

# Cathay Real Estate Development Co., Ltd. and Subsidiaries

## **Consolidated Financial Statements for the Nine Months Ended September 30, 2025 and 2024 and Independent Auditors' Review Report**

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

Address: 2F, No. 218, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City

Telephone: (02)2377-9968

### Notice to Reader

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

## STABLE OF CONTENTSS

Item	Page	Notes to Financial Statements No.
I. Cover Page	1	-
II. Table of Contents	2	-
III. Independent Auditors' Review Report	3~4	-
IV. Consolidated Balance Sheet	5	-
V. Consolidated Statement of Comprehensive Income	6	-
VI. Consolidated Statement of Changes in Equity	7	-
VII. Consolidated Statement of Cash Flows	8~9	-
VIII. Notes to the Consolidated Financial Statements		
1. Company History	10	1
2. Date of Authorization for Issuance of the Parent Company Only Financial Statements and Procedures for Authorization	10	2
3. Application of New and Amended Standards and Interpretations	10~12	3
4. Summary of Significant Accounting Policies	13~14	4
5. Primary Sources of Uncertainties in Material Accounting Judgments, Estimates, and Assumptions	15	5
6. Explanation of Significant Accounts	15~49	6~24
7. Related Party Transactions	50~57	25
8. Pledged Assets	58	26
9. Significant Contingent Liabilities and Unrecognized Contract Commitments	58	27
10. Losses Due to Major Disasters	-	-
11. Significant Subsequent Events	-	-
12. Others	-	-
13. Supplementary disclosures	60~66	29
(1) Information on significant transactions		
(2) Information on Invested Companies		
(3) Major Shareholders Information		
14. Department information	59~60	28

## INDEPENDENT AUDITORS' REVIEW REPORT

To Cathay Real Estate Development Co., Ltd.:

### **Preface**

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

### **Scope**

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

### **Basis for Qualified Conclusions**

As stated in Note 11 to the consolidated financial statements, Cathay Real Estate Group's investments accounted for using the equity method amounted to NT\$2,133,196 thousand and NT\$1,998,456 thousand as of September 30, 2025 and 2024, respectively, and the related comprehensive income recognized was NT\$41,445 thousand, NT\$12,944 thousand, NT\$67,383 thousand and NT\$1,892 thousand for the three months ended September 30, 2025 and 2024, and the nine months ended September 30, 2025 and 2024, respectively. The information related to these investee companies accounted for using the equity method, as described in Note 29 to the consolidated financial statements, was recognized and disclosed based on the financial statements of the investee companies for the same periods that have not been reviewed by CPAs.

### **Qualified Conclusion**

Based on our review results, except for the possible adjustments to the consolidated financial statements that might have been determined to be necessary had the financial statements of the investee companies accounted for using the equity method been reviewed by accountants as described in the Basis for Qualified Conclusion section, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Cathay Real Estate Group as of September 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the three months ended September 30, 2025 and 2024, and for the nine months ended September 30, 2025 and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission.

Deloitte & Touche

CPA Shu-Wan Lin

CPA Chih-Ming Shao

Financial Supervisory Commission  
approval document No.

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

Securities and Futures Commission  
approval document No.

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

November 5, 2025

Cathay Real Estate Development Co., Ltd. and Subsidiaries

**Consolidated Balance Sheet**

September 30, 2025, December 31, 2024 and September 30, 2024

Unit: NT\$ Thousand

Code	Assets	September 30, 2025		December 31, 2024		September 30, 2024	
		Amount	%	Amount	%	Amount	%
Current assets							
1100	Cash and cash equivalents (Notes 6 and 25)	\$ 6,103,838	7	\$ 6,775,388	8	\$ 7,376,406	8
1120	Financial assets at fair value through other comprehensive profit or loss – Current (Notes 7 and 26)	3,878,149	4	4,037,768	5	4,253,881	5
1140	Contract asset – Current ( Note 19)	84,741	-	22,249	-	15,851	-
1150	Net Notes Receivable (Notes 8 and 19)	2,978	-	3,757	-	2,884	-
1170	Net accounts receivable (Notes 8 and 19)	641,716	1	1,027,787	1	680,496	1
1180	Net accounts receivable – related parties (Notes 19 and 25)	954,072	1	20,743	-	103,494	-
1200	Other receivables	128,571	-	218,121	-	67,795	-
1220	Current income tax assets	2,357	-	2,148	-	13,152	-
130X	Inventories (Notes 9 and 26)	51,548,198	57	49,511,444	55	50,463,436	56
1410	Prepayments (Note 25)	455,563	-	445,207	1	561,122	-
1479	Other current assets (Notes 25 and 26)	740,666	1	213,885	-	131,572	-
1480	Incremental costs of obtaining a contract – current (Note 19)	<u>2,032,915</u>	<u>2</u>	<u>1,880,371</u>	<u>2</u>	<u>1,694,437</u>	<u>2</u>
11XX	Total current assets	<u>66,573,764</u>	<u>73</u>	<u>64,158,868</u>	<u>72</u>	<u>65,364,526</u>	<u>72</u>
Non-current assets							
1517	Financial assets at fair value through other comprehensive income – Non-current (Note 7)	408,342	-	498,270	1	519,300	1
1550	Investments accounted for using equity method ( Note 11)	2,133,196	2	2,025,741	2	1,998,456	2
1600	Property, Plant and Equipment (Note 12)	4,061,290	5	4,358,546	5	4,400,571	5
1755	Right-of-use asset (Notes 13 and 25)	3,710,324	4	4,038,435	4	4,089,270	5
1760	Net investment properties (Notes 14 and 26)	12,415,251	14	12,591,682	14	12,491,513	14
1780	Intangible assets	52,553	-	54,158	-	47,899	-
1840	Deferred income tax assets	486,706	1	498,996	1	408,700	-
1900	Other non-current assets (Notes 15, 25 and 26)	<u>884,435</u>	<u>1</u>	<u>1,184,267</u>	<u>1</u>	<u>1,248,875</u>	<u>1</u>
15XX	Total non-current assets	<u>24,152,097</u>	<u>27</u>	<u>25,250,095</u>	<u>28</u>	<u>25,204,584</u>	<u>28</u>
1XXX	Total assets	<u>\$ 90,725,861</u>	<u>100</u>	<u>\$ 89,408,963</u>	<u>100</u>	<u>\$ 90,569,110</u>	<u>100</u>
Liabilities and Equity							
Current liabilities							
2100	Short-term loans (Notes 16 and 25)	\$ 16,505,000	18	\$ 13,216,400	15	\$ 14,924,000	16
2110	Short-term notes and bills payable (Note 16)	554,620	1	838,539	1	784,370	1
2130	Contract liabilities - Current (Note 19)	13,654,130	15	12,473,835	14	11,674,238	13
2150	Notes payable	29,987	-	98,300	-	72,370	-
2170	Accounts payable	2,306,239	3	2,145,395	2	1,422,937	2
2180	Accounts payable – Related parties (Note 25)	6,024	-	4,577	-	1,408	-
2200	Other payables	864,307	1	994,131	1	859,206	1
2230	Current income tax liabilities (Note 4)	240,747	-	130,547	-	123,123	-
2280	Lease liabilities – Current (Notes 13 and 25)	450,414	1	428,876	1	435,287	-
2320	Current portion of long-term loans payable (Note 16)	5,610,644	6	10,347,531	12	12,662,000	14
2399	Other current liabilities	<u>257,315</u>	<u>-</u>	<u>292,486</u>	<u>-</u>	<u>616,105</u>	<u>1</u>
21XX	Total current liabilities	<u>40,479,427</u>	<u>45</u>	<u>40,970,617</u>	<u>46</u>	<u>43,575,044</u>	<u>48</u>
Non-current liabilities							
2540	Long-term loans (Note 16)	13,957,679	16	12,375,567	14	11,725,188	13
2570	Deferred income tax liabilities	45,613	-	43,798	-	40,303	-
2580	Lease liabilities – Non-current (Notes 13 and 25)	4,878,288	5	5,277,143	6	5,287,571	6
2600	Other non-current liabilities (Note 25)	<u>219,483</u>	<u>-</u>	<u>234,389</u>	<u>-</u>	<u>233,750</u>	<u>-</u>
25XX	Total non-current liabilities	<u>19,101,063</u>	<u>21</u>	<u>17,930,897</u>	<u>20</u>	<u>17,286,812</u>	<u>19</u>
2XXX	Total liabilities	<u>59,580,490</u>	<u>66</u>	<u>58,901,514</u>	<u>66</u>	<u>60,861,856</u>	<u>67</u>
Equities attributable to Owners of Parent Company (Note 18)							
3110	Ordinary share capital	<u>11,595,611</u>	<u>13</u>	<u>11,595,611</u>	<u>13</u>	<u>11,595,611</u>	<u>13</u>
3200	Capital Surplus	<u>171,139</u>	<u>-</u>	<u>182,880</u>	<u>-</u>	<u>147,489</u>	<u>-</u>
Retained Earnings							
3310	Legal reserve	5,207,642	6	5,033,776	6	5,033,776	6
3320	Special reserve	504,189	-	504,189	1	504,189	-
3350	Unappropriated retained earnings	<u>10,048,116</u>	<u>11</u>	<u>9,201,124</u>	<u>10</u>	<u>8,433,499</u>	<u>9</u>
3300	Total retained earnings	<u>15,759,947</u>	<u>17</u>	<u>14,739,089</u>	<u>17</u>	<u>13,971,464</u>	<u>15</u>
3400	Other equity	<u>1,498,358</u>	<u>2</u>	<u>1,746,045</u>	<u>2</u>	<u>1,780,114</u>	<u>2</u>
31XX	Total Equity Attributable to Owners of Parent	<u>29,025,055</u>	<u>32</u>	<u>28,263,625</u>	<u>32</u>	<u>27,494,678</u>	<u>30</u>
36XX	Non-controlling interests (Note 18)	<u>2,120,316</u>	<u>2</u>	<u>2,243,824</u>	<u>2</u>	<u>2,212,576</u>	<u>3</u>
3XXX	Total shareholders' equity	<u>31,145,371</u>	<u>34</u>	<u>30,507,449</u>	<u>34</u>	<u>29,707,254</u>	<u>33</u>
Total liabilities and equity		<u>\$ 90,725,861</u>	<u>100</u>	<u>\$ 89,408,963</u>	<u>100</u>	<u>\$ 90,569,110</u>	<u>100</u>

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

(Please refer to the Audit's Report issued by Deloitte & Touche on November 5, 2025)

Chairman: Ching-Kuei Chang

Managerial Officer: Hung-Ming Lee

Chief Accountant: Yi-Chun Chang

Cathay Real Estate Development Co., Ltd. and Subsidiaries

**Consolidated Statement of Comprehensive Income**

For the Three Months Ended September 30, 2025 and 2024, and the Nine Months Ended September 30, 2025 and 2024

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

Code		July 1 to September 30, 2025		July 1 to September 30, 2024		January 1 to September 30, 2025		January 1 to September 30, 2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Notes 19 and 25)	\$4,183,875	100	\$3,088,825	100	\$15,557,136	100	\$14,486,638	100
5000	Operating costs (Notes 9, 20 and 25)	(2,996,588)	(72)	(2,420,512)	(78)	(11,129,533)	(72)	(11,441,395)	(79)
5900	Gross Profit	1,187,287	28	668,313	22	4,427,603	28	3,045,243	21
	Operating expenses (Notes 20 and 25)								
6200	Management expenses	591,353	14	669,033	22	1,779,985	11	1,722,642	12
6450	Expected Credit (Reversal Benefit) Impairment Loss	(4)	-	(9)	-	(15)	-	142	-
6000	Total operating expenses	591,349	14	669,024	22	1,779,970	11	1,722,784	12
6900	Net operating income (loss)	595,938	14	(711)	-	2,647,633	17	1,322,459	9
	Non-operating revenue and net expenses								
7020	Other interests and losses (Note 20)	(61,072)	(1)	(18,917)	(1)	(97,729)	(1)	(26,607)	-
7050	Finance costs (Notes 20 and 25)	(118,875)	(3)	(114,299)	(4)	(360,854)	(2)	(356,808)	(2)
7060	Share of profit (loss) of joint ventures and associates accounted for using equity method (Note 11)	38,191	1	12,950	1	65,523	1	(1,576)	-
7100	Interest income (Note 20 and 25)	9,828	-	5,294	-	38,769	-	29,052	-
7130	Dividend income	211,973	5	132,027	4	213,123	1	132,477	1
7190	Net other revenue	26,260	1	13,015	1	57,025	-	38,681	-
7000	Non-operating revenue and net expenses	106,305	3	30,070	1	(84,143)	(1)	(184,781)	(1)
7900	Profit before income tax	702,243	17	29,359	1	2,563,490	16	1,137,678	8
7950	Income tax expense (Notes 4 and 21)	(113,417)	(3)	(17,013)	-	(385,107)	(2)	(241,418)	(2)
8200	Net profit for the period	588,826	14	12,346	1	2,178,383	14	896,260	6
	Other comprehensive income (loss) (Net value after tax)								
8310	Items components of other comprehensive income that will not be reclassified to profit or loss:								
8316	Unrealized gain (loss) on valuation of equity instruments at fair value through profit or loss	93,737	2	440,629	14	(249,547)	(2)	1,341,315	9
8320	Share of other comprehensive income of joint ventures and associates accounted for using the equity method	3,254	-	31	-	1,507	-	3,109	-
8360	Items that may be reclassified subsequently to profit or loss:								
8370	Share of other comprehensive income (loss) of joint ventures and associates accounted for using equity method	-	-	(37)	-	353	-	359	-
8300	Other comprehensive income (loss) for the period (Net value after tax)	96,991	2	440,623	14	(247,687)	(2)	1,344,783	9
8500	Total comprehensive income for the period	\$685,817	16	\$452,969	15	\$1,930,696	12	\$2,241,043	15
	Net profit (loss) attributable to:								
8610	Owners of parent company	\$609,526	15	\$80,323	3	\$2,212,931	14	\$971,028	7
8620	Non-controlling interests	(20,700)	(1)	(67,977)	(2)	(34,548)	-	(74,768)	(1)
8600		\$588,826	14	\$12,346	1	\$2,178,383	14	\$896,260	6
	Total comprehensive profit (loss) attributable to:								
8710	Owners of parent company	\$706,517	17	\$520,946	17	\$1,965,244	12	\$2,315,811	16
8720	Non-controlling interests	(20,700)	(1)	(67,977)	(2)	(34,548)	-	(74,768)	(1)
8700		\$685,817	16	\$452,969	15	\$1,930,696	12	\$2,241,043	15
	Earnings per share (Note 22)								
9710	Basic	\$0.53		\$0.07		\$1.91		\$0.84	
9810	Dilution	\$0.53		\$0.07		\$1.91		\$0.84	

