding paragraph, the opinions of each independent director shall be fully considered, and their clear stance of consent or objection, as well as the reasons for any objections, shall be recorded in the minutes of the Board meeting.</p>	
<p>Article 18</p> <p>When handling endorsement and guarantee matters, in addition to applying for the use of the seal according to the</p>	<p>Article 18</p> <p>When handling endorsement and guarantee matters, in addition to applying for the use of the seal according to the</p>	<p>Text adjusted to align with organizational changes in the Company's Operation Management Department.</p>

Amended Articles	Current Articles	Explanation
<p>prescribed procedures, the <u>responsible management unit</u> shall establish a reference book, which shall include details such as the guaranteed commitment, name of the guaranteed enterprise, risk assessment results, amount of endorsement and/or guarantee, date of Board approval or Chairman's decision, date of endorsement and/or guarantee, details of collateral obtained, and conditions and date for releasing the endorsement and guarantee responsibility. These details shall be thoroughly recorded for reference and regularly reported. In addition, relevant documents such as receipts, agreements, etc., shall be properly safeguarded by the responsible management unit.</p>	<p>prescribed procedures, the <u>Operation Management Department</u> shall establish a reference book, which shall include details such as the guaranteed commitment, name of the guaranteed enterprise, risk assessment results, amount of endorsement and guarantee, date of Board approval or Chairman's decision, date of endorsement and/or guarantee, details of collateral obtained, and conditions and date for releasing the endorsement and/or guarantee responsibility. These details shall be thoroughly recorded for reference and regularly reported. In addition, relevant documents such as receipts, agreements, etc., shall be properly safeguarded by the responsible management unit.</p>	
<p>Article 21 Subsidiaries should report their previous month's lending funds and endorsement and</p>	<p>Article 21 Subsidiaries should report their previous month's lending funds and endorsement</p>	<p>Text adjusted to align with organizational changes in the Company's Operation</p>

Amended Articles	Current Articles	Explanation
<p>guarantee status to the Company's <u>responsible management unit</u> by the fifth day of each month. The Company shall then announce and report the remaining balance of lending funds and endorsements and guarantees of the Company and its subsidiaries for the previous month by the tenth day of each month.</p>	<p>guarantee status to the Company's <u>Operation Management Department</u> by the fifth day of each month. The Company shall then announce and report the remaining balance of lending funds and endorsements and guarantees of the Company and its subsidiaries for the previous month by the tenth day of each month.</p>	<p>Management Department.</p>
<p>Article 24 The Company's <u>responsible management unit</u> shall evaluate fund lending situations and make adequate provisions for bad debts, as well as evaluate or recognize contingent losses from endorsements and guarantees, appropriately disclose fund lending and endorsement and guarantee information in the financial reports and provide relevant data to the certified public accountants to execute necessary audit procedures.</p>	<p>Article 24 The Company's <u>Operation Management Department</u> shall evaluate fund lending situations and make adequate provisions for bad debts, as well as evaluate or recognize contingent losses from endorsements and guarantees, appropriately disclose fund lending and endorsement and guarantee information in the financial reports and provide relevant data to the certified public accountants to execute necessary audit procedures.</p>	<p>Text adjusted to align with organizational changes in the Company's Operation Management Department.</p>
<p>Article 29 <u>These procedures were</u></p>	<p>This article is newly added.</p>	<p>Added the establishment and</p>

Amended Articles	Current Articles	Explanation
<u>established on June 14, 2013, and the 1st amendment was made on June 8, 2016, 2nd amendment was made on June 8, 2018, 3rd amendment was made on June 14, 2019, 4th amendment was made on June 13, 2025.</u>		amendment history of the procedures to facilitate the future disclosure of revised information.

Appendix 1

Cathay Real Estate Development Co., Ltd., Articles of Incorporation

Chapter 1 General Provisions

Article 1

The Company shall be named Cathay Real Estate Development Co., Ltd. ("Cathay Real Estate" in short) in accordance with the provisions of Company Limited by Shares in the Company Act.

