

Stock Code : 2501



Cathay Real Estate Development Co., Ltd.

2024 Annual General Shareholders' Meeting Agenda Handbook

Meeting Time : June 14, 2024, 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

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

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Cathay Real Estate Development Co., Ltd.

2024 Shareholder Meeting Agenda

1. Commencement of Meeting
2. Chairman's Remarks
3. Matters to Report
 - (1) 2023 Business Report
 - (2) Audit Committee's Review Report
 - (3) 2023 Compensation Report for Employees and Directors
4. Matters for Acknowledgement
 - (1) Acknowledgement of 2023 Business Report and Financial Statements
 - (2) Acknowledgement of Proposal for 2023 Earnings Distribution
5. Matters for Discussion
 - (1) Discussion on the amendments of the Articles of Incorporation
 - (2) Discussion on the relief of certain directors from their non-competition obligations
6. Provisional Motion(s)
7. Adjournment

1. Matters to Report

(1) 2023 Business Report

In view of the circumstances of foreign trade in 2023, Taiwan's rate in economic growth displayed continuous decline within the first quarter; due to factors such as tight monetary policies in the United States and Europe, China's unsatisfactory performance in post-pandemic recovery, and various geopolitical conflicts. Fortunately, export volume recovered by the fourth quarter, thus driving enhanced confidence in private investment. Conversely on the aspect of domestic demand, after completely overcoming the global impact of the pandemic, an expansionary trend was demonstrated and became the main pillar supporting the economic performance for the year. Coinciding with a major election year in Taiwan, throughout the year 2023, the housing market has been suppressed by frequent anti-speculation policies, including interest rate hikes and tightened credit controls by the Central Bank, as well as amendments to the Equalization of Land Rights Act. However, on the bright side there was a noticeable increase in property purchases before the ban on pre-sale house transfers, and in the second half of the year, transaction volumes were boosted by the needs of suppressed buyers taking the wait-and-see approach. Due to rising costs, the transaction prices of real estate have also remained stable.

Several new construction projects were launched in 2023, including “Cathay Minle” in New Taipei, and “Cathay Meihe.” in Taichung, Due to product planning meeting market requirements, the sales performance outcome was satisfactory. In terms of revenue, the recorded constructions included four new projects: "Cathay Fenghe" and "Cathay Fengshuo" in New Taipei, "Cathay Huawei Fengnian" in Taipei, and "Cathay Chuanqing" in Taoyuan, as well as the unsold portions from the previous year; amounting the total annual revenue of approximately NT\$6,829,150,000.

Under the assumption that inflation remains stable in 2024, private consumption on the domestic demand side is expected to hold steady performance. According to predictions by the Directorate General of Budget, Accounting and Statistics, as well as major economic research institutions, the domestic economic growth rate in 2024 is expected to be around 3.35%, benefiting from the domestic real negative interest rate environment and abundant excess savings. It is predicted that there will be limited room for housing price drops, given the high construction and material prices, as well as the net-zero policy that will drive up costs. The “Preferential Housing Loans for the Youth” which is available till 2026, is able to act as a stimulus for the housing market, further attracting self-use buyers as the main transaction volume and thus

demonstrating strong post-pandemic consumer demand.

2024 marks the 60th anniversary of our Company as we plan to launch projects in Neihu, Taipei, Zhonghe, Xinzhuang, and Sanchong in New Taipei, as well as one project each in Taichung and Tainan. A total of six projects will be launched nationwide, and sales are expected to reach a new high with the combined project expenses exceeding NT\$40 billion. The Company's project launch rhythm will be adjusted according to the economic situation; while we continue to increase land reserves through diversified development methods, steadily proceeding towards our aim of being a comprehensive developer.

As building material costs rises and impacts the industry, the Company will persist to acquire land in prime locations, cautiously select partners and related manufacturers, and carry on with pursuing the goal of providing consumers with excellent housing options. After the pandemic and boost in domestic tourism, the public is paying more attention to health-related issues. Therefore, in addition to construction, the real estate group will continue to actively expand its revenue landscape in both tourism and health management in order to meet the massive post-pandemic demand.

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: Chia-Yen Chen

(2) Audit Committee's Review Report

The Board of Directors prepared the Company's 2023 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 Jung-Huang Hsu, and Chun-Ting Ma, CPAs, at Ernst & Young, 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.

Sincerely

Cathay Real Estate Development Co., Ltd.

Auditing Committee

Convener: Yuan-Hsiao Chang

April 29, 2024

(3) 2023 Compensation Report for Employees and Directors

Explanation:

1. Conducted in accordance with Article 27 of the Articles of Incorporation.
2. 2023 Financial Statements have been audited by Ernst & Young. The earnings before tax are NT\$2,244,855,264 where 0.1% amounting to NT\$2,244,855 is allotted as 2023 total employee compensation, and 0.1069% amounting to NT\$2.4 million is allotted as 2023 total directors compensation. The above compensation is to be distributed in cash.

2. Matters for Acknowledgement

(1) Acknowledgement of 2023 Business Report and Financial Statements.

[Proposed by the Board of Directors]

Explanation:

1. The Company's 2023 Financial Statements have been audited by Jung-Huang Hsu /CPA and Chun-Ting Ma /CPA from Ernst & Young, and an unqualified 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. Please refer to pages 2 to 5, and 9 to 29 of this handbook.

Resolution:

Independent Auditors' Report Translated from Chinese

To Cathay Real Estate Development Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Cathay Real Estate Development Co., Ltd. (the “Company”) as of December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the parent company only financial statements, including the summary of significant accounting policies (together “the parent company only financial statements”).

In our opinion, based on our audits and the report of the other auditors (please refer to Other Matter) the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and cash flows for the years ended December 31, 2023 and 2022, in conformity with the requirements of 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 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 Parent Company Only Financial Statements section of our report. We are independent of Cathay Real Estate Development Co., Ltd. in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the report(s) of the other auditors, 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 2023 parent company only financial statements. These matters were 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 these matters.

Revenue Recognition

The Company is primarily engaged in entrusting construction company in construction and planning of public housing and commercial offices for sale and rental. Since the company's sales revenue is classified as operating revenue based on sale of goods, the relevant profit and loss are recognized when the ownership transferred. Due to the significance of the real estate sales revenue in the parent company only financial statements, with respect to a significant proportion within operating revenue, and need to judge and determine performance obligation and the timing of satisfaction, the real estate sales revenue is determined to be a key audit matter.

The audit procedures we performed regarding real estate sales revenue recognition included but not limited to: evaluate the appropriateness of the real estate sales revenue recognition policies; realize the transaction process and perform the tests of control on the effectiveness of control points during internal control audit; select samples to perform transaction test of details and verify major clauses and conditions in the construction contract; review the transaction conditions and confirm the appropriateness of the timing the performance obligation is recognized.

We also assess whether the Company properly disclosed information relating the real estate sales revenue in the financial statement. Please refer Note 4 and Note 6.

Valuation of Construction Land

The construction land of the Company shall be measured at the lower of cost and net realized value, and the net realizable value of the construction land is determined based on the management's judgement and estimation. Due to the significance of construction land in the parent company only financial statements, the valuation of construction land is determined to be a key audit matter.

The audit procedures we performed regarding construction land valuation included but not limited to: evaluate the appropriateness of the construction land accounting policies; realize the transaction process and perform tests of control on the effectiveness of control points during internal control audit; select samples to analyze the management valuation process and the key valuation parameters, and evaluate the reasonableness on the basis of working paper and relevant documentation corresponding to construction land valuation which included in inventories.

We also assess whether the Company properly disclosed information relating the construction land valuation in the financial statement. Please refer Notes 4, 5 and 6.

Other Matter—Making Reference to the Audits of Component Auditors

We did not audit the financial statements of certain associates and joint ventures accounted for using the equity method. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the reports of other auditors. As of December 31, 2023 and 2022, these associates and joint ventures under equity method amounted to NT\$1,609,243 thousand and NT\$1,533,972 thousand, respectively, representing 2.41% and 2.38% of the total assets, respectively. The related shares of profits from the associates and joint venture under the equity method amounted to NT\$40,535 thousand and NT\$14,128 thousand, respectively, representing 1.81% and 1.06% of the income before tax, respectively, for the years ended December 31, 2023 and 2022.