The accompanying notes are an integral part of the financial statements.  
(Please refer to the Audit's Report issued by Deloitte & Touche on November 5, 2025)

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

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

Unit: NT\$ Thousand

		Equities Attributable to Owners of Parent Company						Other equity							
Code		Retained Earnings					Total	Exchange differences on translation of foreign financial statements	Unrealized Profits and Losses of Financial Assets at Fair Value through Other Comprehensive Income	Remeasurements Amounts of Defined Benefit Plans	Gains and losses on hedging instruments	Revaluation increment of property	Total	Non-controlling interests	Total shareholders' equity
		Ordinary share capital	Capital Surplus	Legal reserve	Special reserve	Unappropriated retained earnings									
A1	Balance on January 1, 2024	\$ 11,595,611	\$ 118,406	\$ 4,831,727	\$ 504,189	\$ 8,824,081	\$ 14,159,997	\$ 513	\$ 430,854	\$ 258	\$ -	\$ 3,706	\$ 26,309,345	\$ 2,222,905	\$ 28,532,250
	2023 Surplus Appropriation and Distribution:														
B1	Provision for legal surplus reserve	-	-	202,049	-	( 202,049 )	-	-	-	-	-	-	-	-	-
B5	Cash dividends for shareholders of the company	-	-	-	-	( 1,159,561 )	( 1,159,561 )	-	-	-	-	( 1,159,561 )	-	( 1,159,561 )	
C7	Due to an increase in the changes of associates and joint ventures accounted for using the equity method.	-	26,817	-	-	-	-	-	-	-	-	26,817	-	26,817	
C17	Changes in other capital surplus	-	2,266	-	-	-	-	-	-	-	-	2,266	-	2,266	
D1	Net profit (loss) from January 1 to September 30, 2024	-	-	-	-	971,028	971,028	-	-	-	-	971,028	( 74,768 )	896,260	
D3	Other Comprehensive Income from January 1 to September 30, 2024	-	-	-	-	-	-	359	1,348,130	-	-	( 3,706 )	1,344,783	-	1,344,783
D5	Total Comprehensive Income from January 1 to September 30, 2024	-	-	-	-	971,028	971,028	359	1,348,130	-	-	( 3,706 )	2,315,811	( 74,768 )	2,241,043
O1	Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	64,439	64,439	
Z1	Balance on September 30, 2024	\$ 11,595,611	\$ 147,489	\$ 5,033,776	\$ 504,189	\$ 8,433,499	\$ 13,971,464	\$ 872	\$ 1,778,984	\$ 258	\$ -	\$ -	\$ 27,494,678	\$ 2,212,576	\$ 29,707,254
A1	Balance as of January 1, 2025	\$ 11,595,611	\$ 182,880	\$ 5,033,776	\$ 504,189	\$ 9,201,124	\$ 14,739,089	\$ 906	\$ 1,724,609	\$ 20,570	( \$ 40 )	\$ -	\$ 28,263,625	\$ 2,243,824	\$ 30,507,449
	2024 Annual Surplus Appropriation and Distribution														
B1	Legal reserve	-	-	173,866	-	( 173,866 )	-	-	-	-	-	-	-	-	
B5	Cash dividends on common stock	-	-	-	-	( 1,159,561 )	( 1,159,561 )	-	-	-	-	( 1,159,561 )	-	( 1,159,561 )	
C7	Due to an increase in the changes of associates and joint ventures accounted for using the equity method.	-	( 16,346 )	-	-	( 32,512 )	( 32,512 )	-	-	-	-	( 48,858 )	-	( 48,858 )	
C17	Changes in other capital surplus	-	4,605	-	-	-	-	-	-	-	-	4,605	-	4,605	
D1	Net profit (loss) from January 1 to September 30, 2025	-	-	-	-	2,212,931	2,212,931	-	-	-	-	2,212,931	( 34,548 )	2,178,383	
D3	Other Comprehensive Income from January 1 to September 30, 2025	-	-	-	-	-	-	353	( 248,040 )	-	-	( 247,687 )	-	( 247,687 )	
D5	Total Comprehensive Income from January 1 to September 30, 2025	-	-	-	-	2,212,931	2,212,931	353	( 248,040 )	-	-	1,965,244	( 34,548 )	1,930,696	
O1	Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	( 88,960 )	( 88,960 )	
Z1	Balance on September 30, 2025	\$ 11,595,611	\$ 171,139	\$ 5,207,642	\$ 504,189	\$ 10,048,116	\$ 15,759,947	\$ 1,259	\$ 1,476,569	\$ 20,570	( \$ 40 )	\$ -	\$ 29,025,055	\$ 2,120,316	\$ 31,145,371

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

(Please refer to the Audit's Report issued by Deloitte & Touche on November 5, 2025)

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

Cathay Real Estate Development Co., Ltd. and Subsidiaries

**Consolidated Statement of Cash Flows**

For the Nine Months Ended September 30, 2025 and 2024

Code		Unit: NT\$ Thousand	
		January 1 to September 30, 2025	January 1 to September 30, 2024
	Cash flows from operating activities		
A10000	Profit before income tax	\$ 2,563,490	\$ 1,137,678
A20010	Adjustments to reconcile profit (loss):		
A20100	Depreciation	842,128	818,312
A20200	Amortization expense	17,208	13,846
A20300	Expected Credit (Reversal Benefit)		
	Impairment Loss	( 15)	142
A20900	Interest expense	360,854	356,808
A21200	Interest income	( 38,769)	( 29,052)
A21300	Dividend income	( 213,123)	( 132,477)
A22300	Share of Profit (Loss) of Associates and Joint Ventures Accounted for Using Equity Method	( 65,523)	1,576
A22500	Loss on disposal and scrapping of property, plant and equipment	92,809	9,160
A22700	Loss on Disposal of Investment Property	684	-
A22800	Disposal loss of intangible assets	3,910	-
A22900	Gain on disposal of right-of-use assets	( 11,668)	-
A30000	Net changes in operating assets and liabilities		
A31125	Contract asset	( 62,492)	155,572
A31130	Notes receivable	779	19,585
A31150	Accounts receivable	386,086	600,626
A31160	Accounts receivable – related parties	( 933,329)	( 89,341)
A31180	Other receivables	89,305	14,487
A31200	Inventories	( 1,719,187)	( 5,144,023)
A31230	Prepayments	( 10,356)	( 195,342)
A31240	Other current assets	( 524,818)	( 60,764)
A31270	Incremental Costs of Obtaining Contract	( 152,544)	( 288,373)
A31990	Other operating assets	185,244	-
A32125	Contract liabilities	1,180,295	4,078,083
A32130	Notes payable	( 68,313)	49,193
A32150	Accounts payable	160,844	( 693,673)
A32160	Accounts payable – related parties	1,447	( 1,873)
A32180	Other payables	( 67,797)	( 127,268)
A32230	Other current liabilities	( 35,171)	425,898

(Continued on next page)

(Brought forward from previous page)

<u>Code</u>		<u>January 1 to September 30, 2025</u>	<u>January 1 to September 30, 2024</u>
A33000	Cash generated from operations	\$ 1,981,978	\$ 918,780
A33100	Interest Received	39,014	29,455
A33500	Income tax paid	( 261,011 )	( 349,838 )
AAAA	Net cash inflows (outflows) from operating activities	<u>1,759,981</u>	<u>598,397</u>
	<b>Cash Flows from Investing Activities</b>		
B01800	Acquisition of investments accounted for using the equity method	( 147,000 )	-
B02700	Purchase of Property, Plant and Equipment	( 116,755 )	( 176,627 )
B02800	Proceeds from disposal of real estate, plant, and equipment	1,836	23,501
B04500	Purchase of intangible assets	( 18,069 )	( 9,482 )
B06700	Decrease in other non-current assets	119,451	108,871
B07600	Dividends received	<u>271,193</u>	<u>196,046</u>
BBBB	Net cash inflows used in investing activities	<u>110,656</u>	<u>142,309</u>
	<b>Cash flows from financing activities</b>		
C00100	Increase in short-term borrowings	3,288,600	4,457,400
C00600	Decrease in short-term notes and bills payable	( 283,919 )	( 1,794,964 )
C01600	Borrowing of long-term loans	6,306,673	5,802,969
C01700	Repayment of long-term loans	( 9,495,000 )	( 4,755,691 )
C04020	Principal repayment of lease liabilities	( 340,758 )	( 328,440 )
C04400	Decrease in other non-current liabilities	( 14,906 )	( 10,214 )
C04500	Distribution of cash dividends	( 1,159,561 )	( 1,159,561 )
C05600	Interest paid	( 748,248 )	( 707,830 )
C05800	Change in non-controlling interests	( 88,960 )	64,439
C09900	Other financing activities	( 6,108 )	-
CCCC	Net cash inflows (outflows) used in financing activities	<u>( 2,542,187 )</u>	<u>1,568,108</u>
EEEE	Net increase (decrease) in cash and cash equivalents	( 671,550 )	2,308,814
E00100	Beginning balance of cash and cash equivalents	<u>6,775,388</u>	<u>5,067,592</u>
E00200	Ending balance of cash and cash equivalents	<u>\$ 6,103,838</u>	<u>\$ 7,376,406</u>

The accompanying notes are an integral part of the financial statements.  
(Please refer to the Audit's Report issued by Deloitte & Touche on November 5, 2025)

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

Cathay Real Estate Development Co., Ltd. and Subsidiaries

**Note of consolidated financial statements**

For the Nine Months Ended September 30, 2025 and 2024

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

**1. Company History**

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

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

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

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

The consolidated financial report was approved by the Board of Directors on November 5, 2025.

**3. Application of New and Amended Standards and Interpretations**

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

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

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

<b>New/Revised/Amended Standards and Interpretations</b>	<b>Issuance valid date of IASB</b>
Amendments to IFRS 9 and IFRS 7 “Amendments to Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity	January 1, 2026
"Annual Improvements to IFRS Accounting Standards – Volume 11"	January 1, 2026
IFRS 17 "Insurance Contracts" (including amendments in 2020 and 2021)	January 1, 2023

As of the date of approval for issuance of these consolidated financial statements, the consolidated company is still continuously evaluating the impact of each amendment on its financial position and financial performance, and the relevant impact will be disclosed upon completion of the evaluation.

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

<b>New/Revised/Amended Standards and Interpretations</b>	<b>Issuance valid date of IASB (Note 1)</b>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture”	To be determined
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 2)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including amendments in 2025)	January 1, 2027

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

Note 2: The Financial Supervisory Commission announced on September 25, 2025 that enterprises in Taiwan should adopt IFRS 18 starting from January 1, 2028, and may also choose to early adopt after the FSC recognizes IFRS 18.

## IFRS 18 “Presentation and Disclosure in Financial Statements”

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

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

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

#### **4. Summary of Significant Accounting Policies**

##### **(1) Compliance Declaration**

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

##### **(2) Preparation Basis**

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

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

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

##### **(3) Consolidated Basis**

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

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

When changes in the consolidated company's ownership interests in subsidiaries do not result in a loss of control, they are accounted for as equity transactions. The carrying amounts of the consolidated company and non-controlling interests have been adjusted to reflect the changes in their relative interests in the subsidiaries. The difference between the adjustment amount of the non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity and is attributable to the owners of the Company.

For details of subsidiaries, shareholding ratios, and business activities, please refer to Note 10 and Attachment 6.

#### (4) Other Significant Accounting Policies

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

##### 1. Defined Benefit of Retirement Benefits

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

##### 2. Income Tax Expense

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

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

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

**6. Cash and Cash Equivalents**

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Cash on Hand and Petty Cash	\$ 19,810	\$ 17,980	\$ 16,786
Bank Checks and Demand Deposits	4,453,196	5,779,593	6,159,795
Cash equivalents			
Bank Time Deposits	216,400	167,050	143,850
Short-term Bills	<u>1,414,432</u>	<u>810,765</u>	<u>1,055,975</u>
	<u>\$ 6,103,838</u>	<u>\$ 6,775,388</u>	<u>\$ 7,376,406</u>

**7. Financial Assets at Fair Value through Other Comprehensive Income**

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
<u>Current</u>			
Listed companies' shares	<u>\$ 3,878,149</u>	<u>\$ 4,037,768</u>	<u>\$ 4,253,881</u>
<u>Non-current</u>			
Non-listed companies' shares	<u>\$ 408,342</u>	<u>\$ 498,270</u>	<u>\$ 519,300</u>

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

For the three months ended September 30, 2025 and 2024, and the nine months ended September 30, 2025 and 2024, the Group recognized dividend income of NT\$211,973 thousand, NT\$132,027 thousand, NT\$213,123 thousand and NT\$132,477 thousand, respectively.