Article 2

The Company's business scopes are as follows:

1. F208031 Retail Sale of Medical Equipment.
2. F301010 Department Stores.
3. G101041 Passenger Car Rental and Leasing.
4. G202010 Parking Garage Business.
5. H701010 Residence and Buildings Lease Construction and Development.
6. H701020 Industrial Factory Buildings Lease Construction and Development.
7. H701040 Specialized Field Construction and Development.
8. H701050 Public Works Construction and Investment.
9. H701060 New County and Community Construction and Investment.
10. H701070 Land Levy and Delimit.
11. H701080 Reconstruction within the renewal area.

12. H701090 Renovation, or maintenance within the renewal area.
13. H702010 Construction Management.
14. H703090 Real Estate Commerce.
15. H703100 Real Estate Rental and Leasing.
16. H704041 Real Estate Agency Brokerage.
17. I103060 Management Consulting Services.
18. I199990 Other Consultancy.
19. ZZ99999 All business items that are not prohibited or restricted by operation acts, except those that are subject to approval.

The operations of the above businesses shall be conducted in accordance with the relevant laws and regulations.

Article 3

The Company may provide endorsements and guarantees due to business requirements.

Article 4

The Company's total reinvestment amount is not restricted by the reinvestment ratio as stipulated in Article 13 of the Company Act.

Article 5

The main office (headquarters) of the Company shall be established in Taipei City, and branches may be established in other appropriate places where necessary, and its setup, closure or change shall be approved by the board of directors.

Article 6

The Company's public notice shall be handled in accordance with the Company Act and other relevant laws and regulations.

Chapter 2 Shareholdings

Article 7

The registered capital of the Company is NT\$20 billion, divided into 2 billion shares with a par value of NT\$10. The board of directors is authorized to issue the shares in installments.

Article 8

The Company's shares are issued as registered share certificates, signed or sealed by the directors of the company represented, affixed with the Company's stamp, and duly authenticated by the competent authority or certifying institution appointed by the competent authority.

For the above publicly issued registered shares, the Company may print consolidated share certificates or be exempted from printing any share certificates. However, share certificates shall be placed under the custody of a centralized securities custody enterprise. The same applies for other securities issued.

Article 9

The Company's stock affairs shall be handled in accordance with the Regulations Governing the Administration of

Shareholder Services of Public Companies and other relevant laws and regulations, except as otherwise stated in the Articles of Incorporation.

Article 10

Transfer of the Company's shares is suspended within 60 days before the convening date of the annual shareholders meeting, within 30 days before the special shareholders meeting, and within five days before the date of allocation of dividends and bonuses or other benefits decided by the Company.

Chapter 3 Shareholders Meeting

Article 11

Shareholders' meetings of the Company are divided into regular and ad hoc meetings, both of which are convened by the Board of Directors according to law, except as otherwise provided by law. Regular meetings are convened within six months after each fiscal year ends. Ad hoc meetings are convened according to law when necessary.

The Company may hold a shareholders' meeting by video or other means announced by the central authority.

If a shareholders' meeting is held by video, shareholders attending by video shall be deemed to attend the meeting in person.

Article 12

The Company's shareholders meeting shall be convened by the board of directors, and chaired by the Chairman of the Board.

For a shareholders meeting convened by any other person having the convening right, he/she shall act as the Chair of that meeting. However, if there are two or more persons having the convening right, the Chair of the meeting shall be elected from among them.

Article 13

A shareholder of the Company shall have one voting right for each share in his/her/its possession.

Restrictions to the exercise of the above voting rights shall be in accordance with the Company Act and relevant laws and regulations.

Article 14

A shareholder who is unable to attend the shareholders meeting, may appoint a proxy to attend by executing a power of attorney printed by the company, five days before the shareholders meeting, stating the scope of power authorized by the proxy. A shareholder may only execute one power of attorney and appoint one proxy only, except for trust enterprises or stock agencies approved by the competent authority. When a person acts as proxy for two or more shareholders concurrently, the number of voting rights represented by him/her shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted. When the government or a juristic person is a shareholder, its proxy shall not be limited to one person, provided that the voting right that may be exercised shall be calculated on the basis of

the total number of voting shares it holds.

