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Stock Code: 2501



**國泰建設股份有限公司**  
Cathay Real Estate Development Co., Ltd

# 2024 Annual Report

Printed on March 30, 2025

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## **Chapter 1. Letter to Shareholders**

### **I. 2024 Operating Results**

#### **(I) Results of the implementation of the business plan for 2024**

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

The company is celebrating its 60th anniversary in 2024, launching 8 new construction projects which are “Cathay Cheng Zhen” in Taipei, “Cathay · Hsu”, “META PARK”(Joint venture), “RiVER PARK”(Joint venture), “METRO PARK”(Joint venture) in new Taipei, “Cathay Yang Huei”, “Cathay Sen Lin Huei” in Taichung and “Cathay Yang Mu” in Tainan. Owing to strategic product planning aligning with market demands and robust market conditions in the first half of 2024, these projects achieved outstanding sales performance. In terms of revenue, the recognized construction projects include: Cathay He He in New Taipei City, Cathay Xi Jing in Taoyuan, and Cathay MOST+ in Taichung, in addition to unsold housing units from the previous year's completed projects. The total annual revenue amounted to approximately NT\$13,081,640,000.

#### **(II) Budget Implementation**

There was no budget implementation in 2024 due to undisclosed financial forecasting.

#### **(III) Please refer to pages 143-144 for the analysis of financial revenue and profitability in 2024.**

#### **(IV) Research and Development Status**

As of the current stage, the high cost of raw materials and wage remains a significant issue faced by the real estate market. By monitoring shifts in the labor and material field, reviewing standard construction costs, and refining the grading of building materials and equipment to increase competitiveness, the Company keeps up its efforts to improve cost management and organizational efficiency. Furthermore, as consumer awareness and product information become increasingly transparent, the Company continues to

incorporate digital transformation to increase product and service value and deepen brand impact while consolidating its core business. In terms of future development strategies, in addition to planning advantageous designs and layouts, the Company considers the needs of different generations and incorporates them into product planning to better meet client expectations. With the goal of providing customers with a high-quality living experience, we implemented a three-tier quality control system and standard operating procedures, introduced planning and design guidelines, strengthened drawing review mechanisms, and stabilized customer reputation. In 2024, the Company commemorated its 60th anniversary. In honor of this milestone, a number of celebratory events were hosted, including brand image microfilms and online media promotions, to broaden its audience and foster connection with diverse customer groups, continuing to actively deepen brand management. The Company has also long been committed to studying recent developments within the real estate sector. Developed through closely examining and analyzing newly launched real estate projects in the market, the “Cathay Real Estate Index” was published in partnership with academic institutions. Along with publishing survey findings, the Company has grown to become a significant source of information on Taiwan’s real estate trends by acting as a guide for the public’s home purchasing and investment decisions.

## **II. A Summary of the Business Plan for 2025**

Assuming that inflation gradually stabilizes in 2025, and the monetary easing strategies of major countries become clearer, despite the fact that the global economy will be affected by unfavorable consumption and investment in the two major economies of China and the United States, economic growth for other regions is expected to remain similar to this year. According to forecasts by the Directorate-General of Budget, Accounting and Statistics and major economic research institutions, the domestic economic growth rate for 2025 is projected to be 3.42%. In the second half of 2024, following the Central Bank’s implementation of a seventh wave of credit controls, and the strict management of real estate credit limits and bank lending levels, consumers became more cautious. Although the number of investors decreased, rigid demand in the market remained. Given that government policies continue to encourage first-time homebuyers to enter the market, and the limited room for downward adjustment of housing prices due to construction costs, along with the favorable prospects of Taiwan's stock market and economic development, the overall real estate market in 2025 is expected to be primarily supported by first-time homebuyers and owner-occupiers. However, due to the dampening effect of government policies on homebuyer confidence, transaction volumes are likely to slow. As a result, the market will likely exhibit a pattern of stable prices with contracting volume.

### **(I) Business policy, expected sales and basis for the current year**

The Company will plan to launch projects in Wenshan, Taipei, Xinzhuang in New Taipei, Zhonglu in Taoyuan, as well as one project each in Taichung, Tainan and Kaohsiung in

2025. A total of six projects will be launched nationwide, and sales are expected to reach an amount with the combined project expenses exceeding NT\$25 billion. With the Central Bank's credit control policy, the Company's project launch rhythm will be adjusted according to the economic situation while we continue to increase land reserves through diversified development methods, steadily proceeding towards our aim of being a comprehensive developer.

The Company will persist to acquire land in prime locations, cautiously select partners and related manufacturers, and carry on with pursuing the goal of providing consumers with excellent housing options. Committed to sustainable development, we aim to construct "Quality Lifetime Houses" for the community. The real estate group will actively pursue expansion and broaden its revenue landscape.

(II) The Company's important production and sales policies this year

1. Moving towards a comprehensive developer

Looking back on the previous four years' efforts and reviewing the goals of the five-year plan goals set in 2021, which consists of quality performance, expanding our reach, and sustainable branding; In the second year of our five-year plan, we acquired San-Ching Engineering Co., Ltd as a subsidiary of Cathay Real Estate Development, making the real estate group's portfolio more complete. This achievement led to an impressive performance of NT\$60 billion in project launches during our 60th anniversary celebration in 2024. In order to secure our first government-initiated urban renewal project, strategic alliances with partners were established. Through partnerships with commercial establishments and other resources, we are also now presented with more options and prospects for mixed-use developments.

2. Surpassing Six Decades: Focusing on Talent, Quality, and Digital Development

As we celebrate more than 60 years of business in 2025, we are also entering the fifth year of our third five-year plan. Over the past few years, we have expanded our development scale and revenue through diversified development methods. This year's work focus is on personnel training, strengthening management capabilities, and continuing to build high-quality products that meet customer needs. Finally, in response to digitalization trends, we are actively enhancing information use efficiency and colleagues' work productivity. Through the coordination of cross-departmental collaboration, we expect to create new revenue peaks and open up new prospects.

### **III. Future Development Strategy**

(I) Short-term development strategy

1. Deeply cultivate the Company's excellent brand value
2. Diversified compound land development strategies
3. Optimize product planning to create sales
4. Implement knowledge management digital transformation
5. Enhance customer service and stabilize company reputation
6. Continue to diversify into investment management

(II) Long-term development strategy

1. Strengthen the Company's sustainable brand value
2. Comprehensive development opportunities with multi-angle layout
3. Planning for sustainable energy-saving and carbon-reducing buildings
4. Refine the overall quality of engineering technology
5. Impressive after-sales service to improve living standards
6. Steady and diversified business operation growth

#### **IV. Influences from External, Regulatory and Overall Business Environment**

(I) External competition environment

In view of market supply and demand, according to statistics from the Construction and Planning Agency of the Ministry of the Interior, as of the end of 2024, the total floor area of residential units obtaining building permits nationwide increased by 5% by the end of 2024, as compared 2023; continuing the growth trend from the previous year. Land transaction volume increased by more than 30% year on year. In contrast to the conservative attitude of industry peers in 2023, land purchase momentum increased in 2024 due to the vibrant economy in the first half of the year and the impact of the Preferential Housing Loans for the Youth policy. This demonstrated developers' continued positive attitude toward future housing market development. However, affected by Central Bank policies, transaction volume declined at the end of the year, and it is estimated that the market may cool down in 2025. According to Cathay Housing Price Index's research, at the beginning of 2024, influenced by factors such as significant export growth and the Preferential Housing Loans for the Youth policy, rigid buyers actively entered the market, driving transaction volume to a 10-year high. This further resulted in tighter lending limits for banks. In response, the Central Bank implemented a seventh wave of credit control measures at the end of the third quarter. Buyers then became cautious, causing the domestic housing market to cool down significantly in the fourth quarter, interrupting the trend of price and volume growth in the first half of the



year. The market then returned to a stable phase of steady prices and reduced volume, while the overall annual performance still showed growth in both price and volume. Looking ahead to 2025, as exports continue to recover, domestic housing prices are expected to maintain their 2024 levels or see slight growth. Although recent real estate market sentiment has been suppressed by Central Bank policies, strengthening the return to owner-occupier demand, the market is still expected to maintain a pattern of stable prices with reduced transaction volumes.

In terms of land supply, Taiwan's urban areas are densely populated with limited land available for construction. After decades of development by the construction industry, suitable building sites have become increasingly scarce, especially in prime areas where almost all of the land has been developed, causing land prices to continue rising. As public awareness of property rights increases, government-initiated land consolidation and expropriation policies face greater challenges, making land acquisition more difficult. In Taipei particularly, recent property developments have primarily focused on urban renewal and reconstruction of unsafe and old buildings.

## (II) Regulatory environment

### 1. Urban planning regulations

The government continues to invest efforts in improving policies related to urban renewal and reconstruction of old and unstable structures. In addition to the 2022's Executive Yuan's approval of the extension of the tax incentives for aged buildings until 2027, the Ministry of the Interior has also proposed draft amendments to the regulations on said buildings, hoping to enhance the efficiency of public property participation in renewal projects for old and dangerous buildings, and leading to a considerable increase in the number of such cases handled by county and municipal governments in recent years. Furthermore, tax incentives for urban renewal projects will be implemented in 2023, and the applicable scope of original building capacity in 2024 was expanded to attract more resources for urban renewal and reconstruction of dangerous and old buildings, accelerating the completion of local urban renewal projects, as well as the beautification of urban landscapes.