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

## 8. Notes and Accounts Receivable

	<u>September 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>September 30,</u> <u>2024</u>
Notes receivable	\$ 2,978	\$ 3,757	\$ 2,884
Less: Allowance for losses	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,978</u>	<u>\$ 3,757</u>	<u>\$ 2,884</u>
Accounts receivable	\$ 650,358	\$ 1,036,444	\$ 680,752
Less: Allowance for losses	<u>( 8,642 )</u>	<u>( 8,657 )</u>	<u>( 256 )</u>
	<u>\$ 641,716</u>	<u>\$ 1,027,787</u>	<u>\$ 680,496</u>

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

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

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

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

## September 30, 2025

	<u>Not Pass Due</u>	<u>Past Due 1 to 90 Days</u>	<u>Past Due 91 to 180 Days</u>	<u>Past Due 181 to 270 Days</u>	<u>Past Due More Than 271 Days</u>	<u>Total</u>
Expected credit losses ratio	-	35.49%	100.00%	-	72.12%	
Total carrying amount	\$ 634,732	\$ 15,331	\$ 3,051	\$ 14	\$ 208	\$ 653,336
Loss allowance (lifetime expected credit losses)	-	( 5,441 )	( 3,051 )	-	( 150 )	( 8,642 )
Amortized cost	<u>\$ 634,732</u>	<u>\$ 9,890</u>	<u>\$ -</u>	<u>\$ 14</u>	<u>\$ 58</u>	<u>\$ 644,694</u>

## December 31, 2024

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

## September 30, 2024

	<u>Not Pass Due</u>	<u>Past Due 1 to 90 Days</u>	<u>Past Due 91 to 180 Days</u>	<u>Past Due 181 to 270 Days</u>	<u>Past Due More Than 271 Days</u>	<u>Total</u>
Expected credit losses ratio	-	1.33%	62.40%	-	-	
Total carrying amount	\$ 675,483	\$ 7,911	\$ 242	\$ -	\$ -	\$ 683,636
Loss allowance (lifetime expected credit losses)	-	( 105 )	( 151 )	-	-	( 256 )
Amortized cost	<u>\$ 675,483</u>	<u>\$ 7,806</u>	<u>\$ 91</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 683,380</u>

Changes in the allowance for doubtful accounts is as follows:

	<u>January 1 to September 30, 2025</u>	<u>January 1 to September 30, 2024</u>
Beginning balance	\$ 8,657	\$ 114
Reversal (provision) of impairment loss for the period	( 15 )	142
Ending balance	<u>\$ 8,642</u>	<u>\$ 256</u>

## 9. Inventories

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Building Land	\$ 9,310,095	\$ 12,687,566	\$ 11,673,387
Land under construction	39,490,209	33,963,553	37,529,443
Real estate held for sale	2,711,026	2,768,903	127,323
Others	7,201	7,122	8,363
Total	51,518,531	49,427,144	49,338,516
Prepaid land payments	29,667	84,300	1,124,920
	<u>\$ 51,548,198</u>	<u>\$ 49,511,444</u>	<u>\$ 50,463,436</u>

The Consolidated Company has signed trust agreements with Cathay United Bank for construction projects to ensure smooth construction and delivery, entrusting the bank to manage funds from pre-sale buyers' payments. According to the

agreement, the trust period lasts until the project is completed, obtains an occupancy permit, and completes the first registration of building ownership.

As of September 30, 2025, December 31, 2024, and September 30, 2024, the fund balances managed under the aforementioned trust agreements were NT\$2,355,659 thousand, NT\$3,197,417 thousand, and NT\$3,502,636 thousand, respectively. Additionally, the trust fund balances for the Cathay Yong Cui Project's joint construction party were NT\$300,033 thousand, NT\$299,198 thousand, and NT\$296,807 thousand, respectively.

As of September 30, 2025, the consolidated company has registered trust agreements for the following projects: Cathay You Ran, Cathay You Jing, Cathay Shi Mei, Cathay Yong Cui, Dunnan Lin Yuan, Cathay Min Le, Cathay Xu, Cathay Cheng Zhen, Cathay GRAND PARK, Cathay THE PARK, Cathay Sen Lin Hui, Cathay Mei He, Cathay Yang Hui, Cathay Pan Yun, Cathay Yang Mu, Cathay Yi He, Cathay Xi, Cathay Shi Cui, UNi PARK, META PARK, METRO PARK and RiVER PARK. The balance of trust funds for each construction project is consistent with the receivable amounts under the pre-sale housing purchase contracts, and there are no delays in delivering the proceeds collected from buyers to the trust.

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

	<b>July 1 to September 30, 2025</b>	<b>July 1 to September 30, 2024</b>	<b>January 1 to September 30, 2025</b>	<b>January 1 to September 30, 2024</b>
Construction costs	<u>\$ 722,740</u>	<u>\$ 66,994</u>	<u>\$ 4,875,346</u>	<u>\$ 4,374,168</u>

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

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

## 10. Subsidiaries Included in the Consolidated Financial Statements

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

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

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

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

## 11. Investments Accounted for Using Equity Method

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Investments in Associates	\$ 1,560,830	\$ 1,581,613	\$ 1,585,051
Investment joint venture	<u>572,366</u>	<u>444,128</u>	<u>413,405</u>
	<u>\$ 2,133,196</u>	<u>\$ 2,025,741</u>	<u>\$ 1,998,456</u>

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

### (1) Investments in Associates

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Cathay Power Inc.	\$ 1,401,736	\$ 1,433,803	\$ 1,433,788
San Hsiung Fongshan LaLaport Co., Ltd.	<u>159,094</u>	<u>147,810</u>	<u>151,263</u>
	<u>\$ 1,560,830</u>	<u>\$ 1,581,613</u>	<u>\$ 1,585,051</u>

The affiliated enterprise consolidated information is as follows:

	<u>July 1 to September 30, 2025</u>	<u>July 1 to September 30, 2024</u>	<u>January 1 to September 30, 2025</u>	<u>January 1 to September 30, 2024</u>
The Consolidated Company's share Net profit for the period	\$ 35,522	\$ 24,123	\$ 69,799	\$ 26,886
Other comprehensive income	-	-	-	( 3,609 )
Total comprehensive income	<u>\$ 35,522</u>	<u>\$ 24,123</u>	<u>\$ 69,799</u>	<u>\$ 23,277</u>

### (2) Investment Joint Venture

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Symphox Information	\$ 425,791	\$ 444,128	\$ 413,405
Xiangyang Realty Co., Ltd.	<u>146,575</u>	<u>-</u>	<u>-</u>
	<u>\$ 572,366</u>	<u>\$ 444,128</u>	<u>\$ 413,405</u>

In April 2024, Symphox Information Co., Ltd. bought back treasury shares, resulting in the consolidated company's comprehensive shareholding increasing from 49.12% to 50%, with the consolidated company and another

shareholder each holding 50% ownership. As neither party has sole control, it became a joint venture investment.

In July 2025, the consolidated company acquired 14,700 thousand shares of Xiangyang Realty Co., Ltd. for cash consideration of NT\$147,000 thousand, representing a 49% ownership interest, which became an investment in a joint venture.

Summary information on investment in joint ventures is as follows:

	<b>July 1 to September 30, 2025</b>	<b>July 1 to September 30, 2024</b>	<b>January 1 to September 30, 2025</b>	<b>January 1 to September 30, 2024</b>
The Consolidated Company's share Net income (loss) for the period	\$ 2,669	(\$ 11,173)	(\$ 4,276)	(\$ 28,462)
Other comprehensive income	<u>3,254</u>	<u>( 6 )</u>	<u>1,860</u>	<u>7,077</u>
Total comprehensive income	<u>\$ 5,923</u>	<u>( \$ 11,179 )</u>	<u>( \$ 2,416 )</u>	<u>( \$ 21,385 )</u>

## 12. Real Estate, Plant, and Equipment

	September 30, 2025	December 31, 2024	September 30, 2024
Self-use	\$ 3,151,869	\$ 3,348,517	\$ 3,368,307
Operating lease for rental	<u>909,421</u>	<u>1,010,029</u>	<u>1,032,264</u>
	<u>\$ 4,061,290</u>	<u>\$ 4,358,546</u>	<u>\$ 4,400,571</u>

### (1) Self-use

	Land	Buildings	Leasehold Improvements	Other equipment	Unfinished construction and equipment pending acceptance	Total
<u>Cost</u>						
Balance on January 1, 2024	\$ 1,616,689	\$ 1,186,491	\$ 2,100,496	\$ 727,077	\$ 34,374	\$ 5,665,127
Addition	-	-	5,211	45,002	54,306	104,519
Disposal	-	-	( 739 )	( 11,563 )	-	( 12,302 )
Transfers and others	-	-	( 101,294 )	28,372	( 45,496 )	( 118,418 )
Balance on September 30, 2024	<u>\$ 1,616,689</u>	<u>\$ 1,186,491</u>	<u>\$ 2,003,674</u>	<u>\$ 788,888</u>	<u>\$ 43,184</u>	<u>\$ 5,638,926</u>
<u>Accumulated Depreciation and Impairment</u>						
Balance on January 1, 2024	\$ -	\$ 435,037	\$ 1,053,490	\$ 577,309	\$ -	\$ 2,065,836
Depreciation	-	27,515	130,182	57,835	-	215,532
Disposal	-	-	( 677 )	( 11,132 )	-	( 11,809 )
Transfers and others	-	-	( 15,603 )	16,663	-	1,060
Balance on September 30, 2024	<u>\$ -</u>	<u>\$ 462,552</u>	<u>\$ 1,167,392</u>	<u>\$ 640,675</u>	<u>\$ -</u>	<u>\$ 2,270,619</u>
Net amount as of January 1, 2024	<u>\$ 1,616,689</u>	<u>\$ 751,454</u>	<u>\$ 1,047,006</u>	<u>\$ 149,768</u>	<u>\$ 34,374</u>	<u>\$ 3,599,291</u>
Net amount as of September 30, 2024	<u>\$ 1,616,689</u>	<u>\$ 723,939</u>	<u>\$ 836,282</u>	<u>\$ 148,213</u>	<u>\$ 43,184</u>	<u>\$ 3,368,307</u>
<u>Cost</u>						
Balance as of January 1, 2025	\$ 1,616,689	\$ 1,186,491	\$ 2,006,328	\$ 836,838	\$ 34,787	\$ 5,681,133
Addition	-	-	2,180	26,103	15,651	43,934
Disposal	-	-	( 44 )	( 12,496 )	-	( 12,540 )
Transfers and others	-	-	( 519 )	2,812	( 30,560 )	( 28,267 )
Balance on September 30, 2025	<u>\$ 1,616,689</u>	<u>\$ 1,186,491</u>	<u>\$ 2,007,945</u>	<u>\$ 853,257</u>	<u>\$ 19,878</u>	<u>\$ 5,684,260</u>
<u>Accumulated Depreciation and Impairment</u>						
Balance as of January 1, 2025	\$ -	\$ 472,443	\$ 1,209,245	\$ 650,928	\$ -	\$ 2,332,616
Depreciation	-	27,515	119,896	64,783	-	212,194
Disposal	-	-	( 17 )	( 12,434 )	-	( 12,451 )
Transfers and others	-	-	-	32	-	32
Balance on September 30, 2025	<u>\$ -</u>	<u>\$ 499,958</u>	<u>\$ 1,329,124</u>	<u>\$ 703,309</u>	<u>\$ -</u>	<u>\$ 2,532,391</u>
Net amount as of January 1, 2025	<u>\$ 1,616,689</u>	<u>\$ 714,048</u>	<u>\$ 797,083</u>	<u>\$ 185,910</u>	<u>\$ 34,787</u>	<u>\$ 3,348,517</u>
Net amount as of September 30, 2025	<u>\$ 1,616,689</u>	<u>\$ 686,533</u>	<u>\$ 678,821</u>	<u>\$ 149,948</u>	<u>\$ 19,878</u>	<u>\$ 3,151,869</u>

(2) Operating Lease for Rental

	<u>Leasehold Improvements</u>	<u>Transportation equipment</u>	<u>Other equipment</u>	<u>Total</u>
<u>Cost</u>				
Balance on January 1, 2024	\$ 717,042	\$ 132,258	\$ 574,338	\$ 1,423,638
Addition	17,485	34,312	28,240	80,037
Disposal	-	( 46,485 )	( 33,887 )	( 80,372 )
Transfers and others	<u>126,974</u>	<u>-</u>	<u>( 17,602 )</u>	<u>109,372</u>
Balance on September 30, 2024	<u>\$ 861,501</u>	<u>\$ 120,085</u>	<u>\$ 551,089</u>	<u>\$ 1,532,675</u>
<u>Accumulated Depreciation and Impairment</u>				
Balance on January 1, 2024	\$ 155,181	\$ 67,207	\$ 241,301	\$ 463,689
Depreciation	34,963	14,005	36,784	85,752
Disposal	-	( 28,567 )	( 19,403 )	( 47,970 )
Transfers and others	<u>15,603</u>	<u>-</u>	<u>( 16,663 )</u>	<u>( 1,060 )</u>
Balance on September 30, 2024	<u>\$ 205,747</u>	<u>\$ 52,645</u>	<u>\$ 242,019</u>	<u>\$ 500,411</u>
Net amount as of January 1, 2024	<u>\$ 561,861</u>	<u>\$ 65,051</u>	<u>\$ 333,037</u>	<u>\$ 959,949</u>
Net amount as of September 30, 2024	<u>\$ 655,754</u>	<u>\$ 67,440</u>	<u>\$ 309,070</u>	<u>\$ 1,032,264</u>
<u>Cost</u>				
Balance as of January 1, 2025	\$ 862,306	\$ 106,782	\$ 549,323	\$ 1,518,411
Addition	15,689	5,359	33,675	54,723
Disposal	( 115,304 )	( 3,370 )	( 35,788 )	( 154,462 )
Transfers and others	<u>11,999</u>	<u>-</u>	<u>12,893</u>	<u>24,892</u>
Balance on September 30, 2025	<u>\$ 774,690</u>	<u>\$ 108,771</u>	<u>\$ 560,103</u>	<u>\$ 1,443,564</u>
<u>Accumulated Depreciation and Impairment</u>				
Balance as of January 1, 2025	\$ 217,527	\$ 44,758	\$ 246,097	\$ 508,382
Depreciation	34,385	11,826	39,456	85,667
Disposal	( 35,096 )	( 2,258 )	( 22,552 )	( 59,906 )
Balance on September 30, 2025	<u>\$ 216,816</u>	<u>\$ 54,326</u>	<u>\$ 263,001</u>	<u>\$ 534,143</u>
Net amount as of January 1, 2025	<u>\$ 644,779</u>	<u>\$ 62,024</u>	<u>\$ 303,226</u>	<u>\$ 1,010,029</u>
Net amount as of September 30, 2025	<u>\$ 557,874</u>	<u>\$ 54,445</u>	<u>\$ 297,102</u>	<u>\$ 909,421</u>