Article 15

Resolutions at a shareholders meeting shall, unless otherwise provided in the Company Act, be adopted by a majority vote of the attending shareholders, who represent more than one-half of the total number of voting shares.

Article 16

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the Chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting.

The preparation and distribution of the minutes of shareholders meetings as required in the preceding Paragraph may be effectuated by electronic means or public notice.

Chapter 4 Board of Directors

Article 17

The Company's Board of Directors is to be formed by nine to fifteen directors, there shall be no less than one director of a different gender, comprised of at least three independent directors, and the number shall not be less than one-third of the board seats. The members shall be elected from among the shareholders with disposing capacity.

If the Company violates the provisions of the preceding paragraph, or a director is dismissed for any reason, resulting in less than five directors, the Company shall re-elect or supplement the election at the next shareholders meeting.

However, if the number of vacancies equals to one third of the total number of directors prescribed in the first paragraph or if all independent directors are dismissed, the Company shall convene a special shareholders meeting to elect succeeding directors within sixty days from the date of occurrence. In the case when the chairman of the board and the president of the Company are the same person or are spouses or relatives of the first-degree, the number of independent directors shall not be less than four.

The election of the Company's directors utilizes a candidate nomination system, where shareholders elect the directors from the nominees list during the shareholders meeting. The nomination and election methods shall be in accordance with the Company Act, Securities and Exchange Act and relevant laws and regulations. Assessment of independent directors' professional qualifications, shareholdings and sideline restrictions, independence and other compliance matters shall be handled in accordance with the relevant laws and regulations.

The Company's Audit Committee shall be formed by all independent directors in accordance with Article 14-4 of the Securities and Exchange Act. Members of the Audit Committee, execution of power and authority, and other compliance matters, shall be conducted in accordance with the relevant laws and regulations or the Articles of Incorporation, and its Corporate Charter shall be established by the Board of Directors.

The term of office of a director is three years, and he/she may be eligible for re-election. In case no election of new directors is effectuated after expiration of the term of office of existing director, the out-going directors have been elected and assumed their office.

The consecutive terms of all independent directors of the Company shall not exceed three terms. If the aforementioned regulations are violated, the re-election or by-election shall be held at the most recent shareholders meeting.

The Board of Directors is authorized to issue compensation to the Company's directors (including independent directors) for their term in office, by referencing the Company's business status and industry standards.

The Company may, by resolution of the Board of Directors, purchase liability insurance for its directors or important employees during their term of duty, for compensation they are liable to during their performance of duties, according to the law.

The Board of Directors may authorize the Chairman of the Board to handle the amount and renewal of the liability insurance.

Article 19

Three managing directors may be elected by all directors, and the managing directors are to elect one person among themselves as the Chairman of the Board, and one person may be elected as Vice Chairman where necessary. In case no managing directors have been elected, a Chairman of the Board shall be elected by a majority vote among the attending

directors at a meeting attended by over two-thirds of the directors, and a Vice Chairman may be elected where necessary.

In case the Company has managing directors, at least one managing director shall be an independent director, and the number shall not be less than one-fifth of the total number of managing directors.

Article 20

The Chairman of the Board shall internally preside over the shareholders meeting, meeting of the board of directors, and meeting of the managing directors, and shall externally represent the Company. In case the Chairman of the Board is on leave or unable to exercise his power and authority for any cause, the Vice Chairman shall act on his behalf. In case there is no Vice Chairman, or the Vice Chairman is on leave or unable to exercise his power and authority for any cause, the Chairman of the Board shall designate one of the managing directors to act on his behalf. Where there are no managing directors, one of the directors shall be designated to act on his behalf. In the absence of such a designation, the managing directors or the directors shall elect from among themselves an acting Chairman of the Board.

Article 21

The directors shall attend the meetings of the board in person. If he/she is unable to attend in person, unless otherwise provided in the Company Act, he/she may execute a power of attorney and state therein the scope of authority with

reference to the subjects to be discussed at the meeting, by delegating other directors to attend on his/her behalf, but this is only limited to one director.

The convening notice for the above, including the meeting information, shall be given in the written and/or electronic form.

If the meeting of the board of directors is conducted by video conference, the directors participating in the video conference shall be deemed to have attended the meeting in person.