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 requirements of 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 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 ability to continue as a going concern of the Company, 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 audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditor's 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 auditor's 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 internal control of the Company.
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 ability to continue as a going concern of Cathay Real Estate Development Co., Ltd. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause Cathay Real Estate Development Co., Ltd. to cease to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Cathay Real Estate Development Co., Ltd. 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 accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only 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.

Others

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2023 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

Hsu, Jung Huang
Ma, Chun Ting
Ernst & Young, Taiwan
March 14, 2024

Notice to Readers

The accompanying parent company only financial statements are intended only to present the financial position, results of operations 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 accepted and applied in the Republic of China.

Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Financial Statements Originally Issued in Chinese

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

Parent Company Only Balance Sheets

As of December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

| Assets | | | As of December 31, 2023 | | As of December 31, 2022 | |
|---------------------|---|--------------------|-------------------------|-----|-------------------------|-----|
| Code | Items | Notes | Amount | % | Amount | % |
| Current Assets | | | | | | |
| 1100 | Cash and cash equivalents | 4, 6 (1) & 7 | \$3,110,974 | 5 | \$7,089,816 | 11 |
| 1120 | Financial assets at fair value through other comprehensive income—current | 4 & 6 (2) | 2,926,542 | 4 | 2,558,725 | 4 |
| 1150 | Notes receivable, net | 4 & 6 (3), (19) | 21,913 | - | 37,966 | - |
| 1170 | Accounts receivable, net | 4 & 6 (4), (19) | 691,127 | 1 | 4,071 | - |
| 1180 | Accounts receivable-related parties, net | 4, 6 (4), (19) & 7 | 320 | - | 1,465 | - |
| 1200 | Other receivables | 7 | 2,439 | - | 11,163 | - |
| 130x | Inventories | 4, 6 (5), 7 & 8 | 39,180,977 | 59 | 33,776,123 | 52 |
| 1410 | Prepayments | | 127,916 | - | 75,081 | - |
| 1470 | Other non-current assets | | 30,526 | - | 27,401 | - |
| 1480 | Incremental costs of obtaining contracts-current | 4 & 6 (5), (18) | 1,196,906 | 2 | 1,010,700 | 2 |
| 11xx | Total current assets | | 47,289,640 | 71 | 44,592,511 | 69 |
| Non-currents Assets | | | | | | |
| 1517 | Financial assets at fair value through other comprehensive income—non-current | 4 & 6 (2) | 493,512 | 1 | 647,654 | 1 |
| 1550 | Investments accounted for using equity method | 4, 6 (6), (26) & 7 | 7,347,224 | 11 | 7,057,852 | 11 |
| 1600 | Property, plant and equipment | 4, 6 (7), 7 & 8 | 91,738 | - | 103,550 | - |
| 1755 | Right-of-use assets | 4, 6 (20) & 7 | 31,817 | - | 22,650 | - |
| 1760 | Investment properties, net | 4 & 6 (8) | 10,320,232 | 15 | 10,539,484 | 16 |
| 1780 | Intangible assets | 4 & 6 (9) | 4,774 | - | 5,223 | - |
| 1840 | Deferred tax assets | 4 & 6 (24) | 369,310 | 1 | 373,209 | 1 |
| 1900 | Other non-currents assets | 6 (10) & 7 | 862,478 | 1 | 1,168,825 | 2 |
| 15xx | Total non-current assets | | 19,521,085 | 29 | 19,918,447 | 31 |
| 1xxx | Total assets | | \$66,810,725 | 100 | \$64,510,958 | 100 |

(The accompanying notes are an integral part of these parent company only financial statements)

English Translation of Financial Statements Originally Issued in Chinese

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

Parent Company Only Balance Sheets (continued)

As of December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

| Liabilities and Equity | | | As of December 31, 2023 | | As of December 31, 2022 | |
|------------------------|----------------------------------|---------------|-------------------------|-----|-------------------------|-----|
| Code | Items | Notes | Amount | % | Amount | % |
| | Current Liabilities | | | | | |
| 2100 | Short-term loans | 4, 6 (11) & 7 | \$9,825,000 | 15 | \$11,800,000 | 18 |
| 2110 | Short-term notes payable | 4 & 6 (12) | 1,498,104 | 2 | 1,994,580 | 3 |
| 2130 | Contract liabilities - current | 4 & 6 (18) | 6,202,748 | 9 | 5,500,109 | 9 |
| 2150 | Notes payable | | 8,639 | - | 41,609 | - |
| 2170 | Accounts payable | | 1,005,586 | 2 | 731,476 | 1 |
| 2180 | Accounts payable-related parties | 7 | 1,375,404 | 2 | 659,476 | 1 |
| 2200 | Other payables | | 210,702 | - | 465,984 | 1 |
| 2230 | Current tax liabilities | 4 | 77,851 | - | 42,032 | - |
| 2280 | Lease liabilities-current | 4, 6 (20) & 7 | 20,968 | - | 15,247 | - |
| 2300 | Other current liabilities | | 89,849 | - | 32,962 | - |
| 2320 | Long-term loans-current portion | 4 & 6 (13) | 7,580,000 | 12 | 4,150,000 | 7 |
| 21xx | Total current liabilities | | 27,894,851 | 42 | 25,433,475 | 40 |
| | Non-current liabilities | | | | | |
| 2540 | Long-term loans | 4 & 6 (13) | 12,380,241 | 19 | 14,271,550 | 22 |
| 2570 | Deferred tax liabilities | 4 & 6 (24) | 10,049 | - | 10,049 | - |
| 2580 | Lease liabilities-non-current | 4, 6 (20) & 7 | 10,666 | - | 6,546 | - |
| 2600 | Other non-current liabilities | 6 (14) & 7 | 205,573 | - | 187,085 | - |
| 25xx | Total non-current liabilities | | 12,606,529 | 19 | 14,475,230 | 22 |
| 2xxx | Total liabilities | | 40,501,380 | 61 | 39,908,705 | 62 |
| | Equity | 4 | | | | |
| 3100 | Share capital | | | | | |
| 3110 | Common stock | 6 (15) | 11,595,611 | 17 | 11,595,611 | 18 |
| 3200 | Capital surplus | 6 (16) | 118,406 | - | 65,262 | - |
| 3300 | Retained earnings | 6 (17) | | | | |
| 3310 | Legal capital reserve | | 4,831,727 | 7 | 4,723,658 | 7 |
| 3320 | Special capital reserve | | 504,189 | 1 | 504,189 | 1 |
| 3350 | Undistributed earnings | | 8,824,081 | 13 | 7,491,441 | 12 |
| | Total retained earnings | | 14,159,997 | 21 | 12,719,288 | 20 |
| 3400 | Other equity | | 435,331 | 1 | 222,092 | - |
| 3xxx | Total equity | | 26,309,345 | 39 | 24,602,253 | 38 |
| | Total Liabilities and Equity | | \$66,810,725 | 100 | \$64,510,958 | 100 |

(The accompanying notes are an integral part of these parent company only financial statements)

English Translation of Financial Statements Originally Issued in Chinese

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

Parent Company Only Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars, except for earnings per share)