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

Depreciation expenses are provided on a straight-line basis over the following useful lives:

Buildings	5 to 50 years
Leasehold Improvements	Based on the shorter of lease term or useful life
Transportation Equipment	5 years
Other equipment	1 to 26 years

### 13. Lease Agreements

(1) The consolidated company as lessee

#### 1. Right-Of-Use Asset

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Right-of-use asset carrying amount			
Land	\$ -	\$ 3,008	\$ 3,621
Buildings	3,701,278	4,024,835	4,075,925
Transportation Equipment	2,616	3,479	2,595
Other equipment	<u>6,430</u>	<u>7,113</u>	<u>7,129</u>
	<u>\$ 3,710,324</u>	<u>\$ 4,038,435</u>	<u>\$ 4,089,270</u>
	<u>July 1 to September 30, 2025</u>	<u>July 1 to September 30, 2024</u>	<u>January 1 to September 30, 2025</u>
	<u>2025</u>	<u>2024</u>	<u>2024</u>
Addition of right-of-use assets	<u>\$ 47,357</u>	<u>\$ 14,855</u>	<u>\$ 83,446</u>
Depreciation of right-of-use assets			
Land	\$ 362	\$ 1,086	\$ 2,534
Buildings	98,858	99,552	296,387
Transportation Equipment	434	333	1,301
Other equipment	<u>1,020</u>	<u>761</u>	<u>2,998</u>
	<u>\$100,674</u>	<u>\$101,732</u>	<u>\$303,220</u>
			<u>\$301,333</u>

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

## 2. Lease Liabilities

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Lease liabilities carrying amount			
Current	<u>\$ 450,414</u>	<u>\$ 428,876</u>	<u>\$ 435,287</u>
Non-current	<u>\$ 4,878,288</u>	<u>\$ 5,277,143</u>	<u>\$ 5,287,571</u>

Discount rate range for lease liabilities:

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Land	-	1.85%	1.85%
Buildings	1.95%~3.44%	1.51%~3.44%	1.51%~3.34%
Transportation Equipment	1.75%~2.75%	1.20%~2.66%	1.20%~2.66%
Other equipment	1.80%~2.80%	1.80%~2.80%	1.80%~2.80%

## 3. Significant Leasing Activities and Terms

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

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

#### 4. Others Lease Information

	<u>July 1 to September 30, 2025</u>	<u>July 1 to September 30, 2024</u>	<u>January 1 to September 30, 2025</u>	<u>January 1 to September 30, 2024</u>
Leases overheads of short-term and low-value assets	\$ 4,727	\$ 4,473	\$ 15,417	\$ 13,143
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 8,810	\$ 11,156	\$ 29,169	\$ 33,371
Total cash outflow for lease	<u>\$ 166,196</u>	<u>\$ 168,410</u>	<u>\$ 502,980</u>	<u>\$ 498,147</u>

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

#### (2) The consolidated company as lessor

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

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
1st year	\$ 545,731	\$ 516,640	\$ 488,063
2nd Year	474,040	439,093	425,424
3rd Year	358,327	392,707	378,857
4th Year	245,534	287,707	287,571
5th Year	127,962	185,899	198,107
Over 5 years	<u>276,766</u>	<u>325,702</u>	<u>471,992</u>
	<u>\$ 2,028,360</u>	<u>\$ 2,147,748</u>	<u>\$ 2,250,014</u>

## 14. Investment properties

	<u>Land</u>	<u>Buildings</u>	<u>Right-Of-Use Asset</u>	<u>Investment properties under construction</u>	<u>Total</u>
<u>Cost</u>					
Balance on January 1, 2024	\$ 5,833,014	\$ 4,905,607	\$ 1,068,040	\$ -	\$11,806,661
Addition	1,844,013	1,448,024	348,381	-	3,640,418
Transfer	-	-	( 62,785)	-	( 62,785)
Disposal	-	-	( 51,130)	-	( 51,130)
Balance on September 30, 2024	<u>\$ 7,677,027</u>	<u>\$ 6,353,631</u>	<u>\$ 1,302,506</u>	<u>\$ -</u>	<u>\$15,333,164</u>
<u>Accumulated Depreciation and Impairment</u>					
Balance on January 1, 2024	\$ -	\$ 2,513,961	\$ 137,560	\$ -	\$ 2,651,521
Depreciation	-	144,602	71,093	-	215,695
Disposal	-	-	( 25,565)	-	( 25,565)
Balance on September 30, 2024	<u>\$ -</u>	<u>\$ 2,658,563</u>	<u>\$ 183,088</u>	<u>\$ -</u>	<u>\$ 2,841,651</u>
Net amount as of September 30, 2024	<u>\$ 7,677,027</u>	<u>\$ 3,695,068</u>	<u>\$ 1,119,418</u>	<u>\$ -</u>	<u>\$12,491,513</u>
<u>Cost</u>					
Balance as of January 1, 2025	\$ 7,206,310	\$ 6,060,801	\$ 1,344,292	\$ 485,056	\$15,096,459
Addition	-	-	-	36,538	36,538
Disposal	-	( 1,487)	-	-	( 1,487)
Transfers and reclassifications	( 78,482)	101,487	-	-	23,005
Balance on September 30, 2025	<u>\$ 7,127,828</u>	<u>\$ 6,160,801</u>	<u>\$ 1,344,292</u>	<u>\$ 521,594</u>	<u>\$15,154,515</u>
<u>Accumulated Depreciation and Impairment</u>					
Balance as of January 1, 2025	\$ -	\$ 2,299,261	\$ 205,516	\$ -	\$ 2,504,777
Depreciation	-	167,782	73,265	-	241,047
Disposal	-	( 803)	-	-	( 803)
Transfers and reclassifications	-	( 5,757)	-	-	( 5,757)
Balance on September 30, 2025	<u>\$ -</u>	<u>\$ 2,460,483</u>	<u>\$ 278,781</u>	<u>\$ -</u>	<u>\$ 2,739,264</u>
Net amount as of January 1, 2025	<u>\$ 7,206,310</u>	<u>\$ 3,761,540</u>	<u>\$ 1,138,776</u>	<u>\$ 485,056</u>	<u>\$12,591,682</u>
Net amount as of September 30, 2025	<u>\$ 7,127,828</u>	<u>\$ 3,700,318</u>	<u>\$ 1,065,511</u>	<u>\$ 521,594</u>	<u>\$12,415,251</u>

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

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

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

The investment properties held by the Consolidated Company are not measured at fair value but information about their fair value is only disclosed. The fair values of the investment properties held by the consolidated company as of September 30, 2025, December 31, 2024, and September 30, 2024 were NT\$23,119,897 thousand, NT\$23,393,563 thousand, and NT\$23,476,259 thousand, respectively.

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

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

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

## 15. **Other Non-current Assets**

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Refundable deposits	\$ 740,912	\$ 832,832	\$ 838,832
Other financial assets	31,900	96,400	52,200
Building Land	18,425	18,425	18,425
Prepayments for business facilities	11,539	160,879	281,050
Other Non-Current Assets, Others	81,659	75,731	58,368
	<u>\$ 884,435</u>	<u>\$ 1,184,267</u>	<u>\$ 1,248,875</u>

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

## 16. Loans

### (1) Short-Term loans

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Bank credit loans	\$ 13,855,000	\$ 12,716,400	\$ 12,624,000
Bank secured loans	2,550,000	500,000	2,300,000
Other secured loans	<u>100,000</u>	-	-
	<u>\$ 16,505,000</u>	<u>\$ 13,216,400</u>	<u>\$ 14,924,000</u>
Annual interest rate	1.84%~2.70%	1.85%~2.50%	1.76%~2.43%

The above bank secured borrowings and other secured borrowings are secured by inventories and investment properties, please refer to Note 26.

### (2) Short-Term Notes and Bills Payable

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Short-term notes and bills payable	\$ 555,000	\$ 839,000	\$ 785,000
Less: Payable discount on short-term notes and bills	( <u>380</u> )	( <u>461</u> )	( <u>630</u> )
	<u>\$ 554,620</u>	<u>\$ 838,539</u>	<u>\$ 784,370</u>
Annual interest rate	1.92%~2.17%	1.99%~2.28%	1.92%~2.28%

### (3) Long-Term Loans

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Bank credit loans	\$ 9,319,640	\$ 13,310,550	\$ 14,384,550
Bank secured loans	6,320,000	6,220,000	6,820,000
Long-term notes and bills payable	3,928,683	3,192,548	3,182,638
Less: Listed as part of expiring within 1 year	( <u>5,610,644</u> )	( <u>10,347,531</u> )	( <u>12,662,000</u> )
	<u>\$ 13,957,679</u>	<u>\$ 12,375,567</u>	<u>\$ 11,725,188</u>
Annual interest rate			
Bank credit loans	1.97%~2.74%	1.81%~2.68%	1.81%~2.68%
Bank secured loans	2.45%~2.74%	2.38%~2.74%	2.30%~2.74%
Long-term notes and bills payable	2.34%~2.51%	2.38%~2.62%	2.36%~2.62%

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

### 17. **Benefit Plan After Retirement**

The retirement pension expenses recognized for the defined benefit plans for the three months ended September 30, 2025 and 2024, and the nine months ended September 30, 2025 and 2024 were calculated based on the retirement pension cost rates determined by actuarial valuations as of December 31, 2024 and 2023, amounting to NT\$2,292 thousand, NT\$2,737 thousand, NT\$6,761 thousand and NT\$8,168 thousand, respectively.

### 18. **Equity**

#### (1) Capital – Common Stock

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Number of shares authorized (in thousands)	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
Authorized capital (par value of \$10 per share)	<u>\$ 20,000,000</u>	<u>\$ 20,000,000</u>	<u>\$ 20,000,000</u>
Issued shares (thousand shares)	<u>1,159,561</u>	<u>1,159,561</u>	<u>1,159,561</u>
Share capital issued	<u>\$ 11,595,611</u>	<u>\$ 11,595,611</u>	<u>\$ 11,595,611</u>

## (2) Capital surplus

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
<u>Used to make up for losses, distribute cash or transfer to capital stock (1)</u>			
Difference between the actual acquisition or disposal price of a subsidiary's equity and the book value	\$ 262	\$ 262	\$ 262
Transaction of treasury stock	10,407	10,407	10,407
<u>Only used to offset losses</u>			
Recognition of changes in ownership interests in associates	109,815	126,161	90,359
Unclaimed dividends past the due date	<u>50,655</u>	<u>46,050</u>	<u>46,461</u>
	<u>\$ 171,139</u>	<u>\$ 182,880</u>	<u>\$ 147,489</u>

1. This type of capital reserve can be used to cover losses, and when the Company has no losses, it can also be used to distribute cash or be transferred to capital. However, the annual transfer to capital is limited to a certain percentage of the paid-in capital.

## (3) Retained Earnings and Dividend Policy

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

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

The Company is diversifying its investments to increase profitability in response to changes in the economic and market environment. Considering long-term financial planning and future capital requirements, the dividend policy follows a residual dividend policy to pursue steady growth and sustainable operations. In accordance with the Company's operational planning, capital investment

requirements, and consideration of shareholders' needs for cash inflows, and to avoid excessive expansion of share capital, dividend distribution shall prioritize cash dividends, but may also be distributed in the form of stock dividends, provided that the total dividend distribution shall not be less than 20% of the current year's earnings, and the cash dividends distributed shall not be less than 50% of the total dividend distribution.