Article 22

The power and authority of the Board of Directors are as follows:

1. Approval of the Corporate Charter.
2. Decisions regarding business policies.
3. Review of financial reports.
4. Preparation of profit distribution and deficit compensation.
5. Preparation of capital increases and reductions, and resolution of shares or corporate bonds issuances.
6. Purchase, sale, split, exchange, property rights settlements and all other disposals of immovable properties.
7. Establishment of functional committees and the establishment and amendment of the Corporate Charter.
8. Power and authority authorized by the law, Articles of Incorporation or resolutions of the shareholders meetings.

Article 23

Resolutions of the board of directors shall be recorded in the board meetings minutes, and signed or sealed by the Chair

and kept at the Company.

Article 24

Unless otherwise provided in the Company Act, resolutions of the board of directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.

Chapter 5 Manager

Article 25

The Company may have managers, whose appointment, dismissal and remuneration shall be handled in accordance with the Company Act and relevant regulations.

Chapter 6 Accounting

Article 26

The Company's fiscal year is from 1 January to 31 December for each year. When the fiscal year has closed, the board of directors shall prepare the following statements, and present these sataements at the shareholders meeting for approval according to the regulations.

1. Business report.
2. Financial statements.
3. Proposals of profit distribution or deficit compensation.

Article 27

The Company is moving towards diversified investments to increase profitability in response to changing economic conditions and market environments. After consideration for future capital requirements and long-term financial planning,

the Company's dividend policy follows a residual dividend policy, aiming for steady growth and sustainable operations.

If there is a surplus in the fiscal year, the Company shall set aside a percentage between 0.1% and 1% as employees' compensation, and no more than 1% as directors' compensation. However, the Company's accumulated losses, if any, shall first be covered.

If there is a surplus after the fiscal year closes, besides paying taxes according to the law, the Company shall first offset its previous years' losses, and set aside legal reserve. After adding the remaining balance (hereinafter referred to as "surplus for the current year") to the beginning undistributed surplus, and the special surplus reserved in accordance with laws and regulations, shall be the distributable profit. The Board of Directors shall formulate a surplus distribution proposal in accordance with the Company's operational planning and submit it at the shareholders meeting for resolution on the distribution of dividends or retention.

Based on the Company's operational planning and capital investment, as well as taking into account shareholders' cash dividends requirements, and avoid over expansion of share capital, profit is to be first distributed in a form of cash dividend, followed by stock dividend. However, the total dividend distribution shall not be less than 20% of the "current year's surplus profits", and the cash dividend distribution shall not be less than 50% of the total dividend distribution.

In accounting special surplus reserves mentioned above, an amount equal to the sum of current net profit after tax and

other items shall be accounted as current undistributed earnings in respect of the net decrease in other equity of the current period. If the special surplus reserves are still insufficient for distribution, the prior undistributed earnings shall be accounted for such difference. Only when the special surplus reserves are still insufficient for distribution after an amount of prior undistributed earnings equal to the net prior cumulative decrease in other equity is accounted as special surplus reserves will the sum of the current net profit after tax and other items be included in the undistributed earnings.

Chapter 7 Supplementary Provisions

Article 28

Matters not covered in the Articles of Incorporation shall be handled in accordance with the Company Act and other relevant laws and regulations.

Article 29

The Articles of Incorporation were established on 14 September 1964, and the 1st amendment was made on 27 February 1965, the 2nd amendment on 30 March 1966, the 3rd amendment on 20 April 1967, the 4th amendment on 6 June 1969, the 5th amendment on 25 May 1970, the 6th amendment on 6 May 1971, the 7th amendment on 19 May 1972, the 8th amendment on 7 May 1973, the 9th amendment on 17 May 1974, the 10th amendment on 30 May 1975, the 11th amendment on 14 May 1976, the 12th amendment on 21 April 1978, the 13th amendment on 16 May 1980, the 14th amendment on 22 May 1981, the 15th amendment on 27 May