(Expressed in thousands of New Taiwan Dollars)

| Code | Items | Notes | 2023 | | 2022 | |
|------|--|---|-------------|------|--------------|------|
| | | | Amount | % | Amount | % |
| 4000 | Operating revenues | 4, 6 (8), (18), (20) & 7 | \$6,829,160 | 100 | \$14,126,629 | 100 |
| 5000 | Operating costs | 4, 6 (5), (8), (9), (14), (20), (21)& 7 | (4,538,110) | (66) | (11,538,284) | (82) |
| 5900 | Gross margin | | 2,291,050 | 34 | 2,588,345 | 18 |
| 5910 | Unrealized sales profit | | - | - | (56,202) | - |
| 5920 | Realized sales profit | | 41 | - | 41 | - |
| 5950 | Gross margin, net | | 2,291,091 | 34 | 2,532,184 | 18 |
| 6000 | Operating expenses | 4, 6 (8), (9), (14), (20), (21)& 7 | | | | |
| 6200 | Administrative expenses | | (607,880) | (9) | (1,272,805) | (9) |
| 6450 | Expected credit profit (loss) | 4 & 6 (19) | 1 | - | - | - |
| | Total operating expenses | | (607,879) | (9) | (1,272,805) | (9) |
| 6900 | Operating income | | 1,683,212 | 25 | 1,259,379 | 9 |
| 7000 | Non-operating income and expenses | 4, 6 (22) & 7 | | | | |
| 7100 | Interest income | | 34,278 | 1 | 11,550 | - |
| 7010 | Other revenue | | 133,080 | 2 | 619,119 | 5 |
| 7020 | Other gains and losses | | (51,530) | (1) | 3,535 | - |
| 7050 | Finance costs | 7 | (249,250) | (4) | (161,604) | (1) |
| 7070 | Share of profit or loss of subsidiaries, associates and joint ventures | 4 & 6 (6) | 690,420 | 10 | (405,289) | (3) |
| | Total non-operating income and expenses | | 556,998 | 8 | 67,311 | 1 |
| 7900 | Income before Income tax | | 2,240,210 | 33 | 1,326,690 | 10 |
| 7950 | Income tax expense | 4 & 6 (24) | (75,773) | (1) | (118,941) | (1) |
| 8200 | Net income | | 2,164,437 | 32 | 1,207,749 | 9 |
| 8300 | Other comprehensive income | 6 (23), (24) | | | | |
| 8310 | Not to be reclassified to profit or loss in subsequent periods | | | | | |
| 8311 | Remeasurements of defined benefit plans | | (421) | - | (5,322) | - |
| 8316 | Valuation gain (losses) on equity instruments at fair value through other comprehensive income | | 213,675 | 3 | (1,355,894) | (10) |
| 8330 | Share of the other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method | | (180) | - | (14,067) | - |
| 8349 | Income tax related to items not be reclassified to profit or loss in subsequent periods | | 84 | - | 1,064 | - |
| 8360 | To be reclassified to profit or loss in subsequent periods | | | | | |
| 8380 | Share of the other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method | | 81 | - | 432 | - |
| | Other comprehensive (losses) income, net of tax | | 213,239 | 3 | (1,373,787) | (10) |
| 8500 | Total comprehensive income (loss) | | \$2,377,676 | 35 | \$(166,038) | (1) |
| | Earnings Per Share (In dollars) | 6 (25) | After tax | | After tax | |
| 9750 | Basic earnings per share | | \$1.87 | | \$1.04 | |
| 9850 | Diluted earnings per share | | \$1.87 | | \$1.04 | |

(The accompanying notes are an integral part of these parent company only financial statements)

| Code | Item | Capital stock | Capital surplus | Retained earnings | | | Other Equity | | | | Total Equity |
|------|--|----------------------|------------------|-----------------------|-------------------------|-----------------------------------|---|--|------------------------------------|----------------------------------|----------------------|
| | | | | Legal Capital Reserve | Special capital reserve | Unappropriate d Retained Earnings | Exchange differences resulting from translating the financial statements of a foreign operation | Unrealized (Losses) Gains from Financial Assets at Fair Value through Other Comprehensive Income | Reversals of Defined Benefit Plans | Revaluation Surplus for Property | |
| A1 | Balance as of January 1, 2022 | 3100 \$11,595,611 | 3200 \$38,846 | 3310 \$4,638,904 | 3320 \$504,189 | 3350 \$7,191,237 | 3410 \$- | 3420 \$1,451,654 | 3445 \$17,171 | 3460 \$- | 3XXX \$25,437,612 |
| B1 | Appropriation and distribution of earnings for the year 2021 | - | - | - | - | - | - | - | - | - | - |
| B5 | Legal Capital Reserve | - | - | 84,754 | - | (84,754) | - | - | - | - | - |
| | Cash dividend of common stock | - | - | - | - | (695,737) | - | - | - | - | (695,737) |
| C7 | Changes in equity of associates and joint ventures accounted for using equity method | - | 16,452 | - | - | - | - | - | - | - | 16,452 |
| C17 | Changes in other capital surplus | - | 9,702 | - | - | - | - | - | - | - | 9,702 |
| D1 | Net income for the year ended December 31, 2022 | - | - | - | - | 1,207,749 | - | - | - | - | 1,207,749 |
| D3 | Other comprehensive income (loss), net of tax for the year ended December 31, 2022 | - | - | - | - | - | 432 | (1,354,056) | (20,163) | - | (1,373,787) |
| D5 | Total comprehensive income (loss) | - | - | - | - | 1,207,749 | 432 | (1,354,056) | (20,163) | - | (166,038) |
| M5 | Difference between consideration and carrying amount of subsidiaries acquired or disposed | - | 262 | - | - | - | - | - | - | - | 262 |
| Q1 | Disposal of equity instruments investments measured at fair value through other comprehensive income | - | - | - | - | (127,054) | - | 127,054 | - | - | - |
| Z1 | Balance as of December 31, 2022 | 11,595,611 | 65,262 | 4,723,658 | 504,189 | 7,491,441 | 432 | 224,652 | (2,992) | - | 24,602,253 |
| B1 | Appropriation and distribution of earnings for the year 2022 | - | - | - | - | - | - | - | - | - | - |
| B5 | Legal Capital Reserve | - | - | 108,069 | - | (108,069) | - | - | - | - | - |
| | Cash dividend of common stock | - | - | - | - | (579,781) | - | - | - | - | (579,781) |
| C7 | Changes in equity of associates and joint ventures accounted for using equity method | - | 47,090 | - | - | (143,947) | - | - | - | - | (96,857) |
| C17 | Changes in other capital surplus | - | 6,054 | - | - | - | - | - | - | - | 6,054 |
| D1 | Net income for the year ended December 31, 2023 | - | - | - | - | 2,164,437 | - | - | - | - | 2,164,437 |
| D3 | Other comprehensive income (loss), net of tax for the year ended December 31, 2023 | - | - | - | - | - | 81 | 206,202 | 3,250 | 3,706 | 213,239 |
| D5 | Total comprehensive income (loss) | - | - | - | - | 2,164,437 | 81 | 206,202 | 3,250 | 3,706 | 2,377,676 |
| Z1 | Balance as of December 31, 2023 | \$11,595,611 | \$118,406 | \$4,831,727 | \$504,189 | \$8,824,081 | \$513 | \$430,854 | \$258 | \$3,706 | \$26,309,345 |

(The accompanying notes are an integral part of these parent company only financial statements)

English Translation of Financial Statements Originally Issued in Chinese

CATHAY REAL ESTATE DEVELOPMENT CO., LTD.