### 2. Other regulations

The Executive Yuan has successively introduced policies such as the "Sound Real Estate Market Program" and the "Actual Price Registration 2.0" to address the pre-sale housing red card transactions and price fluctuations that have occurred in recent years. In early 2023, the government reinforced regulations on the resale of pre-sale housing and private entity acquisitions by amending the Equalization of Land Rights Act, with the goal of reducing investor speculation and stabilizing the housing market.

In the second half of 2024, due to high levels of bank lending and continued housing market activity, the Central Bank implemented the seventh wave of credit controls to achieve housing market stability and prevent credit resources from concentrating in real estate. This significantly increased the difficulty of obtaining loans, causing the overall market to adopt a more cautious attitude, and through the Preferential Housing Loans for the Youth continued to direct demand primarily toward rigid buyers. As the Central Bank has stated that it will maintain the current credit control content in the short term, the current credit control intensity will be temporarily maintained, and the Preferential Housing Loans for the Youth Policy is scheduled to expire in July 2026. Whether the policy will be extended afterward and its impact on the housing market will continue to be monitored and observed.

### (III) Overall operation environment

In 2024, The number of housing transactions in the six municipalities was 271,000, a 14% proliferation from the previous year, reaching the new high over a decade. The growth of outstanding construction and housing loans is still ongoing, the total amount continues to approach new record highs, and overall transaction volume remains at a high since the 2016 low point. As global central banks gradually enter an interest rate reduction cycle following controlled inflation, idle funds in global markets have become active. However, domestic central bank measures have significantly suppressed housing market sentiment, causing real estate to enter a period of moderation in this bull cycle.

As we look ahead to 2025, it is expected that the interest rate reduction cycle will continue and coupled with the unexpectedly strong U.S. job market performance, the U.S. economy maintains strong foundational growth, simultaneously driving the performance of major countries. Global growth is expected to remain stable in the coming year. However, the Trump administration's trade policies remain uncertain, with their impact on global markets yet to be observed. Regarding domestic conditions, export values of electronic-related products continue to grow, and as the global economy warms up, this is expected to encourage small and medium-sized enterprises to join the recovery cycle. The Directorate-General of Budget, Accounting and Statistics estimates that Taiwan will benefit from the AI boom in 2025, increasing export values and allowing Taiwan's economy to continue the growth pattern of 2024. The Taiwan Institute of Economic Research projects continued positive GDP growth.

Overall, with controlled domestic prices and Taiwan's economic development outlook becoming clearer, although overall mortgage interest rates are rising and factors such as stricter bank lending conditions and conservative appraisals continue to affect buyer confidence, policies continue to protect the interests of first-time buyers. This has injected stable transaction momentum into affordable housing products. Focusing on 2025, with the expectation of continued economic momentum and government policies that continue

to encourage first-time buyers to enter the market, the housing market is expected to show a pattern of stable prices with reduced volume as bullish and bearish forces compete.

Chairman: Chang, Ching-Kuei

## Chapter 2. Report on Corporate Governance

### I. Information on Directors, Supervisors, President, Vice Presidents, Senior Managers, and Heads of Departments and Branches

#### (I) Information on directors and supervisors (1)

April 15, 2025

Title (Note 1)	Nationality/ Place of Registration	Name	Gender Age (Note 2)	Date Elected (Appointed) Date	Tenure	Date First Elected (Appointed) (Note 3)	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Experience (Education) (Note 4)	Other Position Concurrently Held at the Company and Other Companies	Executives, Directors or Supervisors who Are Spouses or within the Second Degree of Kinship			Remark (Note 5)
							Number of Shares	Proportion of shareholdings (%)	Number of Shares	Proportion of shareholdings (%)	Number of Shares	Proportion of shareholdings (%)	Number of Shares	Proportion of shareholdings (%)			Title	Name	Relationship	
Chairman	Republic of China	He Xin Industrial Co., Ltd. Representative: Chang, Ching- Kuei	Male 71~80	2023.06.09	3 years	2017.06.16	22,000,000	1.90%	22,000,000	1.90%	0	0	0	0	Feng Chia University (Bachelor of Architecture)	Chairman of Cathay Real Estate Management Co., Ltd. Chairman of Cathay Healthcare Management Co., Ltd. Chairman of Cymbal Medical Network Co., Ltd. Chairman of Cymder Co., Ltd. Chairman of Cymlin Co., Ltd. Supervisor of Taiwan Real Estate Management Co., Ltd. Chairman of Cathay Real Estate Culture & Education Foundation			None	
						2000.01.19	20,822	0	20,822	0										
Director	Republic of China	He Xin Industrial Co., Ltd. Representative: Tsai, Chung-Yan	Male 41~50	2023.06.09	3 years	2017.06.16	22,000,000	1.90%	22,000,000	1.90%	0	0	0	0	San Francisco State University (Master of Public Administration, MPA)	Senior Executive Vice President of Cathay Real Estate Development Co., Ltd. Director of Cathay Life Insurance Co., Ltd. Vice Chairman of Cathay Healthcare Management Co., Ltd. Director of Cymbal Medical Network Co., Ltd. Director of Cymder Co., Ltd. Director of Cymlin Co., Ltd. Executive Vice President of Liang Ting Industrial Co., Ltd. Director of Cathay Real Estate Culture &			None	
						2009.03.11	0	0	0	0										

Title (Note 1)	Nationality/ Place of Registration	Name	Gender Age (Note 2)	Date Elected (Appointed) Date	Tenure	Date First Elected (Appointed) (Note 3)	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Experience (Education) (Note 4)	Other Position Concurrently Held at the Company and Other Companies	Executives, Directors or Supervisors who Are Spouses or within the Second Degree of Kinship			Remark (Note 5)
							Number of Shares	Proportion of shareholdings (%)	Number of Shares	Proportion of shareholdings (%)	Number of Shares	Proportion of shareholdings (%)	Number of Shares	Proportion of shareholdings (%)			Title	Name	Relationship	
Director	Republic of China	He Xin Industrial Co., Ltd. Representative: Lee, Hung-Ming	Male 51~60	2023.06.09	3 years	2017.06.16	22,000,000	1.90%	22,000,000	1.90%	0	0	0	0	Chinese Culture University (Bachelor of law)	President of Cathay Real Estate Development Co., Ltd. Director & President of Cathay Real Estate Management Co., Ltd. Chairman of Cathay Hospitality Management Co., Ltd Chairman of Cathay Hospitality Consulting Co., Ltd. Chairman of Cathay Food & Beverage Group Co., Ltd. Chairman of Nankang International No.1 Co., Ltd. Chairman of Nankang International No. 2 Co., Ltd.	None			
Director	Republic of China	Employee Welfare Committee of Cathay Real Estate Development Co., Ltd. Representative: Lin, Chin-Liang	Male 61~70	2023.06.09	3 years	2017.06.16	2,754,800	0.24%	2,754,800	0.24%	0	0	0	0	National Cheng Kung University (Bachelor of Architecture)	Senior Executive Vice President of Cathay Real Estate Development Co., Ltd. Director of Cathay Real Estate Management Co., Ltd. Director of Cathay Hospitality Management Co., Ltd. Director of Cathay Hospitality Consulting Co., Ltd. Director of Cathay Food & Beverage Group Co., Ltd.	None			

Title (Note 1)	Nationality/ Place of Registration	Name	Gender Age (Note 2)	Date Elected (Appointed) Date	Tenure	Date First Elected (Appointed) (Note 3)	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Experience (Education) (Note 4)	Other Position Concurrently Held at the Company and Other Companies	Executives, Directors or Supervisors who Are Spouses or within the Second Degree of Kinship			Remark (Note 5)
							Number of Shares	Proportion of shareholdings (%)	Number of Shares	Proportion of shareholdings (%)	Number of Shares	Proportion of shareholdings (%)	Number of Shares	Proportion of shareholdings (%)			Title	Name	Relationship	
						2011.06.10	0	0	0	0						Director of Nankang International No.1 Co., Ltd. Director of Nankang International No. 2 Co., Ltd. Director of Symphox Information Co., Ltd. Chairman & President of Jinhua Realty Co., Ltd. Chairman & President of Bannan Realty Co., Ltd. Chairman & President of Sanchong Realty Co., Ltd. Chairman & President of Zhulun Realty Co., Ltd. Director of Cathay Life Charity Foundation				
Director	Republic of China	Cathay Life Charity Foundation Representative: Chuang, Wan-Hua	Female 51~60	2023.06.09	3 years	2017.06.16	5,941,332	0.51%	5,941,332	0.51%	0	0	0	0	University of Surrey (Bachelor of International Hospitality Management)	Director and President of Cathay Hospitality Management Co., Ltd. Director and President of Cathay Hospitality Consulting Co., Ltd. Director and President of Cathay Food & Beverage Group Co., Ltd. Director of Cathay Real Estate Culture & Education Foundation	None			
						2023.06.09	0	0	0	0										
Director	Canada	Cathay Real Estate Culture & Education Foundation Representative: Chu, Chung-Chang	Male 61~70	2023.06.09	3 years	2017.06.16	2,353,690	0.20%	2,353,690	0.20%	0	0	0	0	York University (Master of Business Administration, MBA)	Chairman of Meifeng Textile & Dyeing Co., Ltd Chairman of Meifeng Corporation Director of Cathay Life Insurance Co., Ltd.	None			
						1999.05.19	11,719	0	11,719	0										
Independent Director	Republic of China	Chang, Yuan-Hsiao	Male 71~80	2023.06.09	3 years	2017.06.16	0	0	0	0	0	0	0	0	Southern Methodist University (Doctor of Laws)	Independent Director of Mercuries F&B Co., Ltd.	None			
Independent Director	Republic of China	Yu, Tsu-Kang	Male 71~80	2023.06.09	3 years	2023.06.09	0	0	0	0	0	0	0	0	Chinese Culture University (Bachelor of Business Administration)	Chairman of Union Group Corporation Chairman of Union Electric Corporation Chairman of Tzu Feng Cultural Educational Foundation	None			