1983, the 16th amendment on 25 May 1984, the 17th amendment on 24 May 1985, the 18th amendment on 23 May 1986, the 19th amendment on 2 May 1987, the 20th amendment on 20 May 1988, the 21st amendment on 26 May 1989, the 22nd amendment on 25 May 1990, the 23rd amendment on 17 May 1991, the 24th amendment on 22 May 1992, the 25th amendment on 14 May 1993, the 26th amendment on 20 May 1994, the 27th amendment on 26 May 1995, the 28th amendment on 24 May 1996, the 29th amendment on 23 May 1997, the 30th amendment on 22 May 1998, the 31st amendment on 19 May 1999, the 32nd amendment on 19 May 2000, the 33rd amendment on 24 May 2001, the 34th amendment on 16 May 2002, the 35th amendment on 22 May 2003, the 36th amendment on 14 May 2004, the 37th amendment on 10 June 2005, the 38th amendment on 19 June 2009, the 39th amendment on 10 June 2011, the 40th amendment on 15 June 2012, the 41st amendment on 14 June 2013, the 42nd amendment on 6 June 2014, the 43rd amendment on 8 June 2016, the 44th amendment on 8 June 2018, the 45th amendment on 11 June 2021, the 46th amendment on June 17, 2022, and the 47th amendment on June 14, 2024.

Appendix 2

Cathay Real Estate Development Co., Ltd., Rules of Procedure for Shareholder Meetings

Article 1 (Basis and Regulatory Compliance)

To establish good governing system of shareholder meetings, build solid supervision functions and enhance management functions, the Rules which are established according to Article 5 of Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, shall be followed. The rules of procedures for the Company's shareholder meetings, except when otherwise provided by laws and regulations or the Articles of Incorporation, shall be as provided in these Rules.

Article 2 (Convening and Meeting Notices of Shareholders' Meetings)

The Company's shareholders' meetings are convened by the Board of Directors, except as otherwise provided by law.

The change of the means to hold the Company's shareholders' meetings shall be resolved by the Board of Directors and made at the latest before the meeting notice of the shareholders' meeting is sent.

Where the Company holds a video shareholders' meeting, the following matters shall be recorded in the convening notice of the shareholders' meeting:

1. Methods for Shareholders to participate in the video meeting and exercise rights.

2.Methods to treat obstacles on the video meeting platform or for participation by video conferencing due to natural disasters, incidents or other force majeure events.

Article 3 (Entrusted to Attend Shareholders' Meetings)

A shareholder may appoint a proxy to attend a shareholders meeting on his/her/its behalf by executing a power of attorney notice printed by the Company stating the scope of power authorized by the proxy.

A shareholder may only execute one power of attorney notice and appoint one proxy only, and shall serve such written proxy to the company no later than five days prior to the date of the shareholders' meeting. In case two or more written proxies are received from one shareholder, the first one received by the Company shall prevail, unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later.

After the Power of Attorney is delivered to the Company, where a shareholder intends to attend the shareholders' meeting in person or by video conferencing or intends to exercise the voting right in written or electronic form, a written notice of revoking entrustment shall be made to the Company two days before the shareholders' meeting is held; in the event of delayed revocation, the voting right exercised by the proxy shall prevail.

Article 4 (Place and Time of Shareholders' Meetings)

The place for convening a shareholders meeting shall be held inside the premises of the Company, or any other place

convenient for the shareholders, and suitable for holding of the said meeting. The time for commencing the said meeting shall not be earlier than 9 am or later than 3 pm.

The Company convenes video shareholders' meetings without limitation by the place for convening referred to in the foregoing paragraph.

Article 5 (Attending Shareholders' Meetings)

The Company shall clearly state the shareholders reporting time, venue and any other matters to be noted.

Shareholders shall attend a shareholders meeting by presenting an attendance card, sign-in card or other identity document. The Company shall not request additional supporting documents from the shareholders to attend the meeting.

The proxy shall bring his/her identification document for verification. The Company shall prepare an attendance book for shareholders to sign in, or the shareholder present may hand in an attendance card in lieu of signing the attendance book.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slip, voting slip, and other meeting materials when holding substantive shareholders' meetings. Where there is an election of Directors, a voting ballot shall also be furnished. The meeting agenda book and meeting supplementary data shall be transmitted to the video meeting platform by electronic archives where a video assisted shareholders' meeting or video shareholders' meeting is held.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Shareholders shall register with the Company two days before the shareholders' meeting is held where the shareholders' meeting is held by video and shareholders tends to attend it by video conferencing.