Parent Company Only Statements of Cash Flows

For the years ended December 31, 2023 and 2022

Expressed in thousands of New Taiwan Dollars

| Code | Items | 2023 | 2022 |
|--------|--|-------------|-------------|
| AAAA | Cash flows from operating activities | | |
| A10000 | Net income before tax | \$2,240,210 | \$1,326,690 |
| A20000 | Adjustments to reconcile profit or loss: | | |
| A20100 | Depreciation | 206,582 | 206,290 |
| A20200 | Amortization | 3,201 | 2,591 |
| A20300 | Expected credit loss (gain) | (1) | - |
| A20900 | Interest expenses | 249,250 | 161,604 |
| A21200 | Interest income | (34,278) | (11,550) |
| A21300 | Dividend income | (61,287) | (204,369) |
| A22400 | Share of profit or loss of subsidiaries, associates and joint ventures | (690,420) | 405,289 |
| A22500 | Loss (gain) on disposal of property, plant and equipment | (2,814) | (4,279) |
| A23900 | Unrealized sales profit (loss) | - | 56,202 |
| A23700 | Impairment loss on non-financial assets | 52,089 | - |
| A29900 | Others | - | (281,818) |
| A30000 | Changes in operating assets and liabilities | | |
| A31130 | Decrease (increase) in notes receivable | 16,053 | (17,076) |
| A31150 | Decrease (increase) in accounts receivable | (687,055) | 148,648 |
| A31160 | Decrease (increase) in accounts receivable-related parties | 1,145 | (566) |
| A31180 | Decrease (increase) in other receivables | 8,860 | (9,016) |
| A31200 | Decrease (increase) in inventories | (5,079,587) | 417,262 |
| A31230 | Decrease (increase) in prepayments | (52,835) | (70,535) |
| A31240 | Decrease (increase) in other current assets | (3,125) | 23,342 |
| A31270 | Decrease (increase) in incremental costs of obtaining contracts | (186,206) | (233,553) |
| A31990 | Decrease (increase) in other operating assets | 89,057 | (49,947) |
| A32125 | Increase (decrease) in contract liabilities | 702,639 | 873,047 |
| A32130 | Increase (decrease) in notes payable | (32,970) | (111,737) |
| A32150 | Increase (decrease) in accounts payable | 274,110 | 27,677 |
| A32160 | Increase (decrease) in accounts payable-related parties | 715,928 | 659,306 |
| A32180 | Increase (decrease) in other payables | (252,182) | 286,270 |
| A32230 | Increase (decrease) in other current liabilities | 56,887 | (995,121) |
| A33000 | Cash generated by (used in) operations | (2,466,749) | 2,604,651 |
| A33100 | Interest received | 34,142 | 11,551 |
| A33500 | Income tax paid | (35,971) | (127,850) |
| AAAA | Net cash generated by (used in) operating activities | (2,468,578) | 2,488,352 |
| BBBB | Cash flows from investing activities | | |
| B00010 | Acquisition of financial assets at fair value through other comprehensive income | - | (669,589) |
| B00020 | Disposal of financial assets at fair value through other comprehensive income | - | 1,846,000 |
| B01800 | Acquisition of investment accounted for using equity method | (172,800) | (4,997,840) |
| B02700 | Acquisition of property, plant and equipment | (18,624) | (68,271) |
| B02800 | Proceeds from disposal of property, plant and equipment | 9,334 | 4,926 |
| B04500 | Acquisition of intangible assets | (2,752) | (3,173) |
| B06800 | Decrease in other non-current assets | 306,347 | 150,251 |
| B07600 | Dividends received | 538,179 | 277,613 |
| BBBB | Net cash generated by (used in) investing activities | 659,684 | (3,460,083) |
| CCCC | Cash flows from financing activities | | |
| C00100 | Increase in short-term borrowings | - | 1,030,000 |
| C00200 | Decrease in short-term borrowings | (1,975,000) | - |
| C00500 | Increase in short-term notes payable | - | 36,515 |
| C00600 | Decrease in short-term notes payable | (496,476) | - |
| C01600 | Proceeds from long-term loans | 5,898,691 | 9,231,550 |
| C01700 | Repayment of long-term loans | (4,360,000) | (3,038,685) |
| C04020 | Cash payment for the principal portion of the lease liabilities | (23,410) | (28,442) |
| C04300 | Increase in other non-current liabilities | 18,067 | 614 |
| C04500 | Cash dividends | (579,781) | (695,737) |
| C05600 | Interest paid | (650,376) | (371,285) |
| C09900 | Other financing activities | (1,663) | (722) |
| CCCC | Net cash generated by (used in) financing activities | (2,169,948) | 6,163,808 |
| EEEE | Net increase (decrease) in cash and cash equivalents | (3,978,842) | 5,192,077 |
| E00100 | Cash and cash equivalents, beginning of period | 7,089,816 | 1,897,739 |
| E00200 | Cash and cash equivalents at the end of the period | \$3,110,974 | \$7,089,816 |

(The accompanying notes are an integral part of these parent company only financial statements)

Independent Auditors' Report Translated from Chinese

To Cathay Real Estate Development Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Cathay Real Estate Development Co., Ltd. (the “Company”) and its subsidiaries as of December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”).

In our opinion, based on our audits and the report of the other auditors (please refer to Other Matter) the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2023 and 2022, and their consolidated financial performance and cash flows for the years ended December 31, 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by 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 Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the report of the other auditors, 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 2023 consolidated financial statements. 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.

Real Estate Sales Revenue Recognition

The Company and its subsidiaries are primarily engaged in entrusting construction company in construction and planning of public housing and commercial offices for sale. Since the Company and its subsidiaries' sales revenue is classified as operating revenue based on sale of goods, the relevant profit and loss are recognized when the ownership transferred. Due to the significance of the real estate sales revenue in the financial statements, with respect to a significant proportion within operating revenue, and need to judge and determine performance obligation and the timing of satisfaction, the real estate sales revenue is determined to be a key audit matter.

The audit procedures we performed regarding real estate sales revenue recognition included but not limited to: evaluate the appropriateness of the real estate sales revenue recognition policies; realize the transaction process and perform the tests of control on the effectiveness of control points during internal control audit; select samples to perform transaction test of details and verify major clauses and conditions in the construction contract; review the transaction conditions and confirm the appropriateness of the timing the performance obligation is recognized.

We also assess whether the Company and its subsidiaries properly disclosed information relating the real estate sales revenue in the financial statement. Please refer to Note 4 and Note 6.

Construction Revenue Recognition

The Company and its subsidiaries are primarily engaged in performing construction contracts. The recognition of construction revenue is based on the percentage of completion method whereby the input method is used to measure the degree of completion. As the estimates of percentage of completion involves making judgement and estimation and the construction revenue accounted for a significant proportion of operating revenue, which was material to the consolidated financial statements, we therefore determined the construction revenue a key audit matter.

The audit procedures we performed regarding construction revenue recognition included but not limited to: evaluate the appropriateness of the estimated percentage of completed construction and construction revenue recognition policies; understand the transaction process of the construction revenue recognition and perform the tests of assessing the effectiveness of control points during internal control audit; select samples from construction contracts not yet completed by end of the period to perform test of details and recalculate construction revenue recognized based on percentage of completion.

We also assess whether the Company and its subsidiaries properly disclose information relating the construction revenue in the financial statement. Please refer Note 4, Note 5 and Note 6.

Valuation of Construction Land

The construction land of the Company and its subsidiaries shall be measured at the lower of cost and net realized value, and the net realizable value of the construction land is determined based on the management's judgement and estimation. Due to the significance of construction land in the financial statements, the valuation of construction land is determined to be a key audit matter.

The audit procedures we performed regarding construction land valuation included but not limited to: evaluate the appropriateness of the construction land accounting policies; realize the transaction process and perform tests of control on the effectiveness of control points during internal control audit; select samples to analyze the management valuation process and the key valuation parameters, and evaluate the reasonableness on the basis of working paper and relevant documentation corresponding to construction land valuation which included in inventories.

We also assess whether the Company and its subsidiaries properly disclose information relating the construction land valuation in the financial statement. Please refer Note 4, Note 5 and Note 6.

Other Matter—Making Reference to the Audits of Component Auditors

We did not audit the financial statements of certain associates and joint ventures accounted for under the equity method. Those financial statements were audited by other auditors, whose reports thereon had furnished to us, and our opinions expressed herein are based solely on the reports of other auditors. These associates and joint ventures under the equity method amounted to NT\$1,609,243 thousand and NT\$1,533,972 thousand, respectively, representing 1.96% and 1.92% of the total assets as of December 31, 2023 and 2022, respectively. The related shares of profits from the associates and joint venture under the equity method amounted to NT\$40,535 thousand and NT\$14,128 thousand, representing 1.64% and 0.84% of the income before tax for the years ended December 31, 2023 and 2022, respectively.

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 requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by 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 ability to continue as a going concern of the Company and its subsidiaries, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditor's 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 auditor's 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 auditing standards generally accepted in 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 internal control of the Company and its subsidiaries.
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 ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2023 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

Other

We have audited and expressed an unqualified opinion including other matters and an unqualified opinion on the parent company only financial statements of the Company as of and for the years ended December 31, 2023 and 2022.

Hsu, Jung Huang
Ma, Chun Ting
Ernst & Young, Taiwan
March 14, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the financial position, results of operations 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 accepted and applied in the Republic of China.