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

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

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

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

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

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

#### (4) Other Equity Items

	Exchange differences on translation of foreign financial statements	Unrealized valuation gains and losses on financial assets at fair value through other comprehensive income	Remeasurement of defined benefit plans	Gains and losses on hedging instruments	Revaluation increment of property
Balance on January 1, 2024	\$ 513	\$ 430,854	\$ 258	\$ -	\$ 3,706
Unrealized gains or losses on equity instruments investments	-	1,341,315	-	-	-
Share of joint ventures and associates accounted for using equity method	359	6,815	-	-	( 3,706 )
Balance on September 30, 2024	<u>\$ 872</u>	<u>\$1,778,984</u>	<u>\$ 258</u>	<u>\$ -</u>	<u>\$ -</u>
Balance as of January 1, 2025	\$ 906	\$1,724,609	\$ 20,570	( \$ 40 )	\$ -
Unrealized gains or losses on equity instruments investments	-	( 249,547 )	-	-	-
Share of joint ventures and associates accounted for using equity method	353	1,507	-	-	-
Balance on September 30, 2025	<u>\$ 1,259</u>	<u>\$1,476,569</u>	<u>\$ 20,570</u>	<u>( \$ 40 )</u>	<u>\$ -</u>

#### (5) Non-controlling Interests

	January 1 to September 30, 2025	January 1 to September 30, 2024
Beginning balance	\$ 2,243,824	\$ 2,222,905
Net income attributable to non-controlling interests		
Current net loss	( 34,548 )	( 74,768 )
Cash capital increase by subsidiaries	-	122,500
Cash dividends paid by subsidiaries	( 82,960 )	( 58,061 )
Repurchase of subsidiary's preferred shares	( 6,000 )	-
Ending balance	<u>\$ 2,120,316</u>	<u>\$ 2,212,576</u>

### 19. Operating Revenue

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Revenue from contracts with customers				
Property sales revenue	\$ 1,021,641	\$ 256,384	\$ 7,203,351	\$ 6,123,432
Construction contract revenue	1,743,602	1,435,828	4,105,687	4,444,352
Service revenue	1,179,586	1,169,192	3,552,803	3,327,855
Other operating revenue	70,503	72,920	198,703	176,413
	<u>4,015,332</u>	<u>2,934,324</u>	<u>15,060,544</u>	<u>14,072,052</u>
Rental income	168,543	154,501	496,592	414,586
	<u>\$ 4,183,875</u>	<u>\$ 3,088,825</u>	<u>\$15,557,136</u>	<u>\$14,486,638</u>

(1) Disaggregation of Revenue from Contracts With Customers

July 1 to September 30, 2025

	<b>Reportable Department</b>			<b>Total</b>
	<b>Property and real estate investment development department</b>	<b>Construction department</b>	<b>Other departments</b>	
<u>Type of goods or services</u>				
Property sales revenue	\$ 1,021,641	\$ -	\$ -	\$ 1,021,641
Construction contract revenue	-	1,743,602	-	1,743,602
Service revenue	-	-	1,179,586	1,179,586
Rental income	114,468	-	54,075	168,543
Other revenue	-	-	70,503	70,503
	<u>\$ 1,136,109</u>	<u>\$ 1,743,602</u>	<u>\$ 1,304,164</u>	<u>\$ 4,183,875</u>
<u>Revenue Recognition</u>				
Performance obligations satisfied at a point in time				
	\$ 1,021,641	\$ -	\$ 1,250,089	\$ 2,271,730
Performance obligations satisfied over time				
	114,468	1,743,602	54,075	1,912,145
	<u>\$ 1,136,109</u>	<u>\$ 1,743,602</u>	<u>\$ 1,304,164</u>	<u>\$ 4,183,875</u>

July 1 to September 30, 2024

	<b>Reportable Department</b>			<b>Total</b>
	<b>Property and real estate investment development department</b>	<b>Construction department</b>	<b>Other departments</b>	
<u>Type of goods or services</u>				
Property sales revenue	\$ 256,384	\$ -	\$ -	\$ 256,384
Construction contract revenue	-	1,435,828	-	1,435,828
Service revenue	-	-	1,169,192	1,169,192
Rental income	102,901	-	51,600	154,501
Other revenue	-	-	72,920	72,920
	<u>\$ 359,285</u>	<u>\$ 1,435,828</u>	<u>\$ 1,293,712</u>	<u>\$ 3,088,825</u>
<u>Revenue Recognition</u>				
Performance obligations satisfied at a point in time				
	\$ 256,384	\$ -	\$ 1,242,112	\$ 1,498,496
Performance obligations satisfied over time				
	102,901	1,435,828	51,600	1,590,329
	<u>\$ 359,285</u>	<u>\$ 1,435,828</u>	<u>\$ 1,293,712</u>	<u>\$ 3,088,825</u>

January 1 to September 30, 2025

	<u>Reportable Department</u>			<u>Total</u>
	<u>Property and real estate investment development department</u>	<u>Construction department</u>	<u>Other departments</u>	
<u>Type of goods or services</u>				
Property sales revenue	\$ 7,203,351	\$ -	\$ -	\$ 7,203,351
Construction contract revenue	-	4,105,687	-	4,105,687
Service revenue	-	-	3,552,803	3,552,803
Rental income	338,177	-	158,415	496,592
Other revenue	-	-	198,703	198,703
	<u>\$ 7,541,528</u>	<u>\$ 4,105,687</u>	<u>\$ 3,909,921</u>	<u>\$ 15,557,136</u>
<u>Revenue Recognition</u>				
Performance obligations satisfied at a point in time				
	\$ 7,203,351	\$ -	\$ 3,751,506	\$ 10,954,857
Performance obligations satisfied over time				
	338,177	4,105,687	158,415	4,602,279
	<u>\$ 7,541,528</u>	<u>\$ 4,105,687</u>	<u>\$ 3,909,921</u>	<u>\$ 15,557,136</u>

January 1 to September 30, 2024

	<u>Reportable Department</u>			<u>Total</u>
	<u>Property and real estate investment development department</u>	<u>Construction department</u>	<u>Other departments</u>	
<u>Type of goods or services</u>				
Property sales revenue	\$ 6,123,432	\$ -	\$ -	\$ 6,123,432
Construction contract revenue	-	4,444,352	-	4,444,352
Service revenue	-	-	3,327,855	3,327,855
Rental income	258,978	-	155,608	414,586
Other revenue	-	-	176,413	176,413
	<u>\$ 6,382,410</u>	<u>\$ 4,444,352</u>	<u>\$ 3,659,876</u>	<u>\$ 14,486,638</u>
<u>Revenue Recognition</u>				
Performance obligations satisfied at a point in time				
	\$ 6,123,432	\$ -	\$ 3,504,268	\$ 9,627,700
Performance obligations satisfied over time				
	258,978	4,444,352	155,608	4,858,938
	<u>\$ 6,382,410</u>	<u>\$ 4,444,352</u>	<u>\$ 3,659,876</u>	<u>\$ 14,486,638</u>

(2) Contract Balance

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Notes and accounts receivable (including related parties) (Note 8)	\$ <u>1,598,766</u>	\$ <u>1,052,287</u>	\$ <u>786,874</u>
Contract asset			
Construction contract	\$ <u>84,741</u>	\$ <u>22,249</u>	\$ <u>15,851</u>
Contract liabilities			
Sale of property	\$ 13,118,149	\$ 11,781,685	\$ 11,016,256
Construction contract	421,441	555,408	547,444
Rendering of services	<u>114,540</u>	<u>136,742</u>	<u>110,538</u>
	<u>\$ 13,654,130</u>	<u>\$ 12,473,835</u>	<u>\$ 11,674,238</u>

1. Contract Asset

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

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Incurred contract costs and recognized profits (less recognized losses)	\$ 12,321,655	\$ 8,237,773	\$ 7,031,382
Less: Progress billing amounts	( <u>12,658,355</u> )	( <u>8,770,932</u> )	( <u>7,562,975</u> )
Net contract assets (liabilities) in progress	( <u>\$ 336,700</u> )	( <u>\$ 533,159</u> )	( <u>\$ 531,593</u> )
Presented on the balance sheet information:			
Contract assets - Construction contracts	\$ 84,741	\$ 22,249	\$ 15,851
Contract liabilities - Construction contracts	( <u>421,441</u> )	( <u>555,408</u> )	( <u>547,444</u> )
Net amount	( <u>\$ 336,700</u> )	( <u>\$ 533,159</u> )	( <u>\$ 531,593</u> )

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

	<u>January 1 to September 30, 2025</u>	<u>January 1 to September 30, 2024</u>
Beginning balance reclassified to accounts receivable this period	( \$ 16,271 )	( \$ 170,547 )
Change in measurement of percentage of completion	\$ 78,762	\$ 14,975

## 2. Contract Liabilities

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

	<u>January 1 to September 30, 2025</u>	<u>January 1 to September 30, 2024</u>
Beginning balance reclassified to revenue this period	( \$ 2,420,679 )	( \$ 1,214,036 )
Increase in advance receipts for current period	\$ 3,600,974	\$ 5,292,119

### (3) Transaction Price Allocated to Remaining Performance Obligations

As of September 30, 2025, the consolidated company has an aggregate transaction price of NT\$17,988,505 thousand allocated to remaining performance obligations. The consolidated company will recognize revenue progressively as the construction projects are completed. These construction projects are expected to be completed between 2025 and 2030.

### (4) Contract Cost-Related Assets

#### Incremental Costs of Obtaining Contract

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Property sales	\$ 2,032,915	\$ 1,880,371	\$ 1,694,437

The amortization amounts of incremental costs from obtaining contracts recognized during the reporting period for the consolidated company were NT\$218,962 thousand and NT\$125,731 thousand for the nine months ended September 30, 2025 and 2024, respectively.

## 20. Net Profit for the Period

### (1) Interest Income

	<b>July 1 to September 30, 2025</b>	<b>July 1 to September 30, 2024</b>	<b>January 1 to September 30, 2025</b>	<b>January 1 to September 30, 2024</b>
Bank deposits	\$ 5,247	\$ 1,954	\$ 23,251	\$ 16,652
Other interest income	<u>4,581</u>	<u>3,340</u>	<u>15,518</u>	<u>12,400</u>
	<u>\$ 9,828</u>	<u>\$ 5,294</u>	<u>\$ 38,769</u>	<u>\$ 29,052</u>

### (2) Other gains and losses

	<b>July 1 to September 30, 2025</b>	<b>July 1 to September 30, 2024</b>	<b>January 1 to September 30, 2025</b>	<b>January 1 to September 30, 2024</b>
Loss on disposal of real estate, plant and equipment	( \$ 63,680 )	( \$ 11,695 )	( \$ 92,809 )	( \$ 9,160 )
Gain (loss) on disposal of investment properties	358	-	( 684 )	-
Disposal loss of intangible assets	( 1,929 )	-	( 3,910 )	-
Gain on disposal of right-of-use assets	11,668	-	11,668	-
Net foreign currency exchange (loss) gain	( 432 )	76	661	( 421 )
Others	( <u>7,057</u> )	( <u>7,298</u> )	( <u>12,655</u> )	( <u>17,026</u> )
	<u>( \$ 61,072 )</u>	<u>( \$ 18,917 )</u>	<u>( \$ 97,729 )</u>	<u>( \$ 26,607 )</u>

### (3) Finance Costs

	<b>July 1 to September 30, 2025</b>	<b>July 1 to September 30, 2024</b>	<b>January 1 to September 30, 2025</b>	<b>January 1 to September 30, 2024</b>
Interest on bank loan	\$ 230,684	\$ 214,313	\$ 630,948	\$ 588,394
Interest on lease liabilities	38,681	40,539	117,636	123,193
Less: Amounts included in the qualifying assets costs	( <u>150,490</u> )	( <u>140,553</u> )	( <u>387,730</u> )	( <u>354,779</u> )
	<u>\$ 118,875</u>	<u>\$ 114,299</u>	<u>\$ 360,854</u>	<u>\$ 356,808</u>
Interest capitalization rate	1.99%~3.10%	1.81%~2.74%	1.86%~3.10%	1.81%~2.74%

(4) Depreciation and amortization

	<u>July 1 to September 30, 2025</u>	<u>July 1 to September 30, 2024</u>	<u>January 1 to September 30, 2025</u>	<u>January 1 to September 30, 2024</u>
Real estate, plant, and equipment	\$ 96,891	\$ 97,616	\$ 297,861	\$ 301,284
Investment properties	80,371	69,467	241,047	215,695
Right-Of-Use Asset	100,674	101,732	303,220	301,333
Intangible assets	<u>5,756</u>	<u>4,522</u>	<u>17,208</u>	<u>13,846</u>
	<u>\$ 283,692</u>	<u>\$ 273,337</u>	<u>\$ 859,336</u>	<u>\$ 832,158</u>
Depreciation expenses by function				
Operating Costs	\$ 198,035	\$ 186,322	\$ 595,495	\$ 569,613
Operating expenses	<u>79,901</u>	<u>82,493</u>	<u>246,633</u>	<u>248,699</u>
	<u>\$ 277,936</u>	<u>\$ 268,815</u>	<u>\$ 842,128</u>	<u>\$ 818,312</u>
Amortization expenses by function				
Operating Costs	\$ 2,857	\$ 2,363	\$ 8,600	\$ 6,936
Operating expenses	<u>2,899</u>	<u>2,159</u>	<u>8,608</u>	<u>6,910</u>
	<u>\$ 5,756</u>	<u>\$ 4,522</u>	<u>\$ 17,208</u>	<u>\$ 13,846</u>

(5) Employee Benefit Expenses

	<u>July 1 to September 30, 2025</u>	<u>July 1 to September 30, 2024</u>	<u>January 1 to September 30, 2025</u>	<u>January 1 to September 30, 2024</u>
Short-term employee benefits				
Salary	\$ 471,154	\$ 450,972	\$ 1,387,506	\$ 1,280,065
Labor and health insurance	<u>43,916</u>	<u>41,481</u>	<u>136,035</u>	<u>125,411</u>
	<u>515,070</u>	<u>492,453</u>	<u>1,523,541</u>	<u>1,405,476</u>
Retirement benefits				
Defined contribution plans	20,560	19,564	58,887	53,634
Defined benefit plans (Note 17)	<u>2,292</u>	<u>2,737</u>	<u>6,761</u>	<u>8,168</u>
	<u>22,852</u>	<u>22,301</u>	<u>65,648</u>	<u>61,802</u>
Other employee benefits	<u>27,926</u>	<u>24,398</u>	<u>85,519</u>	<u>68,438</u>
Total employee benefits	<u>\$ 565,848</u>	<u>\$ 539,152</u>	<u>\$ 1,674,708</u>	<u>\$ 1,535,716</u>
By function				
Operating Costs	\$ 388,972	\$ 363,196	\$ 1,141,839	\$ 1,026,667
Operating expenses	<u>176,876</u>	<u>175,956</u>	<u>532,869</u>	<u>509,049</u>
	<u>\$ 565,848</u>	<u>\$ 539,152</u>	<u>\$ 1,674,708</u>	<u>\$ 1,535,716</u>

(6) Compensation to Directors and Employees

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

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

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

	<b>July 1 to September 30, 2025</b>	<b>July 1 to September 30, 2024</b>	<b>January 1 to September 30, 2025</b>	<b>January 1 to September 30, 2024</b>
Employee Compensation	<u>\$ 594</u>	<u>\$ 61</u>	<u>\$ 2,352</u>	<u>\$ 1,117</u>
Director Remuneration	<u>\$ 600</u>	<u>\$ 600</u>	<u>\$ 1,800</u>	<u>\$ 1,800</u>

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

	<b>2024</b>	<b>2023</b>
Employee Compensation	\$ 1,976	\$ 2,245
Director Remuneration	2,400	2,400

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

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

For information about the employee and director remuneration resolved by the Company's Board of Directors, please refer to the Market Observation Post System of the Taiwan Stock Exchange.