Title (Note 1)	Nationality/ Place of Registration	Name	Gender Age (Note 2)	Date Elected (Appointed) Date	Tenure	Date First Elected (Appointed) (Note 3)	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Experience (Education) (Note 4)	Other Position Concurrently Held at the Company and Other Companies	Executives, Directors or Supervisors who Are Spouses or within the Second Degree of Kinship			Remark (Note 5)
							Number of Shares	Proportion of shareholdings (%)	Number of Shares	Proportion of shareholdings (%)	Number of Shares	Proportion of shareholdings (%)	Number of Shares	Proportion of shareholdings (%)			Title	Name	Relationship	
																Director of Hanns Touch Holdings Corporation Director of Sinox Co., Ltd. Director of Lunghwa University of Science and Technology Director of Fengyuan Education Foundation				
Independent Director	Republic of China	Lee, Li-Kun	Male 71~80	2023.06.09	3 years	2023.06.09 Note: Served as a supervisor from 2008.06.13 to 2017.06.15	0	0	0	0	0	0	0	0	Chinese Culture University (Bachelor of law)	Director of Health Care Foundation Director of Parasitic Disease Control Foundation			None	

- Note 1. For juristic person shareholders, their names and representatives shall be stated (for representatives, the names of juristic person shareholders they represent shall be indicated respectively) and filled in Table 1.
- Note 2. Please list actual ages and express them in intersectional manner, e.g., 41-50 years old or 51-60 years old.
- Note 3. Please list the first date to take the charge of director or supervisor of the Company, and note with illustrations for any disruption of duty occurred.
- Note 4. For the experience related to holding the current position, if one has worked in the CPA firm conducting the auditing and attesting business or related company, he/she shall state the job title and responsible position. Assistant vice president, regardless of job title, should also be disclosed.
- Note 5. Where the Chairman of the board of directors and the President or person of an equivalent post (the highest level manager) of the Company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (for example, increase the number of independent directors, and there shall be more than half of the directors who do not concurrently serve as employees or managers).
- Note 6. The directors' part-time job shall be subject to the information on April 15, 2025.
- Note 7. The Company has set up an Audit Committee replacing the supervisor since June 16, 2017 in accordance with the provisions of Article 14-4 of the Securities Exchange Act.

Table 1: Major Shareholders of Institutional Shareholders

April 15, 2025

Name of corporate shareholder (Note 1)	Major Shareholders of Corporate Shareholders (Note 2)
He Xin Industrial Co., Ltd.	Tsai, Cheng-Ta 45%, Tsai, Hung-Tu 45%, Tsai, Cheng-Chiu 10%
Cathay Life Charity Foundation	Not applicable (Cathay Life Insurance Co. Ltd. (50%) (the founder); Cathay Real Estate Development Co., Ltd. (50%) (the founder))
Employee Welfare Committee of Cathay Real Estate Development Co., Ltd.	Not applicable (Not a corporate entity, contributions to employee' welfare are made monthly by Cathay Real Estate Development Co., Ltd. through monthly revenue.)
Cathay Real Estate Culture & Education Foundation	Not applicable (Cathay Life Insurance Co. Ltd. (97.5%) (the founder); Cathay Real Estate Development Co., Ltd. (2.5%) (the founder))

Note 1. For Directors and Supervisors who are the representatives of institutional shareholders, the names of the institutional shareholders shall be disclosed.

Note 2. Fill in the name of the major shareholders of these juristic person shareholders (include top 10 major shareholders by shareholding percentage) and their shareholding percentages. If the major shareholder is a juristic person, the shareholder's name shall be filled in Table 2 below.

Note 3. For institutional shareholders who are not under the organization of the Company, the name and shareholding of the shareholders shall be disclosed, i.e., name of the investor or donor and their contribution or donation ratio (refer to the notice issued by the Judicial Yuan for reference); if the donor has passed away, indicate "Passed away".

Table 2: Substantial shareholder of substantial shareholders as legal person in Table 1

April 15, 2024

Name of legal person (Note 1)	Substantial shareholder of legal person (Note 2)
None	None

Note 1. If the major shareholder of institutional shareholders as shown in Table 1 is a juristic person, the name of the juristic person should be filled.

Note 2. Fill in the name of the major shareholders of these juristic persons (include top 10 major shareholders by shareholding percentage) and their shareholding percentages.

Note 3. For institutional shareholders who are not under the organization of the Company, the name and shareholding of the shareholders shall be disclosed, i.e., name of the investor or donor and their contribution or donation ratio (refer to the notice issued by the Judicial Yuan for reference); if the donor has passed away, indicate "Passed away".



## (I) Information Regarding Directors and Supervisors (2)

April 15, 2025

## 1. Disclosure of professional qualifications of directors and supervisors and independence of independent directors:

Qualifications Name	Professional qualifications and experience (Note 1)	Independence Criteria (Note 2)	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
Chang, Ching-Kuei Director	<p>Professional Qualification: At least 5 years of experience in business, legal, financial, accounting and corporate business of several companies. Specialized occupation and the technical personnel architect qualification.</p> <p>Experience: Chairman of Cathay Real Estate Management Co., Ltd., Chairman of Cathay Healthcare Inc., Chairman of Cymbal Medical Network Co., Ltd., Chairman of Cymder Co., Ltd., Chairman of Cymlin Co., Ltd., Supervisor of Taiwan Real Estate Management Co., Ltd., and Chairman of Cathay Real Estate Culture &amp; Education Foundation, etc.</p> <p>Circumstances in the subparagraphs of Article 30 of the Company Act: None</p>	<p>(1) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or is ranked in the top 10 in shareholdings.</p> <p>(2) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship to the individuals listed in the preceding paragraphs.</p> <p>(3) Not a director, supervisor or employee of a corporate shareholder who directly holds more than 5% of the total number of issued shares of the Company or is ranked top five in terms of the number of shares held or is designated as a Director or Supervisor of the Company pursuant to Paragraph 1 or 2, Article 27 of the Company Act.</p> <p>(4) Not a Director, Supervisor, or employee of a company with a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person.</p> <p>(5) Not a Director (member of the governing board), Supervisor (member of the supervising board), managerial officer or shareholder who holds more than 5% of shares of companies or institutions that have financial or business dealings with the Company.</p> <p>(6) Not a professional individual, sole proprietorship, partnership, owner of a company or institution, partner, director, supervisor, managerial officer or spouse thereof that provides auditing service for the company or any of</p>	None

<div>Qualifications</div> <div>Name</div>	Professional qualifications and experience (Note 1)	Independence Criteria (Note 2)	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
		<p>its affiliates, or provides commercial, legal, financial, or accounting service with cumulative remuneration less than NT\$500,000 in the past two years.</p> <p>(7) Not a spouse or relative within the second degree of kinship of any other director of the Company.</p> <p>(8) Not under any of the categories stated in Article 30 of the Company Act.</p> <p>(9) Whey any of he himself, his spouse, or relative within the second degree of kinship serves as a Director, Supervisor or employee of the Company or its affiliates: None.</p> <p>(10) Shareholding amount and ratio of he himself, his spouse, or relative within the second degree of kinship (or in the name of others): None.</p> <p>(11) Not serve as a Director, Supervisor or employee of a company that has a specific relationship with the Company (pursuant to the provisions of Article 3, Paragraph 1, Subparagraphs 5, 6 and 8 of the Regulations on the Establishment of Independent Directors of Public Companies and Matters to be Complied with).</p> <p>(12) Amount of remuneration for providing business, legal, financial, accounting and other services to the Company or its affiliates in the last two years: Please refer to page 33 and page 44 of the 2023 annual report.</p>	
Tsai, Chung-Yan Director	<p>Professional Qualification: At least 5 years of experience in business, legal, financial, accounting and corporate business of several companies.</p> <p>Experience: Senior Executive Vice President of Cathay Real Estate Development Co., Ltd., Director of Cathay Life Insurance Co., Ltd., Vice Chairman of Cathay Healthcare Management Co., Ltd., Director of Cymbal Medical Network Co., Ltd., Director of Cymder Co., Ltd., Director of Cymlin Co., Ltd., Executive Vice President of Liang Ting Industrial Co., Ltd., and Director of Cathay Real</p>	<p>(1) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or is ranked in the top 10 in shareholdings.</p> <p>(2) Not a Director, Supervisor, or employee of a company with a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person.</p>	None