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Financial Statements Originally Issued in Chinese
CATHAY REAL ESTATE DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Consolidated Balance Sheets
As of December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

| Assets | | | As of December 31, 2023 | | As of December 31, 2022 | |
|--------|---|--------------------|-------------------------|-----|-------------------------|-----|
| Code | Items | Notes | Amount | % | Amount | % |
| | Current Assets | | | | | |
| 1100 | Cash and cash equivalents | 4, 6 (1) & 7 | \$5,067,592 | 6 | \$10,842,494 | 14 |
| 1120 | Financial assets at fair value through other comprehensive income-current | 4 & 6 (2) | 2,926,542 | 4 | 2,558,725 | 3 |
| 1140 | Contract assets - current | 4 & 6 (19) | 171,423 | - | 379,481 | - |
| 1150 | Notes receivable, net | 4 & 6 (3), (20) | 22,469 | - | 38,739 | - |
| 1170 | Accounts receivable, net | 4 & 6 (4), (20) | 1,281,264 | 2 | 458,016 | 1 |
| 1180 | Accounts receivable-related parties, net | 4, 6 (4), (20) & 7 | 14,153 | - | 19,037 | - |
| 1200 | Other receivables | | 82,685 | - | 80,109 | - |
| 1220 | Current tax assets | 4 | 1,025 | - | 219 | - |
| 130x | Inventories | 4, 6 (5), 7 & 8 | 48,205,258 | 59 | 41,309,699 | 52 |
| 1410 | Prepayments | | 365,780 | - | 425,350 | 1 |
| 1470 | Others current assets | 7 & 8 | 62,754 | - | 123,793 | - |
| 1480 | Incremental costs of obtaining contracts-current | 4 & 6 (5), (19) | 1,406,064 | 2 | 1,219,857 | 1 |
| 11xx | Total current assets | | 59,607,009 | 73 | 57,455,519 | 72 |
| | Non-current Assets | | | | | |
| 1517 | Financial assets at fair value through other comprehensive income-non-current | 4 & 6 (2) | 505,324 | 1 | 665,726 | 1 |
| 1550 | Investments accounted for using equity method | 4 & 6 (6) | 2,033,316 | 2 | 1,815,568 | 2 |
| 1600 | Property, plant and equipment | 4, 6 (7) & 8 | 4,559,240 | 6 | 4,739,779 | 6 |
| 1755 | Right-of-use assets | 4, 6 (21) & 7 | 4,286,906 | 5 | 4,433,151 | 5 |
| 1760 | Investment properties, net | 4, 6 (8) & 8 | 9,155,140 | 11 | 8,808,563 | 11 |
| 1780 | Intangible assets | 4 & 6 (9) | 51,271 | - | 47,298 | - |
| 1840 | Deferred tax assets | 4 & 6 (25) | 414,391 | - | 412,363 | 1 |
| 1900 | Other non-currents assets | 4, 6 (10) & 7 | 1,409,159 | 2 | 1,711,130 | 2 |
| 15xx | Total non-currents assets | | 22,414,747 | 27 | 22,633,578 | 28 |
| 1xxx | Total Assets | | \$82,021,756 | 100 | \$80,089,097 | 100 |

(The accompanying notes are an integral part of these consolidated financial statements)

English Translation of Financial Statements Originally Issued in Chinese
CATHAY REAL ESTATE DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Consolidated Balance Sheets (Continued)
As of December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

| Liabilities and Equity | | | As of December 31, 2023 | | As of December 31, 2022 | |
|------------------------|---|---------------|-------------------------|-----|-------------------------|-----|
| Code | Items | Notes | Amount | % | Amount | % |
| | Current Liabilities | | | | | |
| 2100 | Short-term loans | 4, 6 (11) & 7 | \$10,466,600 | 13 | \$12,445,000 | 16 |
| 2110 | Short-term notes payable | 4 & 6 (12) | 2,579,334 | 3 | 4,094,613 | 5 |
| 2130 | Contract liabilities - current | 4 & 6 (19) | 7,596,155 | 9 | 6,627,488 | 8 |
| 2150 | Notes payable | | 23,177 | - | 55,974 | - |
| 2170 | Accounts payable | | 2,116,610 | 3 | 1,270,878 | 2 |
| 2180 | Accounts payable-related parties | 7 | 3,281 | - | 48,467 | - |
| 2200 | Other payable | | 995,669 | 1 | 1,124,670 | 1 |
| 2230 | Current tax liabilities | 4 | 224,512 | - | 235,359 | - |
| 2280 | Lease liabilities-current | 4, 6 (21) & 7 | 433,695 | 1 | 348,171 | 1 |
| 2300 | Other current liabilities | | 190,207 | - | 153,831 | - |
| 2320 | Long-term loans-current portion | 4 & 6 (13) | 7,580,000 | 9 | 4,150,000 | 5 |
| 21xx | Total current liabilities | | 32,209,240 | 39 | 30,554,451 | 38 |
| | Non-Current Liabilities | | | | | |
| 2540 | Long-term loans | 4 & 6 (13) | 15,741,295 | 19 | 17,617,000 | 22 |
| 2570 | Deferred tax liabilities | 4 & 6 (25) | 40,898 | - | 40,756 | - |
| 2580 | Lease liabilities-non-current | 4, 6 (21) & 7 | 5,254,109 | 7 | 4,887,661 | 6 |
| 2600 | Other non-current liabilities | 6 (14) & 7 | 243,964 | - | 231,294 | 1 |
| 25xx | Total non-current liabilities | | 21,280,266 | 26 | 22,776,711 | 29 |
| 2xxx | Total Liabilities | | 53,489,506 | 65 | 53,331,162 | 67 |
| | Equity attributable to stockholders of the parent | 4 | | | | |
| 3100 | Capital stock | | | | | |
| 3110 | Common stock | 6 (15) | 11,595,611 | 14 | 11,595,611 | 14 |
| 3200 | Capital surplus | 6 (16) | 118,406 | - | 65,262 | - |
| 3300 | Retained earnings | 6 (17) | | | | |
| 3310 | Legal reserve | | 4,831,727 | 6 | 4,723,658 | 6 |
| 3320 | Special capital reserve | | 504,189 | - | 504,189 | 1 |
| 3350 | Unappropriated Retained Earnings | | 8,824,081 | 11 | 7,491,441 | 9 |
| | Total retained earnings | | 14,159,997 | 17 | 12,719,288 | 16 |
| 3400 | Other equity | | 435,331 | 1 | 222,092 | - |
| 31xx | Total equity attributable to stockholders of the parent | | 26,309,345 | 32 | 24,602,253 | 30 |
| 36xx | Non-controlling interests | 6 (18) | 2,222,905 | 3 | 2,155,682 | 3 |
| 3xxx | Total Equity | | 28,532,250 | 35 | 26,757,935 | 33 |
| | Total Liabilities and Equity | | \$82,021,756 | 100 | \$80,089,097 | 100 |

(The accompanying notes are an integral part of these consolidated financial statements)

English Translation of Financial Statements Originally Issued in Chinese
CATHAY REAL ESTATE DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(Expressed in thousands of New Taiwan Dollars, except for earnings per share)