Article 6 (Chair and Attendees of the Annual Meeting of Shareholders)

Convening of shareholders meeting shall be conducted by the Chair in accordance with Article 182-1, Article 208 of the Company Act or other relevant laws and regulations.

The Company may designate its lawyer, certified public accountant or other relevant persons to attend the shareholders meeting.

Shareholders meeting convened by the board of directors, shall be attended by majority of the board of directors and at least one representative from the functional committee required by the Securities and Exchange Act, and the attendance shall be recorded in the shareholders meeting minutes.

Article 7 (Evidence of Process of Shareholders' Meeting)

The Company shall document the shareholders meeting by audio or video, and the recorded materials shall be retained for at least one year. If, however, a shareholder files a lawsuit

pursuant to Article 189 of the Company Act, the recordings shall be retained until the conclusion of the litigation.

Where the Company's shareholders meeting is held by video, the registration, check-in, report for duty, questioning, voting and company vote counting results of shareholders shall be recorded and kept, and the video meeting shall be continuously recorded and video recorded, and shall be properly stored during the existence of the Company.

Article 8 (Calculation of the Number of Shares Representing Shareholders Present at the Shareholders' Meeting and Commencement of Meeting)

Attendance at a shareholders meeting shall be calculated based on the numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the signature book or sign-in cards handed in and the number of shares reported on the video meeting platform, plus the number of shares whose voting rights are exercised by written or electronic form.

The Chair shall immediately announce the commencement of the meeting at the meeting time.

and at the same time, the number of shares in attendance shall be announced. However, when the attending shareholders do not represent a majority of the total number of issued shares, the Chair may announce a postponement. The postponement of the said meeting shall be limited to two times, and the total time postponed shall not exceed one hour. If the attending shareholders still represent not more than one-third of the total number of issued shares after two postponements, the Chair

shall declare the meeting adjourned; if the shareholders' meeting is held by video, the Company shall announce the meeting adjourned on the video meeting platform for the shareholders' meeting.

If a quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent more than one-third of the total number of issued shares, a tentative resolution may be adopted pursuant to Item I, Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be held within 1 month; shareholders shall register with the Company again where the shareholders' meeting is held by video and shareholders tend to attend by video conferencing.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the Chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 9 (Agenda Discussions)

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The relevant proposals (including extempore motions and alteration of the original proposals) shall be voted case by case.

The provisions of the preceding paragraph apply to a shareholders meeting convened by a party with the power to convene, other than the board of directors.

The Chair shall not declare the meeting adjourned without resolution by shareholders if the proposals arranged in the above two paragraphs have not been resolved. If the Chair declares the meeting adjourned in violation of the rules of procedures, other members of the board of directors shall promptly assist the attending shareholders in electing a new Chair according to statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and continue the meeting.

When the Chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the Chair may announce the discussion closed and call for a vote, and decide on the voting pattern and sequence with proper amount of time for voting.

Article 10 (Shareholders' Speech)

A shareholder wishing to speak in a shareholders meeting shall first fill out a slip, specifying therein the major points of his speech, his/her shareholder account number (or attendance card number) and his/her name, and the Chair shall determine the order for speaking.

A shareholder who submits his/her slip for a speech but does not actually speak shall be considered as not having given a speech. If the content of that speech differs from that specified on the slip, the content of the speech shall prevail.

A shareholder shall not speak more than two times for one proposal, unless he/she has obtained prior consent from the Chair, and each speech shall not exceed five minutes. If a shareholder violates the above provisions or his speech

exceeds the scope of the motion, the Chair may terminate the speech.

When a shareholder is giving a speech, the other shareholders shall not interrupt unless they have obtained prior consent from the Chair and the said shareholder, and the Chair shall prevent such violations.

If a juristic person shareholder designates two or more representatives at the shareholders meeting, only one representative may speak on the same proposal.

After an attending shareholder has spoken, the Chair may respond in person or designate relevant personnel to respond.