<div>Qualifications</div> <div>Name</div>	Professional qualifications and experience (Note 1)	Independence Criteria (Note 2)	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
	Estate Culture & Education Foundation, etc. Circumstances in the subparagraphs of Article 30 of the Company Act: None	(3) Not a Director (member of the governing board), Supervisor (member of the supervising board), managerial officer or shareholder who holds more than 5% of shares of companies or institutions that have financial or business dealings with the Company. (4) Not a professional individual, sole proprietorship, partnership, owner of a company or institution, partner, director, supervisor, managerial officer or spouse thereof that provides auditing service for the company or any of its affiliates, or provides commercial, legal, financial, or accounting service with cumulative remuneration less than NT\$500,000 in the past two years. (5) Not a spouse or relative within the second degree of kinship of any other director of the Company. (6) Not under any of the categories stated in Article 30 of the Company Act. (7) Whey any of himself, his spouse, or relative within the second degree of kinship serves as a Director, Supervisor or employee of the Company or its affiliates: None. (8) Shareholding amount and ratio of himself, his spouse, or relative within the second degree of kinship (or in the name of others): None. (9) Not serve as a Director, Supervisor or employee of a company that has a specific relationship with the Company (pursuant to the provisions of Article 3, Paragraph 1, Subparagraphs 5, 6 and 8 of the Regulations on the Establishment of Independent Directors of Public Companies and Matters to be Complied with). (10) Amount of remuneration for providing business, legal, financial, accounting and other services to the Company or its affiliates in the last two years: Please refer to page 33 and page 44 of the 2023 annual report.	

<div>Qualifications</div> <div>Name</div>	Professional qualifications and experience (Note 1)	Independence Criteria (Note 2)	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
Lee, Hung-Ming Director	<p>Professional Qualification: At least 5 years of experience in business, legal, financial, accounting and corporate business of several companies.</p> <p>Experience: President of Cathay Real Estate Development Co., Ltd., Director &amp; President of Cathay Real Estate Management Co., Ltd., Chairman of Cathay Hospitality Management Co., Ltd., Chairman of Cathay Hospitality Consulting Co., Ltd., Chairman of Cathay Food &amp; Beverage Group Co., Ltd., Chairman of Nankang International No.1 Co., Ltd., and Chairman of Nankang International No. 2 Co., Ltd., etc.</p> <p>Circumstances in the subparagraphs of Article 30 of the Company Act: None</p>	<p>(1) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or is ranked in the top 10 in shareholdings.</p> <p>(2) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship to the individuals listed in the preceding paragraphs.</p> <p>(3) Not a director, supervisor or employee of a corporate shareholder who directly holds more than 5% of the total number of issued shares of the Company or is ranked top five in terms of the number of shares held or is designated as a Director or Supervisor of the Company pursuant to Paragraph 1 or 2, Article 27 of the Company Act.</p> <p>(4) Not a Director, Supervisor, or employee of a company with a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person.</p> <p>(5) Not a Director (member of the governing board), Supervisor (member of the supervising board), managerial officer or shareholder who holds more than 5% of shares of companies or institutions that have financial or business dealings with the Company.</p> <p>(6) Not a professional individual, sole proprietorship, partnership, owner of a company or institution, partner, director, supervisor, managerial officer or spouse thereof that provides auditing service for the company or any of its affiliates, or provides commercial, legal, financial, or accounting service with cumulative remuneration less than NT\$500,000 in the past two years.</p> <p>(7) Not a spouse or relative within the second degree of kinship of any</p>	None



<div>Qualifications</div> <div>Name</div>	Professional qualifications and experience (Note 1)	Independence Criteria (Note 2)	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
	of Cathay Life Charity Foundation, etc. Circumstances in the subparagraphs of Article 30 of the Company Act: None	pursuant to Paragraph 1 or 2, Article 27 of the Company Act. (4) Not a Director, Supervisor, or employee of a company with a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person. (5) Not a Director (member of the governing board), Supervisor (member of the supervising board), managerial officer or shareholder who holds more than 5% of shares of companies or institutions that have financial or business dealings with the Company. (6) Not a professional individual, sole proprietorship, partnership, owner of a company or institution, partner, director, supervisor, managerial officer or spouse thereof that provides auditing service for the company or any of its affiliates, or provides commercial, legal, financial, or accounting service with cumulative remuneration less than NT\$500,000 in the past two years. (7) Not a spouse or relative within the second degree of kinship of any other director of the Company. (8) Not under any of the categories stated in Article 30 of the Company Act. (9) Whey any of himself, his spouse, or relative within the second degree of kinship serves as a Director, Supervisor or employee of the Company or its affiliates: None. (10) Shareholding amount and ratio of himself, his spouse, or relative within the second degree of kinship (or in the name of others): None. (11) Not serve as a Director, Supervisor or employee of a company that has a specific relationship with the Company (pursuant to the provisions of Article 3, Paragraph 1, Subparagraphs 5, 6 and 8 of the Regulations on the Establishment of Independent Directors of Public Companies and Matters to be Complied with).	

Qualifications Name	Professional qualifications and experience (Note 1)	Independence Criteria (Note 2)	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
		(12) Amount of remuneration for providing business, legal, financial, accounting and other services to the Company or its affiliates in the last two years: Please refer to page 33 and page 44 of the 2023 annual report.	
Chuang, Wan-Hua Director	Professional Qualification: At least 5 years of experience in business, legal, financial, accounting and corporate business of several companies. Experience: Director and President of Cathay Hospitality Management Co., Ltd., Director and President of Cathay Hospitality Consulting Co., Ltd., Director and President of Cathay Food & Beverage Group Co., Ltd. and Director of Cathay Real Estate Culture & Education Foundation, etc. Circumstances in the subparagraphs of Article 30 of the Company Act: None	<p>(1) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or is ranked in the top 10 in shareholdings.</p> <p>(2) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship to the individuals listed in the preceding paragraphs.</p> <p>(3) Not a director, supervisor or employee of a corporate shareholder who directly holds more than 5% of the total number of issued shares of the Company or is ranked top five in terms of the number of shares held or is designated as a Director or Supervisor of the Company pursuant to Paragraph 1 or 2, Article 27 of the Company Act.</p> <p>(4) Not a Director, Supervisor, or employee of a company with a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person.</p> <p>(5) Not a Director (member of the governing board), Supervisor (member of the supervising board), managerial officer or shareholder who holds more than 5% of shares of companies or institutions that have financial or business dealings with the Company.</p> <p>(6) Not a professional individual, sole proprietorship, partnership, owner of a company or institution, partner, director, supervisor, managerial officer or spouse thereof that provides auditing service for the company or any of</p>	None

<div>Qualifications</div> <div>Name</div>	Professional qualifications and experience (Note 1)	Independence Criteria (Note 2)	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
		<p>its affiliates, or provides commercial, legal, financial, or accounting service with cumulative remuneration less than NT\$500,000 in the past two years.</p> <p>(7) Not a spouse or relative within the second degree of kinship of any other director of the Company.</p> <p>(8) Not under any of the categories stated in Article 30 of the Company Act.</p> <p>(9) Whether any of himself, his spouse, or relative within the second degree of kinship serves as a Director, Supervisor or employee of the Company or its affiliates: None.</p> <p>(10) Shareholding amount and ratio of himself, his spouse, or relative within the second degree of kinship (or in the name of others): None.</p> <p>(11) Not serve as a Director, Supervisor or employee of a company that has a specific relationship with the Company (pursuant to the provisions of Article 3, Paragraph 1, Subparagraphs 5, 6 and 8 of the Regulations on the Establishment of Independent Directors of Public Companies and Matters to be Complied with).</p> <p>(12) Amount of remuneration for providing business, legal, financial, accounting and other services to the Company or its affiliates in the last two years: Please refer to page 33 and page 44 of the 2023 annual report.</p>	
Chu, Chung-Chang Director	<p>Professional Qualification: At least 5 years of experience in business, legal, financial, accounting and corporate business of several companies.</p> <p>Experience: Chairman of Meifeng Textile &amp; Dyeing Co., Ltd., Chairman of Meifeng Corporation., and Director of Cathay Life Insurance Co., Ltd., etc.</p> <p>Circumstances in the subparagraphs of Article 30 of the Company Act: None</p>	<p>(1) Not employed by the Company or any of its affiliated companies.</p> <p>(2) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or is ranked in the top 10 in shareholdings.</p> <p>(3) Not a managerial officer listed in (1) or a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship listed in (2).</p>	None