| | | | (Expressed in thousands of New Taiwan Dollars) | | | |
|------|---|---|--|------|--------------|------|
| Code | Items | Notes | 2023 | | 2022 | |
| | | | Amount | % | Amount | % |
| 4000 | Operating revenue | 4, 6 (8), (19), (21) & 7 | \$15,480,974 | 100 | \$16,791,732 | 100 |
| 5000 | Operating costs | 4, 6 (5), (8), (9), (14), (21), (22), 7 | (11,120,260) | (72) | (13,012,678) | (77) |
| 5900 | Gross margin | | 4,360,714 | 28 | 3,779,054 | 23 |
| 6000 | Operating expenses | 4, 6 (8), (9), (14), (21), (22), 7 | | | | |
| 6200 | Administrative expenses | | (1,788,104) | (11) | (2,303,238) | (14) |
| 6450 | Expected credit profit (loss) | 4 & 6 (20) | (48) | - | (16) | - |
| | Total operating expenses | | (1,788,152) | (11) | (2,303,254) | (14) |
| 6900 | Operating income | | 2,572,562 | 17 | 1,475,800 | 9 |
| 7000 | Non-operating income and expenses | 4, 6 (23) & 7 | | | | |
| 7100 | Interest income | | 48,290 | - | 17,367 | - |
| 7010 | Other revenue | | 140,069 | 1 | 635,216 | 3 |
| 7020 | Other gains or losses | | (117,986) | (1) | (16,357) | - |
| 7050 | Finance costs | | (444,975) | (3) | (403,446) | (2) |
| 7060 | Share of profit or loss of associates and joint ventures | 6 (7) | 277,260 | 2 | (20,930) | - |
| | Total non-operating income and expenses | | (97,342) | (1) | 211,850 | 1 |
| 7900 | Income before Income tax | | 2,475,220 | 16 | 1,687,650 | 10 |
| 7950 | Income tax (expense) benefit | 4 & 6 (25) | (255,235) | (1) | (387,308) | (2) |
| 8200 | Net income | | 2,219,985 | 15 | 1,300,342 | 8 |
| 8300 | Other comprehensive income | 6 (24), (25) | | | | |
| 8310 | Not to be reclassified to profit or loss in subsequent periods | | | | | |
| 8311 | Remeasurements of defined benefit plans | | 4,015 | - | (24,378) | - |
| 8316 | Valuation gain (losses) on equity instruments at fair value through other comprehensive income | | 207,415 | 1 | (1,353,867) | (8) |
| 8320 | Share of the other comprehensive income of associates and joint ventures accounted for using the equity method – not to be reclassified to profit or loss in subsequent periods | | 2,528 | - | 869 | - |
| 8349 | Income tax related to items not be reclassified to profit or loss in subsequent periods | | (803) | - | 4,876 | - |
| 8360 | To be reclassified to profit or loss in subsequent periods | | | | | |
| 8370 | Share of the other comprehensive income of associates and joint ventures accounted for using the equity method – to be reclassified to profit or loss in subsequent periods | | 81 | - | 432 | - |
| | Other comprehensive (losses) income, net of tax | | 213,236 | 1 | (1,372,068) | (8) |
| 8500 | Total comprehensive income | | \$2,433,221 | 16 | \$(71,726) | - |
| 8600 | Net income (losses) attributable to: | | | | | |
| 8610 | Shareholders of the parent | | \$2,164,437 | 14 | \$1,207,749 | 7 |
| 8620 | Non-controlling interests | | 55,548 | 1 | 92,593 | 1 |
| | | | \$2,219,985 | 15 | \$1,300,342 | 8 |
| 8700 | Total comprehensive income (losses) attributable to: | | | | | |
| 8710 | Shareholders of the parent | | \$2,377,676 | 15 | \$(166,038) | (1) |
| 8720 | Non-controlling interests | | 55,545 | 1 | 94,312 | 1 |
| | | | \$2,433,221 | 16 | \$(71,726) | - |
| | Earnings Per Share (In dollars) | 6 (26) | After tax | | After tax | |
| 9750 | Basic earnings per share | | \$1.87 | | \$1.04 | |
| 9850 | Diluted earnings per share | | \$1.87 | | \$1.04 | |

(The accompanying notes are an integral part of these consolidated financial statements)

English Translation of Financial Statements Originally Issued in Chinese
CATHAY REAL ESTATE DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the years ended December 31, 2023 and 2022

| | | (Expressed in thousands of New Taiwan Dollars) | | | | | | | | | |
|------|---|---|-----------------|-----------------------|-------------------------|----------------------------------|--|---|---|----------------------------------|--------------|
| Code | Items | Equity attributable to stockholders of the parent | | | | | Other Equity | | | | |
| | | Capital stock | Capital surplus | Legal Capital Reserve | Special Capital Reserve | Unappropriated Retained Earnings | Exchange Differences Resulting from Translating Foreign Financial Statements of Operations | Unrealized (Losses) Gains from Financial Instruments at Fair Value Through Other Comprehensive Income | Remeasurements of Defined Benefit Plans | Revaluation Surplus for Property | Total |
| | | 3100 | 3200 | 3310 | 3320 | 3350 | 3410 | 3420 | 3445 | 3460 | 31XX |
| A1 | Balance as of January 1, 2022 | \$11,595,611 | \$38,846 | \$4,638,904 | \$504,189 | \$7,191,237 | \$- | \$1,451,654 | \$17,171 | \$- | \$2,443,7612 |
| B1 | Appropriation and distribution of earnings for the year 2021 | - | - | - | - | - | - | - | - | - | - |
| B5 | Legal capital reserve | - | - | 84,754 | - | (84,754) | - | - | - | - | - |
| | Cash dividends on common stock | - | - | - | - | (695,737) | - | - | - | - | (695,737) |
| C7 | Changes in equity of associates and joint ventures accounted for using equity method | - | 16,452 | - | - | - | - | - | - | - | 16,452 |
| C17 | Changes in other capital surplus | - | 9,702 | - | - | - | - | - | - | - | 9,702 |
| D1 | Net income for the year ended December 31, 2022 | - | - | - | - | 1,207,749 | - | - | - | - | 1,207,749 |
| D3 | Other comprehensive income (loss), net of tax for the year ended December 31, 2022 | - | - | - | - | - | 432 | (1,354,056) | (20,163) | - | (1,373,787) |
| D5 | Total comprehensive income (loss) | - | - | - | - | 1,207,749 | 432 | (1,354,056) | (20,163) | - | (166,038) |
| M5 | Difference between consideration and carrying amount of subsidiaries acquired or disposed | - | 262 | - | - | - | - | - | - | - | 262 |
| O1 | Changes in non-controlling interests | - | - | - | - | - | - | - | - | - | - |
| Q1 | Disposal of financial instruments at fair value through other comprehensive income | - | - | - | - | (127,054) | - | 127,054 | - | - | - |
| Z1 | Balance as of December 31, 2022 | 11,595,611 | 65,262 | 4,723,658 | 504,189 | 7,491,441 | 432 | 224,652 | (2,992) | - | 24,602,253 |
| B1 | Appropriation and distribution of earnings for the year 2022 | - | - | 108,069 | - | (108,069) | - | - | - | - | - |
| B5 | Legal capital reserve | - | - | - | - | (579,781) | - | - | - | - | (579,781) |
| | Cash dividends on common stock | - | - | - | - | - | - | - | - | - | - |
| C7 | Changes in equity of associates and joint ventures accounted for using equity method | - | 47,090 | - | - | (143,947) | - | - | - | - | (96,857) |
| C17 | Changes in other capital surplus | - | 6,054 | - | - | - | - | - | - | - | 6,054 |
| D1 | Net income for the year ended December 31, 2023 | - | - | - | - | 2,164,437 | - | - | - | - | 2,164,437 |
| D3 | Other comprehensive income (loss), net of tax for the year ended December 31, 2023 | - | - | - | - | - | 81 | 206,202 | 3,250 | 3,706 | 213,239 |
| D5 | Total comprehensive income (loss) | - | - | - | - | 2,164,437 | 81 | 206,202 | 3,250 | 3,706 | 2,377,676 |
| O1 | Changes in non-controlling interests | - | - | - | - | - | - | - | - | - | - |
| Z1 | Balance as of December 31, 2023 | \$11,595,611 | \$18,406 | \$4,831,727 | \$504,189 | \$8,824,081 | \$513 | \$430,854 | \$258 | \$3,706 | \$26,309,345 |
| | | | | | | | | | | | \$2,222,905 |
| | | | | | | | | | | | \$28,532,250 |

(The accompanying notes are an integral part of these consolidated financial statements)