Where a shareholders' meeting is held by video, shareholders attending by video conferencing may raise questions by words on the video meeting platform for the shareholders' meeting after the Chair declares the meeting commencing and before the Chair declares the meeting closed. The number of questions for each proposal shall not exceed twice, each limited by two hundred characters, which does not apply the provisions of Items I - V.

Where the questions mentioned in the preceding paragraph do not violate or exceed the scope of proposal, the Company may disclose the questions on the video meeting platform for shareholders' meetings.

Article 11 (Calculation of Voting Shares and Recusal System)

Voting and resolution at the Company's shareholders meetings shall be in accordance with Article 177, Article 178, and Article 180 of the Company Act or other relevant laws and regulations.

Article 11-1 (Voting, Monitoring and Vote Calculation Method for Proposals)

A shareholder shall be entitled to one vote for each share held, except when the shares are deemed non-voting shares under Article 179, Paragraph 2 of the Company Act.

When the Company holds a shareholders meeting, it shall list electronic means as one of the ways to exercise voting rights, and may adopt written means to exercise its voting rights. When voting rights are exercised by written or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by written or electronic means will be deemed to have attended the meeting in person. However, amendments to the provisional topic and original proposal at this shareholders' meeting shall be deemed waiver. Therefore, amendments to the provisional topic and original proposal shall be better avoided.

A shareholder intending to exercise voting rights by written or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the earliest received declaration shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by written or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the

preceding paragraph shall be made, by the same means which the voting rights were exercised, 2 days before the date of the shareholders meeting. If the notice of retraction is submitted after the stipulated time, the voting rights already exercised by written or electronic means shall prevail. When a shareholder has exercised voting rights both by written or electronic means, and appointed a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except when otherwise provided in the Company Act and in the Company's Articles of Incorporation, resolutions shall require a majority of the voting rights from the attending shareholders to pass. At the time of a vote, the Chair or designated person shall first announce the total number of voting rights represented by the attending shareholders for each proposal, followed by a poll of the shareholders. The voting results shall be entered into the Market Observation Post System (MOPS).

When there is an amendment or an alternative to a proposal, the Chair shall present the amended or alternative proposal together with the original proposal, and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the Chair and the monitoring personnel shall be shareholders of the Company.

Vote counting for proposals or elections in a shareholders meeting shall be conducted in public at the place of the

shareholders meeting. Immediately after the vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

When the Company holds a shareholders' meeting by video, shareholders participating by video conferencing shall vote on various proposals and election proposals through the video meeting platform before the Chair announces the close of voting, and shall be deemed as waiver if overdue.

Where a shareholders' meeting is held by video, the votes shall be counted at one time after the Chair announces the close of voting, and the voting and election results shall be announced.

When the Company holds a video assisted shareholders' meeting, shareholders who have registered to attend shareholders' meeting by video conferencing and intend to attend the substantive shareholders' meeting in person shall revoke registration in the way same as registration two days before the shareholders' meeting is held; in the event of delayed revocation, they can only attend the shareholders' meeting by video conferencing.

Those who exercise the voting right in written or electronic form, have not revoked their declaration of will and participate in the shareholders' meeting by video conferencing shall not exercise the voting right to the original proposal, amend the original proposal or exercise the voting right to amendments to the original proposal.

Article 12 (Elections)

The election of directors at a shareholders' meeting shall be

held in accordance with the applicable election and appointment rules of the Company, and the voting results shall be announced on-site immediately, including then names of those elected as directors and the numbers of votes with which they were elected as well as the names and the number of votes of unelected candidates.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 13 (Minutes of Meeting)

Meeting minutes shall be recorded in accordance with the year, month, day, venue, name of the Chair, method of resolution, essentials of the proceedings and voting results (including statistical number of votes). Where there is an election of Directors, the number of votes for each candidate shall be disclosed.

It shall be kept during the existence of the Company.

Where a shareholders' meeting is held by video, in addition to the matters mentioned in the preceding paragraph, the starting and ending time of the meeting, the method of holding the meeting, the name of the Chair and the recorder, and the handling method when the video meeting platform or participation by video conferencing is blocked due to natural disasters, incidents or other force majeure events shall be recorded.