Qualifications  Name	Professional qualifications and experience (Note 1)	Independence Criteria (Note 2)	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
		<p>(4) Not a director, supervisor or employee of a corporate shareholder who directly holds more than 5% of the total number of issued shares of the Company or is ranked top five in terms of the number of shares held or is designated as a Director or Supervisor of the Company pursuant to Paragraph 1 or 2, Article 27 of the Company Act.</p> <p>(5) Not a Director, Supervisor, or employee of a company with a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person.</p> <p>(6) Not a director (or a managing director), supervisor, or employee of another company or institution where the Chairman, the President, or person holding an equivalent position of the Company and a person in an equivalent position at another company or institution are the same person or are spouses.</p> <p>(7) Not a Director (member of the governing board), Supervisor (member of the supervising board), managerial officer or shareholder who holds more than 5% of shares of companies or institutions that have financial or business dealings with the Company</p> <p>(8) Not a professional individual, sole proprietorship, partnership, owner of a company or institution, partner, director, supervisor, managerial officer or spouse thereof that provides auditing service for the company or any of its affiliates, or provides commercial, legal, financial, or accounting service with cumulative remuneration less than NT\$500,000 in the past two years.</p> <p>(9) Not a spouse or relative within the second degree of kinship of any other director of the Company;</p> <p>(10) Not under any of the categories stated in Article 30 of the Company Act.</p> <p>(11) When any of himself, his spouse,</p>	

<div>Qualifications</div> <div>Name</div>	Professional qualifications and experience (Note 1)	Independence Criteria (Note 2)	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
		<p>or relative within the second degree of kinship serves as a Director, Supervisor or employee of the Company or its affiliates: None.</p> <p>(12) Shareholding amount and ratio of himself, his spouse, or relative within the second degree of kinship (or in the name of others): None.</p> <p>(13) Not serve as a Director, Supervisor or employee of a company that has a specific relationship with the Company (pursuant to the provisions of Article 3, Paragraph 1, Subparagraphs 5~8 of the Regulations on the Establishment of Independent Directors of Public Companies and Matters to be Complied with).</p> <p>(14) Amount of remuneration for providing business, legal, financial, accounting and other services to the Company or its affiliates in the last two years: Please refer to page 33 and page 44 of the 2023 annual report.</p>	
Chang, Yuan-Hsiao Independent Director	<p>Professional Qualification: At least 5 years of experience in business, legal, financial, accounting and corporate business of several companies; qualification of lawyer for professional and technology; and lecture in private junior college or above.</p> <p>Experience: Lawyer at Law Offices of Donald T. Dunham &amp; Associates, Associate Professor of Soochow University Law School and Independent Director of Mercuries F&amp;B Co., Ltd. , etc.</p> <p>Circumstances in the subparagraphs of Article 30 of the Company Act: None</p>	<p>(1) Not employed by the Company or any of its affiliated companies.</p> <p>(2) Not serving as the Director and Supervisor of the Company or any of its affiliated companies.</p> <p>(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or is ranked in the top 10 in shareholdings.</p> <p>(4) Not a spouse, relative within two generations or direct blood relatives within three generations of the executive listed in (1) or person listed in (2) or (3).</p> <p>(5) Not a director, supervisor or employee of a corporate shareholder who directly holds more than 5% of the total number of issued shares of the Company or is ranked top five in terms of the number of shares held or is designated as a Director or Supervisor of the Company</p>	1

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		<p>pursuant to Paragraph 1 or 2, Article 27 of the Company Act.</p> <p>(6) Not a Director, Supervisor, or employee of a company with a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person.</p> <p>(7) Not a director (or a managing director), supervisor, or employee of another company or institution where the Chairman, the President, or person holding an equivalent position of the Company and a person in an equivalent position at another company or institution are the same person or are spouses.</p> <p>(8) Not a Director (member of the governing board), Supervisor (member of the supervising board), managerial officer or shareholder who holds more than 5% of shares of companies or institutions that have financial or business dealings with the Company.</p> <p>(9) Not a professional individual, sole proprietorship, partnership, owner of a company or institution, partner, director, supervisor, managerial officer or spouse thereof that provides auditing service for the company or any of its affiliates, or provides commercial, legal, financial, or accounting service with cumulative remuneration less than NT\$500,000 in the past two years.</p> <p>(10) Not a spouse or relative within the second degree of kinship of any other director of the Company.</p> <p>(11) Not under any of the categories stated in Article 30 of the Company Act.</p> <p>(12) No Government Apparatus agency, juristic person or its representative is elected under Article 27 of the Company Act.</p> <p>(13) Whether any of himself, his spouse, or relative within the second degree of kinship serves as a Director, Supervisor or employee of the Company or its affiliates: None.</p> <p>(14) Shareholding amount and ratio of</p>	

<div>Qualifications</div> <div>Name</div>	Professional qualifications and experience (Note 1)	Independence Criteria (Note 2)	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
		<p>himself, his spouse, or relative within the second degree of kinship (or in the name of others): None.</p> <p>(15) Not serve as a Director, Supervisor or employee of a company that has a specific relationship with the Company (pursuant to the provisions of Article 3, Paragraph 1, Subparagraphs 5~8 of the Regulations on the Establishment of Independent Directors of Public Companies and Matters to be Complied with).</p> <p>(16) Did not received remuneration for providing business, legal, financial, accounting and other services to the Company or its affiliates in the last two years.</p>	
Yu, Tsu-Kang Independent Director	<p>Professional Qualification: At least 5 years of experience in business, legal, financial, accounting and corporate business of several companies.</p> <p>Experience: Chairman of Union Group Corporation, Chairman of Union Electric Corporation, Chairman of Tzu Feng Cultural Educational Foundation, Director of Hanns Touch Holdings Corporation Director of Sinox Co., Ltd., Director of Lunghwa University of Science and Technology and Director of Fengyuan Education Foundation, etc.</p> <p>Circumstances in the subparagraphs of Article 30 of the Company Act: None</p>	<p>(1) Not employed by the Company or any of its affiliated companies.</p> <p>(2) Not serving as the Director and Supervisor of the Company or any of its affiliated companies.</p> <p>(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or is ranked in the top 10 in shareholdings.</p> <p>(4) Not a spouse, relative within two generations or direct blood relatives within three generations of the executive listed in (1) or person listed in (2) or (3).</p> <p>(5) Not a director, supervisor or employee of a corporate shareholder who directly holds more than 5% of the total number of issued shares of the Company or is ranked top five in terms of the number of shares held or is designated as a Director or Supervisor of the Company pursuant to Paragraph 1 or 2, Article 27 of the Company Act.</p> <p>(6) Not a Director, Supervisor, or employee of a company with a majority of the Company's director seats or voting shares and those of any other company are controlled</p>	None

<div>Qualifications</div> <div>Name</div>	Professional qualifications and experience (Note 1)	Independence Criteria (Note 2)	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
		<p>by the same person.</p> <p>(7) Not a director (or a managing director), supervisor, or employee of another company or institution where the Chairman, the President, or person holding an equivalent position of the Company and a person in an equivalent position at another company or institution are the same person or are spouses.</p> <p>(8) Not a Director (member of the governing board), Supervisor (member of the supervising board), managerial officer or shareholder who holds more than 5% of shares of companies or institutions that have financial or business dealings with the Company.</p> <p>(9) Not a professional individual, sole proprietorship, partnership, owner of a company or institution, partner, director, supervisor, managerial officer or spouse thereof that provides auditing service for the company or any of its affiliates, or provides commercial, legal, financial, or accounting service with cumulative remuneration less than NT\$500,000 in the past two years.</p> <p>(10) Not a spouse or relative within the second degree of kinship of any other director of the Company.</p> <p>(11) Not under any of the categories stated in Article 30 of the Company Act.</p> <p>(12) No Government Apparatus agency, juristic person or its representative is elected under Article 27 of the Company Act.</p> <p>(13) Whey any of himself, his spouse, or relative within the second degree of kinship serves as a Director, Supervisor or employee of the Company or its affiliates: None.</p> <p>(14) Shareholding amount and ratio of himself, his spouse, or relative within the second degree of kinship (or in the name of others): None.</p> <p>(15) Not serve as a Director, Supervisor or employee of a company that has a specific relationship with the Company (pursuant to the</p>	

Qualifications Name	Professional qualifications and experience (Note 1)	Independence Criteria (Note 2)	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
		<p>provisions of Article 3, Paragraph 1, Subparagraphs 5~8 of the Regulations on the Establishment of Independent Directors of Public Companies and Matters to be Complied with).</p> <p>(16) Did not received remuneration for providing business, legal, financial, accounting and other services to the Company or its affiliates in the last two years.</p>	
Lee, Li-Kun Independent Director	<p>Professional Qualification: At least 5 years of experience in business, legal, financial, accounting and corporate business of several companies; qualification of lawyer for professional and technology; and lecture in private junior college or above.</p> <p>Experience: Director of Health Care Foundation and Director of Parasitic Disease Control Foundation, etc.</p> <p>Circumstances in the subparagraphs of Article 30 of the Company Act: None</p>	<p>(1) Not employed by the Company or any of its affiliated companies.</p> <p>(2) Not serving as the Director and Supervisor of the Company or any of its affiliated companies.</p> <p>(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or is ranked in the top 10 in shareholdings.</p> <p>(4) Not a spouse, relative within two generations or direct blood relatives within three generations of the executive listed in (1) or person listed in (2) or (3).</p> <p>(5) Not a director, supervisor or employee of a corporate shareholder who directly holds more than 5% of the total number of issued shares of the Company or is ranked top five in terms of the number of shares held or is designated as a Director or Supervisor of the Company pursuant to Paragraph 1 or 2, Article 27 of the Company Act.</p> <p>(6) Not a Director, Supervisor, or employee of a company with a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person.</p> <p>(7) Not a director (or a managing director), supervisor, or employee of another company or institution where the Chairman, the President, or person holding an equivalent position of the Company and a</p>	None