## 21. Income Tax

### (1) Income Tax Recognized in Profit or Loss

	<u>July 1 to September 30, 2025</u>	<u>July 1 to September 30, 2024</u>	<u>January 1 to September 30, 2025</u>	<u>January 1 to September 30, 2024</u>
Current income tax				
Current amount generated	\$ 122,255	\$ 24,212	\$ 347,705	\$ 208,535
Surtax on undistributed earnings	1,126	-	21,387	35,241
Land Value Increment Tax	173	785	44,935	1,231
Adjustments for prior years	<u>-</u>	<u>-</u>	<u>( 43,025 )</u>	<u>( 8,685 )</u>
	<u>123,554</u>	<u>24,997</u>	<u>371,002</u>	<u>236,322</u>
Deferred Income Tax				
Current amount generated	( 10,137 )	( 7,984 )	14,105	4,842
Adjustments for prior years	<u>-</u>	<u>-</u>	<u>-</u>	<u>254</u>
Income Tax Expense Recognized in Profit or Loss	<u>\$ 113,417</u>	<u>\$ 17,013</u>	<u>\$ 385,107</u>	<u>\$ 241,418</u>

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

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

The Company has filed a reconsideration application for the approved assessment of 2022, and the reconsideration process is currently in progress.

**22. Earnings per Share**

The net profit and the weighted average number of common shares used to calculate earnings per share are as follows:

	<u>July 1 to September 30, 2025</u>	<u>July 1 to September 30, 2024</u>	<u>January 1 to September 30, 2025</u>	<u>January 1 to September 30, 2024</u>
<u>Net profit for the period</u>				
Net profit attributable to owners of parent company	<u>\$ 609,526</u>	<u>\$ 80,323</u>	<u>\$ 2,212,931</u>	<u>\$ 971,028</u>
<u>Number of shares (in thousands)</u>				
Weighted Average Number of Common Shares Used to Calculate Basic Earnings Per Share	1,159,561	1,159,561	1,159,561	1,159,561
Effect of potentially dilutive common shares:				
Employee Compensation	<u>101</u>	<u>44</u>	<u>122</u>	<u>76</u>
Weighted average number of common shares used for calculation of diluted earnings per share	<u>1,159,662</u>	<u>1,159,605</u>	<u>1,159,683</u>	<u>1,159,637</u>
<u>Earnings per share (NT\$)</u>				
Basic Earnings Per Share	<u>\$ 0.53</u>	<u>\$ 0.07</u>	<u>\$ 1.91</u>	<u>\$ 0.84</u>
Diluted earnings per share	<u>\$ 0.53</u>	<u>\$ 0.07</u>	<u>\$ 1.91</u>	<u>\$ 0.84</u>

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

### 23. **Capital Risk Management**

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

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

### 24. **Financial Instruments**

(1) Fair value information - Financial instruments not measured at fair value

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

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

#### 1. Fair Value Level

September 30, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets at Fair Value</u>				
<u>through Other</u>				
<u>Comprehensive Income</u>				
Listed companies' shares	\$3,878,149	\$ -	\$ -	\$3,878,149
Non-listed companies'				
shares	<u>-</u>	<u>-</u>	<u>408,342</u>	<u>408,342</u>
Total	<u>\$3,878,149</u>	<u>\$ -</u>	<u>\$ 408,342</u>	<u>\$4,286,491</u>

December 31, 2024

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

September 30, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets at Fair Value through Other Comprehensive Income</u>				
Listed companies' shares	\$4,253,881	\$ -	\$ -	\$4,253,881
Non-listed companies' shares	-	-	519,300	519,300
Total	<u>\$4,253,881</u>	<u>\$ -</u>	<u>\$ 519,300</u>	<u>\$4,773,181</u>

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

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

Financial Assets at Fair Value through Other Comprehensive Income

	<u>January 1 to September 30, 2025</u>	<u>January 1 to September 30, 2024</u>
<u>Equity instruments</u>		
Beginning balance	\$ 498,270	\$ 505,324
Recognized in other comprehensive income	( 89,928 )	13,976
Ending balance	<u>\$ 408,342</u>	<u>\$ 519,300</u>

3. Valuation Techniques and Inputs Used in Level 3 Fair Value Measurements

September 30, 2025

<u>Class of Financial Instruments</u>	<u>Valuation Technique</u>	<u>Significant Unobservable Inputs</u>	<u>Quantitative Information</u>	<u>Relationship Between Unobservable Inputs and Fair Value</u>	<u>Sensitivity Analysis of the Relationship Between Unobservable Inputs and Fair Value</u>
Financial Assets: Unlisted shares measured at fair value through other comprehensive income	Market approach	Lack of marketability discount	30%~50%	The higher the degree of lack of marketability, the lower the fair value estimate.	If the percentage of lack of marketability increases/decreases by 10%, the consolidated equity will decrease/increase by NT\$47,816 thousand.
	Asset-based approach	Lack of marketability discount	0%~30%	The higher the degree of lack of marketability, the lower the fair value estimate.	If the percentage of lack of marketability increases/decreases by 10%, the consolidated equity will decrease/increase by NT\$7,710 thousand.

## December 31, 2024

Class of Financial Instruments	Valuation Technique	Significant Unobservable Inputs	Quantitative Information	Relationship Between Unobservable Inputs and Fair Value	Sensitivity Analysis of the Relationship Between Unobservable Inputs and Fair Value
Financial Assets: Unlisted shares measured at fair value through other comprehensive income	Market approach	Lack of marketability discount	30%~50%	The higher the degree of lack of marketability, the lower the fair value estimate.	If the percentage of lack of marketability increases/decreases by 10%, the consolidated equity will decrease/increase by NT\$60,259 thousand.
	Asset-based approach	Lack of marketability discount	0%~30%	The higher the degree of lack of marketability, the lower the fair value estimate.	If the percentage of lack of marketability increases/decreases by 10%, the consolidated equity will decrease/increase by NT\$7,726 thousand.

## September 30, 2024

Class of Financial Instruments	Valuation Technique	Significant Unobservable Inputs	Quantitative Information	Relationship Between Unobservable Inputs and Fair Value	Sensitivity Analysis of the Relationship Between Unobservable Inputs and Fair Value
Financial Assets: Unlisted shares measured at fair value through other comprehensive income	Market approach	Lack of marketability discount	30%~50%	The higher the degree of lack of marketability, the lower the fair value estimate.	If the percentage of lack of marketability increases/decreases by 10%, the consolidated equity will decrease/increase by NT\$62,980 thousand.
	Asset-based approach	Lack of marketability discount	0%~30%	The higher the degree of lack of marketability, the lower the fair value estimate.	If the percentage of lack of marketability increases/decreases by 10%, the consolidated equity will decrease/increase by NT\$7,605 thousand.

### (3) Category of Financial Instruments

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial assets</u>			
Measured at amortized cost (Note 1)	\$ 9,192,000	\$ 8,957,048	\$ 9,110,507
Measured at fair value through other comprehensive income	4,286,491	4,536,038	4,773,181
<u>Financial liabilities</u>			
Measured at amortized cost (Note 2)	45,301,562	45,860,242	48,300,039

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

refundable deposits (recorded under other current assets and other non-current assets).

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

#### (4) Financial Risk Management Objectives and Policies

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

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

##### 1. Market Risk

###### (1) Foreign Exchange Risk

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

###### (2) Interest Rate Risk

Interest rate risk is the risk of fluctuations in the future cash flows of financial instruments due to changes in market interest rates. The

consolidated company's interest rate risk mainly arises from floating-rate borrowings.

The sensitivity analysis for interest rate risk is calculated based on financial assets and liabilities with floating interest rates as of the balance sheet date. When interest rates rise/fall by ten basis points, the Consolidated Company's pre-tax profit and loss for January 1 to September 30, 2025 and 2024 would decrease/increase by NT\$23,715 thousand and NT\$24,864 thousand, respectively.

### (3) Other Price Risk

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

Regarding the sensitivity analysis of the aforementioned investment price risk, it is calculated based on the financial assets measured at fair value on the balance sheet date. When market prices rise/fall by 5%, the Consolidated Company's other comprehensive income for January 1 to September 30, 2025 and 2024 would increase/decrease by NT\$214,325 thousand and NT\$238,659 thousand, respectively.

## 2. Credit Risk

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

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

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

As of September 30, 2025, December 31, and September 30, 2024, the receivables from the top ten customers of the consolidated company accounted for a very low percentage of the consolidated company's total receivables, and there was no concentration of credit risk for receivables.

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

### 3. Liquidity Risk

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

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

September 30, 2025

	<u>Less than 1 year</u>	<u>2-3 Years</u>	<u>4-5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Loans	\$23,514,437	\$10,506,718	\$3,057,126	\$ 994,196	\$38,072,477
Payables	3,206,557	-	-	-	3,206,557
Lease liabilities	450,414	899,208	883,585	3,095,495	5,328,702
Guarantee deposits received	<u>47,047</u>	<u>22,780</u>	<u>43,199</u>	<u>25,334</u>	<u>138,360</u>
	<u>\$27,218,455</u>	<u>\$11,428,706</u>	<u>\$3,983,910</u>	<u>\$4,115,025</u>	<u>\$46,746,096</u>

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

	<u>Less than 1 year</u>	<u>1-5 Years</u>	<u>5-10 Years</u>	<u>10-15 Years</u>	<u>Over 15 years</u>	<u>Total</u>
Lease liabilities	<u>\$ 450,414</u>	<u>\$1,782,793</u>	<u>\$1,840,670</u>	<u>\$1,231,965</u>	<u>\$ 22,860</u>	<u>\$5,328,702</u>

December 31, 2024

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

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

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

September 30, 2024

	<u>Less than 1 year</u>	<u>2-3 Years</u>	<u>4-5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Loans	\$29,293,876	\$9,501,962	\$2,238,359	\$ 510,031	\$41,544,228
Payables	2,355,921	-	-	-	2,355,921
Lease liabilities	435,287	845,472	866,931	3,575,168	5,722,858
Guarantee deposits received	<u>49,609</u>	<u>18,216</u>	<u>24,747</u>	<u>33,130</u>	<u>125,702</u>
	<u>\$32,134,693</u>	<u>\$10,365,650</u>	<u>\$3,130,037</u>	<u>\$4,118,329</u>	<u>\$49,748,709</u>

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

	<u>Less than 1 year</u>	<u>1-5 Years</u>	<u>5-10 Years</u>	<u>10-15 Years</u>	<u>Over 15 years</u>	<u>Total</u>
Lease liabilities	<u>\$ 435,287</u>	<u>\$1,712,403</u>	<u>\$1,916,430</u>	<u>\$1,535,471</u>	<u>\$ 123,267</u>	<u>\$5,722,858</u>

As of September 30, 2025, December 31, 2024 and September 30, 2024, the unused bank credit facilities of the consolidated company were NT\$44,106,410 thousand, NT\$45,424,195 thousand and NT\$40,575,086 thousand, respectively.

## 25. Related Party Transactions

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

### (1) Names and Relations of Related Parties

<u>Related Party</u>	<u>Relationship with the consolidated company</u>
Symphox Information Co., Ltd. (Symphox Information)	Joint ventures
Xiangyang Realty Co., Ltd. (Xiangyang Realty)	Joint ventures
Cathay United Bank Co., Ltd. (Cathay United Bank)	Other related parties
Cathay Life Insurance Co., Ltd. (Cathay Life Insurance)	Other related parties
Cathay Financial Holdings Co., Ltd. (Cathay Financial Holdings)	Other related parties
Cathay General Hospital (Cathay Hospital)	Other related parties
Cathay Century Insurance Co., Ltd. (Cathay Century Insurance)	Other related parties
Lin Yuan Investment Co., Ltd. (Lin Yuan Investment)	Other related parties
Seaward Card Co., Ltd. (Seaward Card)	Other related parties
Zhensheng Industrial Co., Ltd. (Zhensheng Industrial)	Other related parties
Tung Chi Capital Co., Ltd. (Tung Chi Capital)	Other related parties
Liang Ting Industrial Co., Ltd. (Liang Ting Industrial)	Other related parties
○○ Lee	Company's main management
○○ Lee	Spouse of the Company's main management
○○ Chen	Spouse of the Company's main management
○○ Hsieh	Children of the Company's main management
○○ Tseng	Spouse of management personnel of related enterprises

(2) Operating Revenue

<u>Account item</u>	<u>Related Party Category/Name</u>	<u>July 1 to September 30, 2025</u>	<u>July 1 to September 30, 2024</u>	<u>January 1 to September 30, 2025</u>	<u>January 1 to September 30, 2024</u>
Engineering service revenue	Other related parties				
	Cathay Life Insurance	\$1,535,806	\$1,358,528	\$3,806,406	\$4,306,186
	Cathay Hospital	<u>21,579</u>	<u>24,862</u>	<u>29,997</u>	<u>29,387</u>
		<u>\$1,557,385</u>	<u>\$1,383,390</u>	<u>\$3,836,403</u>	<u>\$4,335,573</u>
Service revenue	Other related parties				
	Cathay Life Insurance	\$ 321,038	\$ 295,693	\$ 941,711	\$ 826,417
	Cathay United Bank	55,804	52,995	150,262	148,552
	Cathay Century Insurance	1,295	3,157	3,207	4,883
	Cathay Financial Holdings	2,449	1,266	5,238	3,721
	Tung Chi Capital	3,334	3,263	11,137	10,888
	Liang Ting Industrial	2,972	2,897	9,807	9,621
	Zhensheng Industrial	<u>2,468</u>	<u>2,340</u>	<u>8,232</u>	<u>8,005</u>
		<u>\$ 389,360</u>	<u>\$ 361,611</u>	<u>\$1,129,594</u>	<u>\$1,012,087</u>
Rental income	Other related parties				
	Cathay United Bank	\$ 2,743	\$ 2,389	\$ 7,516	\$ 10,811
	Cathay Life Insurance	<u>2,349</u>	<u>961</u>	<u>7,045</u>	<u>1,420</u>
		<u>\$ 5,092</u>	<u>\$ 3,350</u>	<u>\$ 14,561</u>	<u>\$ 12,231</u>

Engineering service revenue

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

As of September 30, 2025, the total contract price of the construction projects undertaken by the consolidated company for Cathay Life Insurance and Cathay General Hospital that have been signed but not yet completed is NT\$27,058,321 thousand, of which NT\$11,943,821 thousand has been received, with NT\$15,114,500 thousand remaining to be collected in the future.