English Translation of Financial Statements Originally Issued in Chinese
CATHAY REAL ESTATE DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

| Code | Items | 2023 | 2022 |
|--------|--|-------------|--------------|
| | | Amount | Amount |
| AAAA | Cash flows from operating activities | | |
| A10000 | Net income before tax | \$2,475,220 | \$1,687,650 |
| A20000 | Adjustments: | | |
| A20100 | Depreciation | 1,022,593 | 1,192,158 |
| A20200 | Amortization | 22,499 | 20,778 |
| A20300 | Expected credit loss (gain) | 48 | 16 |
| A20900 | Interest expenses | 444,975 | 403,446 |
| A21200 | Interest income | (48,290) | (17,367) |
| A21300 | Dividend income | (61,297) | (204,369) |
| A22300 | Share of profit or loss of associates and joint ventures | (277,260) | 20,930 |
| A22500 | Loss (gain) on disposal of property, plant and equipment | 48,712 | 18,454 |
| A22800 | Loss (gain) on disposal of intangible assets | 5 | 242 |
| A23100 | Loss (gain) on disposal of investments | - | (21,455) |
| A23700 | Impairment loss on non-financial assets | 52,089 | - |
| A29900 | Others | - | (281,971) |
| A30000 | Changes in operating assets and liabilities | | |
| A31125 | Decrease (increase) in contract assets | 208,058 | (274,263) |
| A31130 | Decrease (increase) in notes receivable | 16,270 | (17,834) |
| A31150 | Decrease (increase) in accounts receivable | (823,296) | 43,908 |
| A31160 | Decrease (increase) in accounts receivable-related parties | 4,884 | 48,639 |
| A31180 | Decrease (increase) in other receivables | (2,234) | (79,663) |
| A31200 | Decrease (increase) in inventories | (6,499,101) | (3,315,970) |
| A31230 | Decrease (increase) in prepayments | 66,369 | 49,311 |
| A31240 | Decrease (increase) in other current assets | 61,039 | 45,137 |
| A31270 | Decrease (increase) in incremental costs of obtaining contracts | (186,207) | (334,245) |
| A31990 | Decrease (increase) in other operating assets | 89,058 | (44,634) |
| A32125 | Increase (decrease) in contract liabilities | 968,668 | 1,214,326 |
| A32130 | Increase (decrease) in notes payable | (32,797) | (121,369) |
| A32150 | Increase (decrease) in accounts payable | 845,732 | 106,621 |
| A32160 | Increase (decrease) in accounts payable-related parties | (45,186) | 35,255 |
| A32180 | Increase (decrease) in other payables | (126,447) | 404,857 |
| A32230 | Increase (decrease) in other current liabilities | 36,376 | (907,244) |
| A33000 | Cash generated by (used in) operations | (1,739,520) | (328,656) |
| A33100 | Interests received | 47,948 | 17,222 |
| A33500 | Income taxes paid | (269,577) | (227,910) |
| AAAA | Net cash generated by (used in) operating activities | (1,961,149) | (539,344) |
| BBBB | Cash flows from investing activities | | |
| B00010 | Acquisition of financial assets at fair value through other comprehensive income | - | (670,038) |
| B00020 | Disposal of financial assets at fair value through other comprehensive income | - | 1,846,000 |
| B01800 | Acquisition of investment accounted for using equity method | (54,000) | (150,000) |
| B01900 | Disposal of investments accounted for using the equity method | - | 8,535 |
| B02200 | Net cash flow from acquisition of subsidiaries | - | (998,057) |
| B02300 | Disposal of subsidiaries | - | 361,024 |
| B02700 | Acquisition of property, plant and equipment | (272,326) | (1,381,436) |
| B02800 | Disposal of property, plant and equipment | 9,599 | 5,049 |
| B04500 | Acquisition of intangible assets | (26,477) | (31,404) |
| B06700 | Increase in other non-current assets | - | (194,399) |
| B06800 | Decrease in other non-current assets | 301,970 | - |
| B07600 | Dividends received | 80,561 | 204,369 |
| BBBB | Net cash generated by (used in) investing activities | 39,327 | (1,000,357) |
| CCCC | Cash flows from financing activities | | |
| C00100 | Increase in short-term loans | - | 783,768 |
| C00200 | Decrease in short-term loans | (1,978,400) | - |
| C00600 | Decrease in short-term notes payable | (1,515,279) | (805,058) |
| C01600 | Proceeds from long-term debt | 7,884,295 | 12,451,977 |
| C01700 | Repayment of long-term loans | (6,330,000) | (3,339,787) |
| C04020 | Repayment of principal of lease liabilities | (437,070) | (441,327) |
| C04300 | Increase in other non-current liabilities | 16,685 | - |
| C04400 | Decrease in other non-current liabilities | - | (100,804) |
| C04500 | Payment of cash dividends | (579,781) | (695,737) |
| C05600 | Interests paid | (925,208) | (649,924) |
| C05800 | Change in non-controlling interests | 11,678 | 1,241,709 |
| CCCC | Net cash generated by (used in) financing activities | (3,853,080) | 8,444,817 |
| EEEE | Net increase (decrease) in cash and cash equivalents | (5,774,902) | 6,905,116 |
| E00100 | Cash and cash equivalents, beginning of period | 10,842,494 | 3,937,378 |
| E00200 | Cash and cash equivalents, end of period | \$5,067,592 | \$10,842,494 |

(The accompanying notes are an integral part of these consolidated financial statements)

(2) Acknowledgement of Proposal for 2023 Earnings Distribution.

[Proposed by the Board of Directors]

Explanation:

1. The Company's 2023 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 31 of this handbook.

Resolution:

Cathay Real Estate Development Co., Ltd.

Earnings Distribution Table of the 2023

Unit: NT\$ Dollar

| Item | Amount |
|--|---------------|
| Retained earnings at the beginning | 6,803,590,924 |
| Add: Net income of 2023 | 2,164,437,152 |
| Less: Changes in equity of associates and joint ventures accounted for using equity method | (143,947,179) |
| Less: Legal reserves | (202,048,997) |
| Distributable earnings | 8,622,031,900 |
| Distributable items: | |
| Shareholders' dividends - Cash | 1,159,561,059 |
| Unappropriated retained earnings | 7,462,470,841 |
| 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: Chia-Yen Chen

3. Matters for Discussion

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

[Proposed by the Board of Directors]

Explanation:

1. In compliance with the amendments to the "Key Points for the Establishment and Exercise of Powers of the Board of Directors of Listed Companies" in the Taiwan Stock Exchange's Governance Letter No. 1120014763, and the Financial Supervisory Commission's measures to improve dividend policy, it is proposed to amend the Company's "Articles of Incorporation."
2. For the amendment comparison table, please refer to page 33 to 40 of this handbook.

Resolution:

Cathay Real Estate Development Co., Ltd.

Amendment Comparison Table for the Articles of Incorporation

| Amended Articles | Current Articles | Explanation |
|---|---|---|
| <p><u>Article17</u> <u>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.</u></p> <p><u>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</u></p> | <p>Article17 The Company's Board of Directors is to be formed by nine to fifteen directors, comprised of <u>at least</u> three independent directors, and the number shall not be less than one-<u>fifth</u> of the board seats. The members shall be elected from among the shareholders with disposing capacity.</p> | <p>1. To comply with the “Key Points for the Establishment and Exercise of Powers of the Board of Directors of Listed Companies” (hereinafter referred to as the “Key Points to be Followed”) amended and promulgated by the Taiwan Stock Exchange Corporation in its Letter No. 1120014763 dated August 23, 2023, Article 4, Paragraphs 1 to 3. In order to strengthen independence and diversity of the Board of Directors, Paragraph 1 of this Article clearly stipulates that the number of independent directors shall not be less than three, the number shall not be</p> |

| Amended Articles | Current Articles | Explanation |
|---|---|--|
| <p><u>dismissed, the Company shall convene a special shareholders meeting to elect succeeding directors within sixty days from the date of occurrence.</u></p> <p><u>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.</u></p> <p><u>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</u></p> | <p>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</p> | <p>less than one-third of the total number of directors, and directors of different genders shall not be less than one.</p> <p>2. To comply with the provision of Article 8, Paragraph 1 of the “Key Points for Compliance” Paragraph 2 of this Article specifies the time limit for re-election or by-election of directors who violate the provisions of Paragraph 1.</p> <p>3. To comply with Article 4, Paragraph 5 of the “Key Points for Compliance” Paragraph 3 of this Article clearly stipulates that if the chairman and the president are the same person, the number of independent directors should be increased.</p> |

| Amended Articles | Current Articles | Explanation |
|---|---|--|
| <u>and other compliance matters shall be handled in accordance with the relevant laws and regulations.</u> <u>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.</u> | 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. | |
| Article 18 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 <u>consecutive terms of</u> | Article 18 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 <u>eligibility and</u> | To comply with Article 4, Paragraph 4 of the “Points to be Followed”, which aims to strengthen the independence of independent directors, Paragraph 2 of this Article clearly states that the consecutive terms of independent directors shall not |