<div>Qualifications</div> <div>Name</div>	Professional qualifications and experience (Note 1)	Independence Criteria (Note 2)	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
		<p>person in an equivalent position at another company or institution are the same person or are spouses.</p> <p>(8) Not a Director (member of the governing board), Supervisor (member of the supervising board), managerial officer or shareholder who holds more than 5% of shares of companies or institutions that have financial or business dealings with the Company.</p> <p>(9) Not a professional individual, sole proprietorship, partnership, owner of a company or institution, partner, director, supervisor, managerial officer or spouse thereof that provides auditing service for the company or any of its affiliates, or provides commercial, legal, financial, or accounting service with cumulative remuneration less than NT\$500,000 in the past two years.</p> <p>(10) Not a spouse or relative within the second degree of kinship of any other director of the Company.</p> <p>(11) Not under any of the categories stated in Article 30 of the Company Act.</p> <p>(12) No Government Apparatus agency, juristic person or its representative is elected under Article 27 of the Company Act.</p> <p>(13) Whey any of himself, his spouse, or relative within the second degree of kinship serves as a Director, Supervisor or employee of the Company or its affiliates: None.</p> <p>(14) Shareholding amount and ratio of himself, his spouse, or relative within the second degree of kinship (or in the name of others): None.</p> <p>(15) Not serve as a Director, Supervisor or employee of a company that has a specific relationship with the Company (pursuant to the provisions of Article 3, Paragraph 1, Subparagraphs 5~8 of the Regulations on the Establishment of Independent Directors of Public Companies and Matters to be Complied with).</p> <p>(16) Did not received remuneration for</p>	

Qualifications Name	Professional qualifications and experience (Note 1)	Independence Criteria (Note 2)	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
		providing business, legal, financial, accounting and other services to the Company or its affiliates in the last two years.	

Note 1. Professional qualifications and experience: state the professional qualifications and experience of individual directors and supervisors. If they are members of the Audit Committee and have accounting or financial expertise, their accounting or financial background and work experience should be stated. Also state whether there are any circumstances under Article 30 of the Company Act.

Note 2. Independent directors should state their independence, including but not limited to whether they, their spouse, or relatives within the second degree of kinship serve as directors, supervisors or employees of the Company or its affiliates; The number and proportion of the Company's shares held by relatives (or in the name of others); whether they serve as directors, supervisors or employees that have a specific relationship with the Company (refer to the provisions of Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations on the Establishment of Independent Directors of Public Companies and Matters to be Complied with); the amount of remuneration received for providing business, legal, financial, accounting and other services to the Company or its affiliates in the last two years.

#### A. Diversity of the Board of Directors:

The Company's has provided diversity policy in Article 22, paragraph 2 of its "Corporate Governance Code of Practice" and relevant measures of the Board of Directors, aiming to diversify the board members, think and judge from different standpoints, so as to improve the board structure and improve corporate governance.

1. The diversity policy includes: The selection criteria for directors is open to different nationalities, age groups, genders, etc.: with the target of non-nationality members, there are currently 9 directors, including 1 member of non-Republic of China nationality, accounting for 11%; Targeting various age groups, with an interval of ten years starting from forty-one years old: one subject in the 41-50 age group, two subjects in the 51-60 age group, two subjects in the 61-70 age group, four subjects in the 71-80 age group, with at least one person in each interval, achieving a 100% success rate; the ratio of female directors is over 10%, or 1 among the 9 directors, accounting for 11%.
2. The selection criteria for directors in respect of professional qualifications and experience or background are: the target shall have 2 or more different attributes. At present, there are 9 directors, each of whom has professional qualifications, experience or background with 2 or more different attributes, with a ratio of 100%.



3. If the number of directors of either gender on the board of directors of a TWSE or TPEX listed company is less than one-third, explain the reasons and the planned measures to be taken to enhance director gender diversity: In the selection of director candidates, the Company considers not only their professional competence and practical experience, but also emphasizes gender equality and diversity in the composition of the Board. In line with its diversity policy, the Company will continue to actively seek suitable candidates to gradually optimize the structure of the Board and increase the proportion of female directors, thereby enhancing sound corporate governance.

**B. Independence of the Board of Directors:**

Among the 9 directors of the Company, 3 are independent directors, accounting for 33%. In addition, an Audit Committee has been set up in accordance with the law and relevant organizational rules have been formulated. All of the members are independent directors, so there is no supervisor.

The Company adopts a cumulative voting system and a candidate nomination system for the selection and appointment of directors and independent directors. Shareholders are encouraged to participate. Shareholders who hold more than a certain number of shares may submit a list of candidates. The qualifications of the candidates are reviewed on whether they violate the items provided in Article 30 of the Company Act. The relevant acceptance are conducted and announced in accordance with the law to protect the rights and interests of shareholders, and avoid monopoly or excessive nomination rights, and to maintain independence. The "Measures for Performance Evaluation of the Board of Directors" is also established for performance evaluation. Through the self-evaluation by executive units, directors, and functional committees, it is confirmed that there are no circumstances stipulated in paragraphs 3 and 4 of Article 26-3 of the Securities Exchange Act. According to the latest evaluation results, there is no relationship of spouses or relatives within the second degree of kinship between directors, between independent directors, and between directors and independent directors, which meets the requirements of relevant laws and regulations. For the independence of directors, please refer to pages 13-28 for details.

(II) Information on President, Senior Executive Vice President, Executive Vice Presidents, Senior Vice President and Heads of Department and Branches

April 15, 2025

Title (Note 1)	Nationality	Name	Gender	Date Elected (Appointed)	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Main Experience (Education Background) (Note 2)	Currently Holding Concurrent Posts in the Company and Other Companies	Managerial Officer who Are Spouses or within the Second Degree of Kinship		
					Number of Shares	Proportion of shareholdings (%)	Number of Shares	Proportion of shareholdings (%)	Number of Shares	Proportion of shareholdings (%)			Title	Name	Relation
President	Republic of China	Lee, Hung- Ming	Male	2015.03.01	0	0	0	0	0	0	Chinese Culture University (Bachelor of law)	Director & President of Cathay Real Estate Management Co., Ltd. Chairman of Cathay Hospitality Management Co., Ltd. Chairman of Cathay Hospitality Consulting Co., Ltd. Chairman of Cathay Food & Beverage Group CO., Ltd. Chairman of Nankang International No.1 Co., Ltd. Chairman of Nankang International No. 2 Co., Ltd.	None		
Senior Executive Vice President	Republic of China	Tsai, Chung- Yan	Male	2020.01.01	0	0	0	0	0	0	San Francisco State University (Master of Public Administration, MPA)	Director of Cathay Life Insurance Co., Ltd. Vice Chairman of Cathay Healthcare Management Co., Ltd. Director of Cymbal Medical Network Co., Ltd. Director of Cynder Co., Ltd. Director of Cymlin Co., Ltd. Executive Vice President of Liang Ting Industrial Co., Ltd. Director of Cathay Real Estate Culture & Education Foundation	None		

Title (Note 1)	Nationality	Name	Gender	Date Elected (Appointed)	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Main Experience (Education Background) (Note 2)	Currently Holding Concurrent Posts in the Company and Other Companies	Managerial Officer who Are Spouses or within the Second Degree of Kinship		
					Number of Shares	Proportion of shareholdings (%)	Number of Shares	Proportion of shareholdings (%)	Number of Shares	Proportion of shareholdings (%)			Title	Name	Relation
Senior Executive Vice President	Republic of China	Lin, Chin- Liang	Male	2023.07.19	0	0	0	0	0	0	National Cheng Kung University (Bachelor of Architecture)	Director of Cathay Real Estate Management Co., Ltd. Director of Cathay Hospitality Management Co., Ltd. Director of Cathay Hospitality Consulting Co., Ltd. Director of Cathay Food & Beverage Group Co., Ltd. Director of Nankang International No.1 Co., Ltd. Director of Nankang International No. 2 Co., Ltd. Director of Symphox Information Co., Ltd. Chairman & President of Jinhua Realty Co., Ltd. Chairman & President of Bannan Realty Co., Ltd. Chairman & President of Sanchong Realty Co., Ltd. Chairman & President of Zhulun Realty Co., Ltd. Director of Cathay Life Charity Foundation.	None		
Executive Vice President	Republic of China	Ku, Shang- Chieh	Male	2023.07.19	0	0	0	0	0	0	Tamkang University (Bachelor of Architecture)	Director of Jinhua Realty Co., Ltd. Director & Chief Executive Officer of Bannan Realty Co., Ltd. Director & Chief Executive Officer of Sanchong Realty Co., Ltd. Director & Chief Executive Officer of Zhulun Realty Co., Ltd.	None		
Executive Vice President	Republic of China	Guo, Jun- Her	Male	2023.07.19	0	0	0	0	0	0	National Taiwan University of Science and Technology (Master of Civil & Construction Engineering)	Director of Bannan Realty Co., Ltd. Director of Jinhua Realty Co., Ltd. Director of Sanchong Realty Co., Ltd. Director of Zhulun Realty Co., Ltd.	None		
Executive Vice President	Republic of China	Liao, Li-Chi	Female	2023.07.19	0	0	0	0	0	0	National Chengchi University MBA	Supervisor of Cathay Real Estate Management Co., Ltd. Supervisor of Bannan Realty Co., Ltd. Supervisor of Jinhua Realty Co., Ltd. Supervisor of Sanchong Realty Co., Ltd. Supervisor of Zhulun Realty Co., Ltd. Director of San Hsiung Fongshan LaLaport Co., Ltd.	None		