Service revenue

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

Rental income

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

(3) Purchases

<u>Related Party Category/Name</u>	<u>Nature of the transaction</u>	<u>July 1 to September 30, 2025</u>	<u>July 1 to September 30, 2024</u>	<u>January 1 to September 30, 2025</u>	<u>January 1 to September 30, 2024</u>
Other related parties					
Cathay United Bank	Price trust management fee	\$ 1,885	\$ 1,884	\$ 5,238	\$ 5,118
Cathay United Bank	Demolition and relocation compensation fees	-	-	22,462	44,924
Cathay Life Insurance	Insurance expense	1,282	1,204	3,798	3,293
Cathay Century Insurance	Insurance expense	11,750	6,686	29,851	11,714
Lin Yuan Investment	Urban renewal joint construction landowner subsidy	-	-	3,360	3,360
		<u>\$ 14,917</u>	<u>\$ 9,774</u>	<u>\$ 64,709</u>	<u>\$ 68,409</u>

The Consolidated Company's purchases from related parties are conducted according to general purchase terms (i.e., market prices).

(4) Bank Deposits and Short-Term Borrowings

Related Party Category/Name	Nature of the transaction	September 30, 2025		
		Highest balance	Ending balance	Interest Rate
Other related parties				
Cathay United Bank	Demand deposits	\$ 9,141,809	\$ 2,821,009	0.64%
	Check deposits	3,339,906	12,960	-
	Securities account	2,629,847	330,259	0.01%
	Deposit account	1,960,400	1,580,500	0.68%~1.69%
	Short-term loans	3,550,000	2,550,000	2.15%
Cathay Life Insurance	Short-term loans	100,000	100,000	2.70%

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

Related Party Category/Name	Nature of the transaction	September 30, 2024		
		Highest balance	Ending balance	Interest Rate
Other related parties				
Cathay United Bank	Demand deposits	\$ 12,230,593	\$ 5,162,344	0.51%~0.64%
	Check deposits	2,487,622	28,200	-
	Securities account	1,290,024	108,130	0.01%
	Deposit account	323,700	236,650	1.10%~1.69%
	Short-term loans	2,300,000	2,300,000	2.11%

<b>Account item</b>	<b>Related Party Category/Name</b>	<b>July 1 to September 30, 2025</b>	<b>July 1 to September 30, 2024</b>	<b>January 1 to September 30, 2025</b>	<b>January 1 to September 30, 2024</b>
Finance costs	Other related parties Cathay United Bank	<u>\$ 11,551</u>	<u>\$ 7,783</u>	<u>\$ 17,819</u>	<u>\$ 20,692</u>
Interest income	Other related parties Cathay United Bank	<u>\$ 3,608</u>	<u>\$ 4,232</u>	<u>\$ 19,081</u>	<u>\$ 15,089</u>

(5)Accounts Receivable from Related Parties

<b>Related Party Category/Name</b>	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Other related parties			
Cathay Life Insurance	\$ 888,868	\$ 7,963	\$ 59,416
Cathay United Bank	29,371	11,997	28,101
Cathay Hospital	34,705	-	11,604
Others	<u>1,128</u>	<u>783</u>	<u>4,373</u>
	<u>\$ 954,072</u>	<u>\$ 20,743</u>	<u>\$ 103,494</u>

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

(6)Accounts Payable From Related Parties

<b>Related Party Category/Name</b>	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Other related parties			
Cathay Life Insurance	\$ 5,465	\$ 3,313	\$ 984
Others	<u>559</u>	<u>1,264</u>	<u>424</u>
	<u>\$ 6,024</u>	<u>\$ 4,577</u>	<u>\$ 1,408</u>

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

The outstanding balances payable to related parties are unsecured.

(7) Lease Agreements

<u>Related Party Category/Name</u>	<u>January 1 to September 30, 2025</u>	<u>January 1 to September 30, 2024</u>
Acquisition of right-of-use assets		
Other related parties		
Cathay Life Insurance	<u>\$ 76,556</u>	<u>\$ 291,956</u>

<u>Related Party Category/Name</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Lease liabilities			
Other related parties			
Cathay Life Insurance	<u>\$ 5,149,893</u>	<u>\$ 5,497,235</u>	<u>\$ 5,556,618</u>

<u>Related Party Category/Name</u>	<u>July 1 to September 30, 2025</u>	<u>July 1 to September 30, 2024</u>	<u>January 1 to September 30, 2025</u>	<u>January 1 to September 30, 2024</u>
Interest expense				
Other related parties				
Cathay Life Insurance	<u>\$ 37,608</u>	<u>\$ 30,085</u>	<u>\$ 114,209</u>	<u>\$ 109,987</u>

(8) Other Current Assets – Restricted Assets

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

(9) Prepayments

<u>Related Party Category/Name</u>	<u>Nature</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Other related parties				
Cathay Century Insurance	Prepaid insurance	<u>\$ 5,097</u>	<u>\$ 530</u>	<u>\$ 2,756</u>

(10) Other Non-Current Assets/Liabilities

<u>Account item</u>	<u>Related Party Category/Name</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Refundable deposits	Other related parties			
	Cathay Life Insurance	<u>\$ 44,939</u>	<u>\$ 50,143</u>	<u>\$ 50,126</u>
	Lin Yuan Investment	<u>4,000</u>	<u>8,000</u>	<u>8,000</u>
		<u>\$ 48,939</u>	<u>\$ 58,143</u>	<u>\$ 58,126</u>

<b>Account item</b>	<b>Related Party Category/Name</b>	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Guarantee deposits received	Other related parties			
	Cathay Life Insurance	\$ 3,103	\$ 2,072	\$ 2,072
	Cathay United Bank	<u>3,174</u>	<u>2,324</u>	<u>2,324</u>
		<u>\$ 6,277</u>	<u>\$ 4,396</u>	<u>\$ 4,396</u>

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

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

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

(12) Endorsements and guarantees

Endorsement/guarantee for others

<b>Related Party Category/Name</b>	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Joint ventures			
Xiangyang Realty			
Guarantee amount	<u>\$ 2,940,000</u>	<u>\$ -</u>	<u>\$ -</u>
Actual withdrawal amount	<u>\$ 1,626,310</u>	<u>\$ -</u>	<u>\$ -</u>

(13) Other Related Parties Transactions

<b>Account item</b>	<b>Related Party Category/Name</b>	<b>July 1 to September 30, 2025</b>	<b>July 1 to September 30, 2024</b>	<b>January 1 to September 30, 2025</b>	<b>January 1 to September 30, 2024</b>
Sundry revenue	Other related parties				
	Cathay Life Insurance	\$ 1,187	\$ 1,176	\$ 3,573	\$ 3,163
	Cathay United Bank	<u>1,312</u>	<u>1,170</u>	<u>3,676</u>	<u>3,623</u>
		<u>\$ 2,499</u>	<u>\$ 2,346</u>	<u>\$ 7,249</u>	<u>\$ 6,786</u>
Operating Costs	Other related parties				
	Cathay Life Insurance	\$ 38,682	\$ 35,765	\$ 115,494	\$ 100,820
	Cathay Century Insurance	<u>12,748</u>	<u>12,501</u>	<u>35,771</u>	<u>18,041</u>
		<u>\$ 51,430</u>	<u>\$ 48,266</u>	<u>\$ 151,265</u>	<u>\$ 118,861</u>
Operating expenses	Joint ventures				
	Symphox Information	\$ 1,685	\$ 1,352	\$ 3,700	\$ 2,428
	Other related parties				
	Cathay Life Insurance	21,888	53,921	67,600	63,528
	Cathay Century Insurance	2,914	2,001	9,745	9,183
	Seaward Card	2,079	2,355	5,895	4,382
	Cathay United Bank	<u>258</u>	<u>2,767</u>	<u>652</u>	<u>3,714</u>
		<u>\$ 28,824</u>	<u>\$ 62,396</u>	<u>\$ 87,592</u>	<u>\$ 83,235</u>

(14) Compensation for the Main Management

	<b>July 1 to September 30, 2025</b>	<b>July 1 to September 30, 2024</b>	<b>January 1 to September 30, 2025</b>	<b>January 1 to September 30, 2024</b>
Short-term employee benefits	\$ 18,295	\$ 20,426	\$ 70,530	\$ 66,342
Retirement benefits	<u>264</u>	<u>300</u>	<u>818</u>	<u>869</u>
	<u>\$ 18,559</u>	<u>\$ 20,726</u>	<u>\$ 71,348</u>	<u>\$ 67,211</u>

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

## 26. Pledged Assets

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

	<u>September 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>September 30,</u> <u>2024</u>
Inventories	\$ 8,348,400	\$ 11,766,000	\$ 14,766,000
Investment properties	11,572,332	7,492,332	7,638,372
Financial Assets at Fair Value through Other Comprehensive Income	2,820,800	-	-
Transferable certificates of deposit	<u>107,826</u>	<u>116,811</u>	<u>108,522</u>
	<u>\$ 22,849,358</u>	<u>\$ 19,375,143</u>	<u>\$ 22,512,894</u>

## 27. Significant Contingent Liabilities and Unrecognized Contract Commitments

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

### (1) Material Contract

As of September 30, 2025, the consolidated company has signed construction contracts with non-related parties with a total contract price of NT\$11,269,103 thousand, with an unpaid amount of NT\$7,082,891 thousand.

### (2) Others

1. As of September 30, 2025, the consolidated company has issued promissory notes to financial institutions for borrowings in the amount of NT\$55,541,330 thousand.
2. As of September 30, 2025, the consolidated company has issued guarantee notes for construction warranties and performance guarantees in the amount of NT\$3,206,072 thousand.

## 28. Department Information

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

(1) Movable and immovable property investment and development department:

Primarily responsible for commissioning construction contractors to build residential housing, commercial buildings for lease and sale, and various equipment leasing businesses.

(2) Construction department: Primarily responsible for construction engineering contracting and construction management.

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

	<b>Property and real estate investment development department</b>	<b>Construction department</b>	<b>Other departments</b>	<b>Adjustments and write-offs</b>	<b>Total</b>
<u>July 1 to September 30, 2025</u>					
Revenue from external customers	\$ 1,136,109	\$ 1,743,602	\$ 1,304,164	\$ -	\$ 4,183,875
Revenue from other departments within the Company	<u>21,262</u>	<u>1,684,007</u>	<u>64,015</u>	<u>( 1,769,284 )</u>	<u>-</u>
Total revenue	<u>\$ 1,157,371</u>	<u>\$ 3,427,609</u>	<u>\$ 1,368,179</u>	<u>( \$ 1,769,284 )</u>	<u>\$ 4,183,875</u>
Department income (loss)	<u>\$ 593,139</u>	<u>\$ 590,160</u>	<u>( \$ 150,805 )</u>	<u>( \$ 330,251 )</u>	<u>\$ 702,243</u>
<u>July 1 to September 30, 2024</u>					
Revenue from external customers	\$ 359,285	\$ 1,435,828	\$ 1,293,712	\$ -	\$ 3,088,825
Revenue from other departments within the Company	<u>21,234</u>	<u>1,229,406</u>	<u>40,896</u>	<u>( 1,291,536 )</u>	<u>-</u>
Total revenue	<u>\$ 380,519</u>	<u>\$ 2,665,234</u>	<u>\$ 1,334,608</u>	<u>( \$ 1,291,536 )</u>	<u>\$ 3,088,825</u>
Department income (loss)	<u>\$ 60,609</u>	<u>\$ 101,232</u>	<u>( \$ 163,259 )</u>	<u>\$ 30,777</u>	<u>\$ 29,359</u>
<u>January 1 to September 30, 2025</u>					
Revenue from external customers	\$ 7,541,528	\$ 4,105,687	\$ 3,909,921	\$ -	\$ 15,557,136
Revenue from other departments within the Company	<u>67,430</u>	<u>4,314,147</u>	<u>142,328</u>	<u>( 4,523,905 )</u>	<u>-</u>
Total revenue	<u>\$ 7,608,958</u>	<u>\$ 8,419,834</u>	<u>\$ 4,052,249</u>	<u>( \$ 4,523,905 )</u>	<u>\$ 15,557,136</u>
Department income (loss)	<u>\$ 2,348,225</u>	<u>\$ 1,033,966</u>	<u>( \$ 165,135 )</u>	<u>( \$ 653,566 )</u>	<u>\$ 2,563,490</u>
<u>January 1 to September 30, 2024</u>					
Revenue from external customers	\$ 6,382,410	\$ 4,444,352	\$ 3,659,876	\$ -	\$ 14,486,638
Revenue from other departments within the Company	<u>65,644</u>	<u>3,618,871</u>	<u>109,717</u>	<u>( 3,794,232 )</u>	<u>-</u>
Total revenue	<u>\$ 6,448,054</u>	<u>\$ 8,063,223</u>	<u>\$ 3,769,593</u>	<u>( \$ 3,794,232 )</u>	<u>\$ 14,486,638</u>
Department income (loss)	<u>\$ 1,113,877</u>	<u>\$ 271,066</u>	<u>( \$ 175,398 )</u>	<u>( \$ 71,867 )</u>	<u>\$ 1,137,678</u>

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

**29. Supplementary Disclosures**

(1) Information on Significant Transactions:

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

(2) Information on invested companies (Table 6)