When the Company holds a shareholders' meeting by video, the Chair and the recorder shall be located in the same place in China. The Chair shall declare the address of this place when holding the meeting.

Article 14 (External Announcement)

On the day of a shareholders meeting, the Company shall compile in the prescribed format, a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting; where the shareholders' meeting is held by video, the Company shall upload the aforesaid data to the video meeting platform for shareholders' meeting at least thirty minutes before the meeting begins, and continuously disclose the same till the end of the meeting.

Where a shareholders' meeting is held by video, at declaration of the beginning of the meeting, the total number of shares of present shareholders shall be disclosed on the video meeting platform. If the total number of shares and the number of votes of present shareholders are counted at the meeting, the same shall apply. Besides, the Company shall disclose the voting results of various proposals and election results in real time on the video meeting platform for the shareholders' meeting in accordance with regulations, and shall continue to disclose for at least fifteen minutes after the Chair declares the meeting adjourned.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or

regulations or under Taiwan Stock Exchange Corporation regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 15 (Maintaining order at the meeting place)

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or armbands.

The Chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor".

When a public address (PA) system is available at the place of a shareholders meeting, and a shareholder attempts to speak through any devices other than the device provided by the Company, the Chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the Chair's correction, obstructs the proceedings and refuses to heed calls to stop, the Chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 16 (Recess and Resumption of Shareholders' Meeting)

The Chair may call for breaks during the meeting when appropriate. In an event of force majeure, the Chair may rule the meeting temporarily suspended, and based on the circumstances, announce the time of resuming the meeting. A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with

Article 182 of the Company Act.

Where a shareholders' meeting is held by video, when the video meeting platform or participation by video conferencing is blocked for more than thirty minutes due to natural disasters, incidents or other force majeure events before the Chair declares the meeting adjourned, except for the cases in which there is no need to postpone or continue the meeting as stipulated in Item IV, Article 44-20 of the Standards for the Handling of Shares of Public Offering Companies, the meeting date shall be postponed or renewed within five days, which is not applicable to the provision of Article 182 of the Company Act.

In the event of the aforementioned postpone or renewal of the meeting, the calculation of the total number of shares, votes and election rights and other matters shall be handled pursuant to Article 44-20 and other relevant decrees.

If the meeting venue is no longer available for continued use and not all of the items on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

Article 17

The Rules, and any amendments hereto, shall be implemented upon approval by the shareholders meetings.

Article 18

The Rules were established on 27 February 1965, and its 1st amendment was made on 23 May 1998, 2nd amendment on 16

May 2002, 3rd amendment on 14 June 2013, 4th amendment on 9 June 2015, 5th amendment on 8 June 2016, 6th amendment on 08 June 2018, 7th amendment on Jul. 23, 2021, and 8th amendment on Jun. 17, 2022.

Appendix 3

Shareholdings of Directors

1. As of 15 April 2025, the Company's paid-up capital is NT\$ 11,595,610,590, the number of shares issued is 1,159,561,059.
2. Details of the minimum required combined shareholdings of all directors and supervisors by law, and shareholdings as per the shareholders' register:

Position	Shareholdings required by law	Shares recorded in shareholders'
Director	32,000,000 shares	33,049,822 shares

Note: Book closure date: 15 April 2025

3. Shareholding details of directors and supervisors:

Position	Name	Shares held as at book closure date	Remarks
Chairman	Ching-Kuei Chang	22,000,000	He Xin Industrial Co., Ltd. representative
Director	Hung-Ming Lee	22,000,000	He Xin Industrial Co., Ltd. representative
Director	Chung-Yan Tsai	22,000,000	He Xin Industrial Co., Ltd. representative
Director	Chung-Chang Chu	2,353,690	Cathay Real Estate Foundation representative
Director	Chin-Liang Lin	2,754,800	Cathay Real Estate Employees' welfare Committee representative
Director	Wan-Hua Chuang	5,941,332	Cathay Charity Foundation representative
Independent Director	Yuan-Hsiao Chang	0	
Independent Director	Tsu-Kang Yu	0	
Independent Director	Li-Kun Lee	0	
Total shares held		33,049,822	