Title (Note 1)	Nationality	Name	Gender	Date Elected (Appointed)	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Main Experience (Education Background) (Note 2)	Currently Holding Concurrent Posts in the Company and Other Companies	Managerial Officer who Are Spouses or within the Second Degree of Kinship		
					Number of Shares	Proportion of shareholdings (%)	Number of Shares	Proportion of shareholdings (%)	Number of Shares	Proportion of shareholdings (%)			Title	Name	Relation
Senior Vice President of Development Department	Republic of China	Liu, Pang- Ho	Male	2023.07.19	0	0	0	0	0	0	National Central University (Master of Business Management)	None	None		
Senior Vice President of Project Department I	Republic of China	Hsiao, Chia- Ming	Female	2023.07.19	0	0	0	0	0	0	National Cheng Kung University (Master of Architecture)	None	None		
Senior Vice President of Project Department II	Republic of China	Pong, Fei-Yi	Female	2023.07.19	0	0	0	0	0	0	China Industrial and Commercial College (Bachelor of Construction Engineering)	None	None		
Senior Vice President of Project Department III	Republic of China	Chang, Chia- Lun	Male	2023.07.19	2,651	0	0	0	0	0	National Chengchi University (Bachelor of Land Economics)	Chief Executive Officer of Jinhua Realty Co., Ltd.	None		
Senior Vice President of Technology Department	Republic of China	Chang, Chih-Chiang	Male	2024.02.01	0	0	0	0	0	0	National Chung Hsing University (Master of Civil Engineering)	None	None		
Chief Auditor of Auditing Office	Republic of China	Yang, Po- Shan	Male	2021.11.25	887	0	0	0	0	0	Alabama State University (Master of Business Administration, MBA)	None	None		
Senior Vice President of Administration Management Department. & Corporate Governance Officer	Republic of China	Chen, Chia- Yen	Male	2024.07.01	7	0	0	0	0	0	Tamkang University (Master of Business Administration)	Director of Lin Yuan Property Management Co., Ltd.	None		
Senior Vice President of Finance Management Department.	Republic of China	Chang, Yi- Chun	Female	2024.07.01	0	0	0	0	0	0	National Chengchi University MBA	Accounting Supervisor of Jinhua Realty Co., Ltd. Accounting Supervisor of Bannan Realty Co., Ltd. Accounting Supervisor of Sanchong Realty Co., Ltd. Accounting Supervisor of Zhulun Realty Co., Ltd. Accounting Supervisor of Cathay Real Estate Management Co., Ltd.	None		

Note 1. Information regarding President, Senior Executive Vice Presidents, Executive Vice Presidents, heads of departments and branches shall be included, whereas information regarding positions equivalent to President, Senior Executive Vice President or Executive Vice Presidents shall be disclosed regardless of job title.

Note 2. For the experience related to holding the current position, if one has worked in the CPA firm conducting the auditing and attesting business or related company, he/she shall state the job title and responsible position. Assistant vice president, regardless of job title, should also be disclosed.

Note 3. In case that the President or his/her equivalent (top manager) is assumed concurrently by the Chairman, or his/her spouse or a relative within one degree of kinship, the reason, rationality, necessity and corresponding measures (such as increasing the number of Independent Directors, and more than half of the Directors not concurrently serving as employees or managers) should be described:

(III) Remuneration Paid to Directors (Including Independent Directors), Supervisors, President, Senior Executive Vice Presidents and Executive Vice Presidents

1. Remuneration paid to regular Directors and Independent Directors (aggregate remuneration with name(s) indicated for each remuneration range)

Unit: NT\$ thousands

Title	Name (Note 1)	Remuneration Paid to Directors								Total amount of A, B, C and D and their proportion to the net profit after tax (Note 10)		Relevant Remuneration Received by Directors who Are Also Employees								Total amount of A, B, C, D, E, F and G and their proportion to the net profit after tax (Note 10)		Remuneration paid to Directors from investees other than the Company's subsidiaries or parent company (Note 11)	
		Remuneration (A) (Note 2)		Severance Pay and Pension (B)		Director Remuneration (C) (Note 3)		Business Execution Expenses (D) (Note 4)				Salary, Bonuses, and Allowances (E) (Note 5)		Severance Pay and Pension (F)		Employee remuneration (G) (Note 6)							
		The company	All the Companies in Consolidated Financial Statements of the Company (Note 7)	The company	All the Companies in Consolidated Financial Statements of the Company (Note 7)	The company	All the Companies in Consolidated Financial Statements of the Company (Note 7)	The company	All the Companies in Consolidated Financial Statements of the Company (Note 7)	The company	All the Companies in Consolidated Financial Statements of the Company (Note 7)	The company	All the Companies in Consolidated Financial Statements of the Company (Note 7)	The company		All the Companies in Consolidated Financial Statements of the Company (Note 7)		The company	All the Companies in Consolidated Financial Statements of the Company (Note 7)				
																Cash Amount	Stock Amount	Cash	Stock Amount				
Chairman	He Xin Industrial Co., Ltd. Representative: Chang, Ching-Kuei																						
Director	He Xin Industrial Co., Ltd. Representative: Tsai, Chung-Yan																						
Director	He Xin Industrial Co., Ltd. Representative: Lee, Hung-Ming																						
Director	Employee Welfare Committee of Cathay Real Estate Development Co., Ltd. Representative: Lin, Chin-Liang	9,873	15,025	0	0	2,400	2,400	968	1,205	Total: 13,241 Proportion: 0.84%	Total: 18,630 Proportion: 1.18%	18,006	18,006	0	0	34	0	34	0	Total: 31,281 Proportion: 1.98%	Total: 36,670 Proportion: 2.32%	0	
Director	Cathay Real Estate Culture & Education Foundation Representative: Chu, Chung-Chang																						
Director	Cathay Life Charity Foundation Representative: Chuang, Wan-Hua																						
Independent Director	Yu, Tsu-Kang									Total: 5,130 Proportion: 0.33%	Total: 5,130 Proportion: 0.33%									Total: 5,130 Proportion: 0.33%	Total: 5,130 Proportion: 0.33%		
Independent Director	Lee, Li-Kun	5,040	5,040	0	0	0	0	90	90			0	0	0	0	0	0	0	0			0	
Independent Director	Chang, Yuan-Hsiao																						
1. Please explain the independent director remuneration policy, system, standard, and structure, and the connection between the amount of remuneration and the considered factors such as their job responsibilities, risks, and working time: The Company has clearly defined the Independent Directors' remuneration policy, scope, type and periodic review mechanism in the remuneration payment standard. The remuneration payment for Independent Director would factor in the level of involvement into company operation, the contribution, and the usual industrial standard, and the amount would be reviewed by Remuneration Committee and reported to the Board of Directors for approval to issue the total amount. The Company regularly evaluates the remuneration of Independent Directors every three years. 2. In addition to the information disclosed in the table above, remuneration paid to any director who has provided his/her services (such as serving as a consultant to all non-employees of the parent company/all companies/re-invested companies in the financial report, etc.) to all the companies listed in the Company's financial statements in the most recent fiscal year: 15.																							

### Range of Remuneration

Range of Remuneration Paid to Directors	Name of Director			
	Total Amount of Remuneration (A+B+C+D)		Total Amount of Remuneration (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies in the Financial Report (Note 9)	The Company (Note 8)	All companies in the Financial Report (Note 9)
Less than NT\$1,000,000	Tsai, Chung-Yan, Lee, Hung-Ming, Lin, Chin-Liang, Chu, Chung-Chang, Chuang, Wan-Hua, Cathay Life Charity Foundation, Cathay Real Estate Culture & Education Foundation, Employee Welfare Committee of Cathay Real Estate Co., Ltd.	Tsai, Chung-Yan, Lee, Hung-Ming, Lin, Chin-Liang, Chu, Chung-Chang, Cathay Life Charity Foundation, Cathay Real Estate Culture & Education Foundation, Employee Welfare Committee of Cathay Real Estate Co., Ltd.	Chu, Chung-Chang, Chuang, Wan-Hua, Cathay Life Charity Foundation, Cathay Real Estate Culture & Education Foundation, Employee Welfare Committee of Cathay Real Estate Co., Ltd.	Chu, Chung-Chang, Cathay Life Charity Foundation, Cathay Real Estate Culture & Education Foundation, Employee Welfare Committee of Cathay Real Estate Co., Ltd.
NT\$ 1,000,000 (inclusive) to NT\$ 2,000,000 (exclusive)	Chang, Yuan-Hsiao, Yu, Tsu-Kang, Lee, Li-Kun, and He Xin Industrial Co., Ltd.	Chang, Yuan-Hsiao, Yu, Tsu-Kang, Lee, Li-Kun, and He Xin Industrial Co., Ltd.	Chang, Yuan-Hsiao, Yu, Tsu-Kang, Lee, Li-Kun, and He Xin Industrial Co., Ltd.	Chang, Yuan-Hsiao, Yu, Tsu-Kang, Lee, Li-Kun, and He Xin Industrial Co., Ltd.
NT\$2,000,000 (inclusive)~NT\$3,500,000 (exclusive)	0	0	0	0
NT\$3,500,000 (inclusive)~NT\$5,000,000 (exclusive)	0	0	Lin, Chin-Liang	Lin, Chin-Liang
NT\$5,000,000 (inclusive)~NT\$10,000,000 (exclusive)	0	Chuang, Wan-Hua	Tsai, Chung-Yan, Lee, Hung-Ming	Tsai, Chung-Yan, Chuang, Wan-Hua, Lee, Hung-Ming
NT\$10,000,000 (inclusive)~NT\$15,000,000 (exclusive)	Chang, Ching-Kuei	Chang, Ching-Kuei	Chang, Ching-Kuei	Chang, Ching-Kuei
NT\$15,000,000 (inclusive)~NT\$30,000,000 (exclusive)	0	0	0	0
NT\$30,000,000 (inclusive)~NT\$50,000,000 (exclusive)	0	0	0	0
NT\$50,000,000 (inclusive)~NT\$100,000,000 (exclusive)	0	0	0	0
Over NT\$100,000,000	0	0	0	0
Total	13	13	13	13