Cathay Real Estate Development Co., Ltd. and Subsidiaries

**Endorsement/guarantee for others**

January 1 to September 30, 2025

Table 1

Amount in Thousand of New Taiwan Dollars, Unless Specified Otherwise

No.	Guarantor company name	Endorsed entity		Limit on Endorsement Guarantee for a Single Enterprise (Note 2)	The Highest Balance of Endorsement Guarantee for This Period	Balance of Endorsements at the End of the Period	Actual withdrawal amount	Amount of endorsement and guarantee secured by property	The Ratio of Accumulated Endorsement Guarantee Amount to the net Worth in the Most Recent Financial Statement (%)	Maximum Limit of Endorsement Guarantee (Note 3)	Parent Company's Endorsement Guarantee for Its Subsidiary	Subsidiary's endorsement and guarantee for the parent company	Endorsement and guarantee for the mainland China region
		Company Name	Relationship (Note 1)										
0	Cathay Real Estate Development Co., Ltd.	Bannan Realty Co., Ltd.	1	\$ 8,707,517	\$ 5,763,000	\$ 5,763,000	\$ 501,886	\$ -	19.86	\$17,415,033	Yes	No	No
		Xiangyang Realty Co., Ltd.	2	8,707,517	2,940,000	2,940,000	1,626,310	-	10.13	17,415,033	No	No	No

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

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

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

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

Cathay Real Estate Development Co., Ltd. and Subsidiaries

**Securities Held at the End of the Period**

September 30, 2025

Table 2

Amount in Thousand of New Taiwan Dollars, Unless Specified Otherwise

Securities Holding Company	Type and Name of Securities (Note 1)	Relationship with Issuer of Securities	Ledger Account	Ending Balance				Note
				Shares / Unit	Carrying Amount	Proportion of Shareholdings (%)	Fair Value	
Cathay Real Estate Development Co., Ltd.	<u>Common Stock</u>							
	Cathay Financial Holdings Co., Ltd.	Other related parties	Financial assets at fair value through other comprehensive profit or loss – Current	59,118,129	\$ 3,878,149	0.40	\$ 3,878,149	Note 2
	Gian Feng Investment Co., Ltd.	—	Financial assets at fair value through other comprehensive income – Non-current	2,000,000	25,257	10.00	25,257	
	Da Chiang International Co., Ltd.	—	"	3,448,276	51,794	1.72	51,794	
	Nangang International One Co., Ltd.	Other related parties	"	27,465,000	146,938	7.85	146,938	
	Nangang International Two Co., Ltd.	Other related parties	"	32,460,000	172,363	8.12	172,363	
San Ching Engineering Co., Ltd.	<u>Common Stock</u>							
	China Construction Management Co., Ltd.	—	Financial assets at fair value through other comprehensive income – Non-current	1,400,000	11,214	5.48	11,214	

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

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

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

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

Cathay Real Estate Development Co., Ltd. and Subsidiaries

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

January 1 to September 30, 2025

Table 3

Amount in Thousand of New Taiwan Dollars, Unless Specified Otherwise

Company for Purchases (Sales)	Name of Trading Partner	Relation	Transaction (Note 1)				Conditions and Reasons for Differences From Ordinary Transactions		Notes Receivable (Payable), Accounts (Note 1)		Note
			Purchases (sales)	Amount	Percentage of Total Purchase (Sales) (%)	Credit Period	Unit price	Credit Period	Balance	Percentage of Total Notes Receivable (Payable), Accounts (%)	
Cathay Real Estate Development Co., Ltd. San Ching Engineering Co., Ltd.	San Ching Engineering Co., Ltd.	Subsidiary	Purchases	\$ 3,130,144	60%	Not applicable	\$ -	—	(\$ 1,387,754)	57%	Note 2
	Cathay Real Estate Development Co., Ltd.	Parent company	Sales	( 3,130,144)	37%	Not applicable	-	—	1,501,710	52%	Note 2
	Jinhua Realty Co., Ltd.	Affiliated company	Sales	( 531,207)	6%	Not applicable	-	—	73,920	3%	Note 2
	Sanchong Realty Co., Ltd.	Affiliated company	Sales	( 330,746)	4%	Not applicable	-	—	66,465	2%	Note 2
	Bannan Realty Co., Ltd.	Affiliated company	Sales	( 410,315)	5%	Not applicable	-	—	285,726	10%	Note 2
	Cathay Life Insurance Co., Ltd.	Other related parties	Sales	( 3,806,406)	45%	Not applicable	-	—	810,884	28%	
Lin Yuan Property Management Co., Ltd.	Cathay Life Insurance Co., Ltd.	Other related parties	Sales	( 935,442)	63%	30 to 90 days	-	—	77,564	60%	
	Cathay United Bank Co., Ltd.	Other related parties	Sales	( 137,800)	9%	30 to 90 days	-	—	29,051	22%	
Jinhua Realty Co., Ltd.	San Ching Engineering Co., Ltd.	Affiliated company	Purchases	531,207	95%	Not applicable	-	—	-	-	Note 2
Sanchong Realty Co., Ltd.	San Ching Engineering Co., Ltd.	Affiliated company	Purchases	330,746	61%	Not applicable	-	—	( 66,465)	100%	Note 2
Bannan Realty Co., Ltd.	San Ching Engineering Co., Ltd.	Affiliated company	Purchases	410,315	78%	Not applicable	-	—	-	-	Note 2

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

Note 2: Offset when preparing consolidated financial statements.

Cathay Real Estate Development Co., Ltd. and Subsidiaries

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

September 30, 2025

Table 4

Amount in Thousand of New Taiwan Dollars, Unless Specified Otherwise

Company with Receivables	Transaction counterparty	Relation	Balance of receivable from related parties	Turnover Rate	Overdue receivables from related parties		Amount of receivables from related parties collected after period	Allowance for doubtful accounts	Note
					Amount	Handling method			
San Ching Engineering Co., Ltd.	Cathay Real Estate Development Co., Ltd.	Parent company	\$ 1,501,710	1.91	\$ -	—	\$ 360,465	\$ -	Note 1 and Note 2
	Bannan Realty Co., Ltd.	Affiliated company	285,726	3.83	-	—	285,726	-	Note 1 and Note 2
	Cathay Life Insurance Co., Ltd.	Other related parties	810,884	12.52	-	—	24,733	-	Note 1

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

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

Cathay Real Estate Development Co., Ltd. and Subsidiaries

**Business relationships and significant transactions between parent and subsidiary companies**

January 1 to September 30, 2025

Table 5

Amount in Thousand of New Taiwan Dollars, Unless Specified Otherwise

No. (Note 1)	Name of Transaction Party	Transaction Counterparty	Relationship with Issuer (Note 2)	Transactions Details			Percentage of Consolidated Total Revenue or Total Assets (Note 3)
				Account	Amount	Transaction qualifications	
0	Cathay Real Estate Development Co., Ltd.	Lin Yuan Property Management Co., Ltd.	1	Rental income	\$ 5,924	Under normal transaction qualifications	-
		Cathay Hospitality Management Co., Ltd.	1	Rental income	24,995	Under normal transaction qualifications	-
		Cathay Hospitality Consulting Co., Ltd.	1	Rental income	32,416	Under normal transaction qualifications	-
		Bannan Realty Co., Ltd.	1	Other revenue	4,821	Under normal transaction qualifications	-
		Sanchong Realty Co., Ltd.	1	Other revenue	8,812	Under normal transaction qualifications	-
		Zhulun Realty Co., Ltd.	1	Other revenue	6,250	Under normal transaction qualifications	-
		Zhulun Realty Co., Ltd.	1	Other receivables – related parties	6,250	Under normal transaction qualifications	-
1	Cathay Hospitality Consulting Co., Ltd.	Cathay Food & Beverage Group Co., Ltd.	3	Other hospitality service revenue	48,358	Under normal transaction qualifications	-
		Cathay Food & Beverage Group Co., Ltd.	3	Other receivables – related parties	11,206	Under normal transaction qualifications	-
2	San Ching Engineering Co., Ltd.	Cathay Real Estate Development Co., Ltd.	2	Accounts receivable – related parties	1,501,710	Under normal transaction qualifications	2%
		Cathay Real Estate Development Co., Ltd.	2	Engineering service revenue	3,130,144	Under normal transaction qualifications	20%
		Jinhua Realty Co., Ltd.	3	Accounts receivable – related parties	73,920	Under normal transaction qualifications	-
		Jinhua Realty Co., Ltd.	3	Engineering service revenue	531,207	Under normal transaction qualifications	3%
		Bannan Realty Co., Ltd.	3	Accounts receivable – related parties	285,726	Under normal transaction qualifications	-
		Bannan Realty Co., Ltd.	3	Engineering service revenue	410,315	Under normal transaction qualifications	3%
		Sanchong Realty Co., Ltd.	3	Accounts receivable – related parties	66,465	Under normal transaction qualifications	-
3	Lin Yuan Property Management Co., Ltd.	Sanchong Realty Co., Ltd.	3	Engineering service revenue	330,746	Under normal transaction qualifications	2%
		Cathay Real Estate Development Co., Ltd.	2	Accounts receivable – related parties	6,114	Under normal transaction qualifications	-
		Cathay Real Estate Development Co., Ltd.	2	Service revenue	42,614	Under normal transaction qualifications	-
		San Ching Engineering Co., Ltd.	3	Service revenue	32,836	Under normal transaction qualifications	-
		Cathay Healthcare Management Co., Ltd.	3	Service revenue	5,231	Under normal transaction qualifications	-

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

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

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

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

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

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

Cathay Real Estate Development Co., Ltd. and Subsidiaries  
**Relevant information including name and location of the company invested**  
January 1 to September 30, 2025

Table 6

Unit: NT\$ Thousand

Name of Inventor Company	Name of investee company	Location	Main Business Activities	Initial Investment		Shareholding at the end of the period			Profit (loss) of investee companies for the current period	Investment profit (loss) recognized in the current period	Note
				End of the current period	End of last year	Number of shares	Ratio (%)	Carrying Amount			
Cathay Real Estate Development Co., Ltd.	Cathay Real Estate Management Co., Ltd.	R.O.C	Construction Management	\$ 50,000	\$ 50,000	5,000,000	100.00	\$ 130,619	\$ 25,678	\$ 25,678	Subsidiary (Notes 1 and 3)
	Cathay Healthcare Management Co., Ltd.	"	Consultancy	467,500	467,500	46,750,000	85.00	672,154	73,182	62,204	Subsidiary (Notes 1 and 3)
	Cathay Hospitality Management Co., Ltd.	"	Service industry	1,740,000	1,740,000	25,000,000	100.00	86,587	13,777	15,624	Subsidiary (Notes 1 and 3)
	Cathay Hospitality Consulting Co., Ltd.	"	Service industry	1,300,000	1,300,000	60,000,000	100.00	87,198	( 20,823 )	( 17,976 )	Subsidiary (Notes 1 and 3)
	Cymbal Medical Network Co., Ltd.	"	Wholesale of Drugs, Medical Goods	600,000	350,000	60,000,000	100.00	166,930	( 131,784 )	( 131,784 )	Subsidiary (Notes 1 and 3)
	Lin Yuan Property Management Co., Ltd.	"	Apartment building management service industry	68,809	68,809	1,530,000	51.00	92,761	121,736	63,171	Subsidiary (Notes 1 and 3)
	Jinhua Realty Co., Ltd.	"	Housing and Building Development and Rental industry	408,000	408,000	40,800,000	51.00	333,426	( 2,275 )	( 1,160 )	Subsidiary (Notes 1 and 3)
	Bannan Realty Co., Ltd.	"	"	586,500	586,500	58,650,000	51.00	405,936	( 146,713 )	( 74,823 )	Subsidiary (Notes 1 and 3)
	Sanchong Realty Co., Ltd.	"	"	1,834,800	1,834,800	183,480,000	66.00	1,629,244	( 88,144 )	( 58,175 )	Subsidiary (Notes 1 and 3)
	Zhulun Realty Co., Ltd.	"	"	331,500	331,500	33,150,000	51.00	318,973	( 4,496 )	( 2,293 )	Subsidiary (Notes 1 and 3)
	San Ching Engineering Co., Ltd.	"	Construction Contractor	2,400,000	2,400,000	120,000,000	100.00	3,086,661	839,073	768,085	Subsidiary (Notes 1 and 3)
	Symphox Information Co., Ltd.	"	Wholesale of Computer Software	67,515	67,515	5,489,000	11.20	95,879	( 7,700 )	( 862 )	Joint Venture (Note 2)
	San Hsiung Fongshan LaLaport Co., Ltd.	"	Department Stores	204,000	204,000	204,000,000	30.00	159,094	37,612	11,284	Associate (Note 2)
	Xiangyang Realty Co., Ltd.	"	Housing and Building Development and Rental industry	147,000	-	14,700,000	49.00	146,575	( 869 )	( 425 )	Joint Venture (Note 2)
Cathay Hospitality Consulting Co., Ltd.	Cathay Food & Beverage Group Co., Ltd.	"	Service industry	167,933	115,000	16,700,000	100.00	179,691	8,293	(Note 4)	Sub-subsidiary (Notes 1 and 3)
Cymbal Medical Network Co., Ltd.	Cymder Co., Ltd.	"	Manpower dispatch and leasing industry	-	120,000	-	-	-	( 33,068 )	(Note 5)	(Notes 1, 3 and 6)
	Cymlin Co., Ltd.	"	"	225,000	140,000	22,500,000	100.00	85,636	( 67,254 )	(Note 5)	Sub-subsidiary (Notes 1 and 3)
San Ching Engineering Co., Ltd.	Cathay Power Inc.	"	Solar-power generation industry	1,381,433	1,381,433	111,113,100	30.00	1,401,736	195,051	58,515	Associate (Note 2)
	Symphox Information Co., Ltd.	"	Wholesale of Computer Software	244,770	244,770	19,022,000	38.80	329,912	( 7,700 )	( 2,989 )	Joint Venture (Note 2)

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

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

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

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

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

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