| Amended Articles | Current Articles | Explanation |
|--|---|--|
| <p><u>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.</u></p> <p>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.</p> <p>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.</p> <p>The Board of Directors may authorize the Chairman of the Board to handle the amount and renewal of the liability</p> | <p><u>re-election of the Company's independent directors shall be handled in accordance with the relevant laws and regulations.</u></p> <p>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.</p> <p>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.</p> <p>The Board of Directors may authorize the Chairman of the Board to handle the amount and renewal of the liability</p> | <p>exceed three terms, and specifies the time limit for re-election or by-election of directors who violate the regulations.</p> |

| Amended Articles | Current Articles | Explanation |
|--|--|---|
| insurance. | insurance. | |
| <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 accumulated losses, if any, shall first be covered.</p> <p>If there is a surplus after the fiscal year closes, besides paying taxes according to the law, the Company shall first</p> | <p>Article 27 If the Company earns profit for the year, 0.1% to 1% of it shall be distributed as employees compensation, and not more than 1% as directors compensation. However, the Company's accumulated losses, if any, shall first be covered.</p> <p>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, set aside or <u>reverse</u> special reserve according to the law, and <u>then allocate 30% to 100% as shareholders dividends and bonus. The remaining</u>, together with the beginning undistributed surplus, shall be the distributable profit. The Board of Directors shall prepare profit distribution proposal, and submit it at the shareholders meeting <u>for approval. The</u></p> | <p>In accordance with the Financial Supervisory Commission's sound dividend policy, the Company's dividend policy has been revised and certain wordings have been adjusted for clarity.</p> |

| Amended Articles | Current Articles | Explanation |
|--|---|-------------|
| <p>offset its previous years' losses, and set aside legal reserve. <u>After adding the remaining balance (hereinafter referred to as "surplus for the current year")</u> to the beginning undistributed surplus, <u>and the special surplus reserved in accordance with laws and regulations</u>, shall be the distributable profit. The Board of Directors shall formulate a surplus distribution proposal <u>in accordance with the Company's operational planning</u> and submit it at the shareholders meeting for <u>resolution on the distribution of dividends or retention.</u></p> <p>Based on the Company's operational planning and capital investment, as well as taking into account shareholders' cash <u>dividends</u> requirements, and avoid over expansion of share capital, profit is to be first distributed in a form of cash dividend, followed by stock dividend. <u>However, the total</u></p> | <p><u>distribution ratio of the above shareholders dividends and bonus depends on the current year's major financial or working capital planning and may be adjusted upon resolution of the shareholders meeting.</u></p> <p>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</p> | |

| Amended Articles | Current Articles | Explanation |
|--|--|-------------|
| <p><u>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.</u></p> <p>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</p> | <p>as special surplus reserves will the sum of the current net profit after tax and other items be included in the undistributed earnings.</p> <p>In response to the economic and market environment changes, the Company adopts a diversified investment approach to increase profitability. In consideration of long-term financial planning and future funding requirements, the residual dividend policy is adopted for dividend policy, so as to achieve steady growth and sustainable operation.</p> <p>Based on the Company’s operational planning and capital investment, as well as taking into account shareholders’ cash <u>inflow</u> requirements, and avoid over expansion of share capital, profit is to be first distributed in a form of cash dividend, followed by stock <u>dividend</u>. <u>However</u>, cash dividend distribution</p> | |

| Amended Articles | Current Articles | Explanation |
|---|---|--|
| reserves will the sum of the current net profit after tax and other items be included in the undistributed earnings. | <u>shall not be less than</u> 50% of total dividend. | |
| 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 46th amendment on June 17, 2022, <u>and the 47th amendment on June 14, 2024.</u> | 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 46th amendment on June 17, 2022. | In coordination with the revision of this chapter, the date of this revision is added. |

(2) Discussion on the relief of certain directors from their non-competition obligations.

[Proposed by the Board of Directors]

Explanation:

1. In accordance with Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall obtain approval from the shareholders' meeting.
2. The independent directors of the company, Yuan-Hsiao Chang and Tsu-Kang Yu are involved in other companies' operations which are the same or similar to the scope of our Company's business. It is proposed to release the prohibition from participation in competitive business (details as follows), and do not deem the previous earnings as earnings of the company.

| Independent Director | Company | Concurrent Post |
|----------------------|-------------------------|----------------------|
| Yuan-Hsiao Chang | Mercuries F&B Co., Ltd. | Independent Director |
| Tsu-Kang Yu | Sinox Company Ltd | Director |

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 15 directors, comprised of at least three independent directors, and the number shall not be less than one-fifth of the board seats. The members shall be elected from among the shareholders with disposing capacity.

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.

Article 18

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 directors, the out-going directors may extend their period of duty until new directors have been elected and assumed their office.

The eligibility and re-election of the Company's independent directors shall be handled in accordance with the relevant laws and regulations.

The board of directors is authorized to issue compensation to the Company's directors (including independent directors) for their terms 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

If the Company earns profit for the year, 0.1% to 1% of it shall be distributed as employees compensation, and not more than 1% as directors compensation. However, the Company's accumulated losses, if any, shall first be covered.

If there is 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, set aside or reverse special reserve according to the law, and then allocate 30% to 100% as shareholders dividends and bonus. The remaining, together with the beginning undistributed surplus, shall be the distributable profit. The board of directors shall prepare profit distribution proposal, and submit it at the shareholders meeting for approval. The distribution ratio of the above shareholders' dividends and bonus depends on the current year's major financial or working capital planning, and may be adjusted upon resolution of the shareholders meeting.

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.

In response to the economic and market environment changes, the Company adopts a diversified investment approach to increase profitability. In consideration of long-term financial planning and future funding requirements, the residual dividend policy is adopted for dividend policy, so as to achieve steady growth and sustainable operation.

Based on the Company's operational planning and capital investment, as well as taking into account shareholders' cash inflow 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, cash dividend distribution shall not be less than 50% of total dividend.

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, 2nd amendment on 30 Mar 1966, 3rd amendment on 20 April 1967, 4th amendment on 6 June 1969, 5th amendment on 25 May 1970, 6th amendment on 6 May 1971, 7th amendment on 19 May 1972, 8th amendment on 7 May 1973, 9th amendment on 17 May 1974, 10th amendment on 30 May 1975, 11th amendment on 14 May 1976, 12th amendment on 21 April 1978, 13th amendment on 16 May 1980, 14th amendment on 22 May 1981, 15th amendment on 27 May 1983, 16th amendment on 25 May 1984, 17th amendment on 24 May 1985, 18th amendment on 23 May 1986, 19th amendment on 2 May 1987, 20th amendment on 20 May 1988, 21st amendment on 26 May 1989, 22nd amendment on 25 May 1990, 23rd amendment on 17 May 1991, 24th amendment on 22 May 1992, 25th amendment on 14 May 1993, 26th amendment on 20 May 1994, 27th amendment on 26 May 1995, 28th amendment on 24 May 1996, 29th amendment on 23 May 1997, 30th amendment on 22 May 1998, 31st amendment on 19 May 1999, 32nd amendment on 19 May 2000, 33rd amendment on 24 May 2001, 34th amendment on 16 May 2002, 35th amendment on 22 May 2003, 36th amendment on 14 May 2004, 37th amendment on 10 June 2005, 38th amendment on 19 June 2009, 39th amendment on 10 June 2011, 40th amendment on 15 June 2012, 41st amendment on 14 June 2013, 42nd amendment on 6 June 2014, 43rd amendment on 8 June 2016,

and 44th amendment on 8 June 2018, and the 45th amendment on 11 June 2021, and the 46th amendment on June 17, 2022.

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 16 April 2024, 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: 16 April 2024

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 Hsin Capital.Co.,Ltd. representative |
| Director | Hung-Ming Lee | 22,000,000 | He Hsin Capital.Co.,Ltd. representative |
| Director | Chung-Yan Tsai | 22,000,000 | He Hsin Capital.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 | |