Note 1. Name of directors should be listed separately (For institutional shareholders, their names and the name of their representatives should be listed separately), and the amount of remuneration paid to them should be disclosed collectively. Director(s), who is also the President, Senior Executive Vice Presidents or Executive Vice Presidents, is/are already listed in this table and the Table below (3-2).

Note 2. Compensation received by a director in the most recent fiscal year (including director's salary, job-related allowances, separation pay, various bonuses and incentives).

Note 3. Fill in the amount of remuneration for directors approved by the board of directors in the most recent year.

- Note 4. Refers to the execution expenses of relevant businesses of directors in the most recent year (including travel expenses, special expenses, allowances, dormitories, car supplies and other material supplies, etc.). If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rental fees and fuel costs calculated based on the actual amount or fair market value, and other payments should be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company, excluding remuneration, in a separate note. The relevant remuneration paid by all companies in the Company's consolidated financial statements to the driver is NT\$ 1,523 thousand.
- Note 5. Salary, job-related allowances, separation pay, various bonuses, incentives, transportation allowance, special allowance, various allowances, accommodation allowance and vehicle received by Directors who concurrently serve as employees (including President, Senior Executive Vice President, Executive Vice Presidents, other managerial officers and employees) in the most recent fiscal year. If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rental fees and fuel costs calculated based on the actual amount or fair market value, and other payments should be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company, excluding remuneration, in a separate note. In addition, the remuneration expenses recognized in accordance with IFRS 2 "Share Base Payment", including the acquisition of employee warrants, new shares restricting employee rights and shares subscribed by participation in capital increase in cash, shall also be included in the remunerations. The relevant remuneration paid by all companies in the Company's consolidated financial statements to the driver is NT\$ 2,626 thousands and the car rental fees NT\$ 668 thousands.
- Note 6. For Directors concurrently serving as employees (including President, Senior Executive Vice President, Executive Vice Presidents, other managerial officers and employees) who receive employee rewards (including shares and cash), the amount of employee rewards that have been approved by the Board of Directors and are distributed to them in the most recent fiscal year shall be disclosed. If the amount of rewards cannot be estimated, the amount of rewards in the current fiscal year shall be calculated based on the ratio of the amount of rewards distributed in the previous fiscal year, and this amount shall also be filled in Table 1-3.
- Note 7. The total amount of all the remuneration paid to the Company's Directors by all the companies in the consolidated financial statements (including the Company) shall be disclosed.
- Note 8. The name of each Director shall be disclosed in the range of remuneration corresponding to the amount of all the remuneration paid to the Director by the Company.
- Note 9. The total amount of remuneration paid to each director of the Company by all enterprises (including the Company) in the consolidated report should be disclosed, the name of director shall be disclosed in the corresponding range.
- Note 10. Net income after taxes refers to net income after taxes in the parent company only or individual financial statements in the most recent fiscal year.
- Note 11. a. The amount of remuneration received from subsidiaries other than investment companies by the Company's directors shall be stated clearly in this column.
- b. If a director of the Company receives remuneration from investment companies other than subsidiaries, the amount of remuneration received by the director from investment companies other than subsidiaries shall be combined into Column I of the table for ranges of remuneration, and this column shall be renamed as "All Investment Companies".

- c. Remuneration refers to the compensation, rewards (including compensation distributed to employees, Directors and Supervisors) and remuneration related to business expenses that are received by the Company's Directors who serve as Directors, Supervisors or managerial officers at investee companies other than subsidiaries.

\* A different concept is used for the content of remuneration disclosed in this table compared to that in the Income Tax Act. This table is used for information disclosure, but not for taxation.

## 2. Remuneration paid to President, Senior Executive Vice Presidents and Executive Vice Presidents (range of remuneration with name disclosure)

Unit: NT\$ thousands

Title	Name (Note 1)	Salary (A) (Note 2)		Severance Pay and Pension (B)		Bonuses and Allowances, etc. (C) (Note 3)		Employee Compensation (D) (Note 4)				Sum of items A, B, C and D to NIAT Ratio (%) (Note 8)		Remuneration paid to Directors from investees other than the Company's subsidiaries or parent company (Note 9)
		The Company	All the Companies in Consolidated Financial Statements of the Company (Note 5)	The Company	All the Companies in Consolidated Financial Statements of the Company (Note 5)	The Company	All the Companies in Consolidated Financial Statements of the Company (Note 5)	The Company		All the Companies in Consolidated Financial Statements of the Company (Note 5)		The Company	All the Companies in Consolidated Financial Statements of the Company (Note 5)	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
President	Lee, Hung-Ming	17,195	17,195	0	0	12,875	12,875	69	0	69	0	Total: 30,139 Proportion: 1.91%	Total: 30,139 Proportion: 1.91%	0
Senior Executive Vice President	Tsai, Chung-Yan													
Senior Executive Vice President	Lin, Chin-Liang													
Executive Vice President	Ku, Shang-Chieh													
Executive Vice President	Guo, Jun-Her													
Executive Vice President	Liao, Li-Chi													

### Range of Remuneration

Range of Remuneration Paid to President, Senior Executive Vice Presidents and Executive Vice Presidents of the Company	Names of President, Senior Executive Vice Presidents and Executive Vice Presidents of the Company	
	The Company (Note 7)	All Investment Companies (E) (Note 8)
Less than NT\$1,000,000	0	0
NT\$1,000,000 (inclusive)~NT\$2,000,000 (exclusive)	0	0
NT\$2,000,000 (inclusive)~NT\$3,500,000 (exclusive)	0	0
NT\$3,500,000 (inclusive)~NT\$5,000,000 (exclusive)	Lin, Chin-Liang, Liao, Li-Chi, Ku, Shang-Chieh, Guo, Jun-Her and Tsai, Chung-Yan	Lin, Chin-Liang, Liao, Li-Chi, Ku, Shang-Chieh, Guo, Jun-Her and Tsai, Chung-Yan
NT\$5,000,000 (inclusive)~NT\$10,000,000 (exclusive)	Lee, Hung-Ming	Lee, Hung-Ming
NT\$10,000,000 (inclusive)~NT\$15,000,000 (exclusive)	0	0
NT\$15,000,000 (inclusive)~NT\$30,000,000 (exclusive)	0	0
NT\$30,000,000 (inclusive)~NT\$50,000,000 (exclusive)	0	0
NT\$50,000,000 (inclusive)~NT\$100,000,000 (exclusive)	0	0
Over NT\$100,000,000	0	0
Total	6	6

Note 1. Names of the President, Senior Executive Vice Presidents and Executive Vice Presidents should be listed separately, and the amount of remuneration paid to them should be disclosed collectively. If a director



concurrently serves as a President, Senior Executive Vice Presidents or Executive Vice Presidents, his/her name and the amount of remuneration paid to him/her shall be listed in Table (1-2) above.

- Note 2. Fill in the salary, job-related allowances and separation pay received by the President, Senior Executive Vice Presidents and Executive Vice Presidents in the most recent fiscal year.
- Note 3. Fill the amount of various bonuses, incentives, transportation allowance, special allowance, various allowances, accommodation and vehicle received by the President, Senior Executive Vice Presidents and Executive Vice Presidents in the most recent fiscal year. If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rental fees and fuel costs calculated based on the actual amount or fair market value, and other payments should be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company, excluding remuneration, in a separate note. In addition, the remuneration expenses recognized in accordance with IFRS 2 “Share Base Payment”, including the acquisition of employee warrants, new shares restricting employee rights and shares subscribed by participation in capital increase in cash, shall also be included in the remunerations. The relevant remuneration paid by all companies in the Company's consolidated financial statements to the driver is NT\$ 2,626 thousands and the car rental fees NT\$ 668 thousands.
- Note 4. Fill in the amount of employee bonuses (including shares and cash) that have been approved by the Board of Directors and are distributed to the President, Senior Executive Vice Presidents and Executive Vice Presidents in the most recent fiscal year. If the amount of bonuses cannot be estimated, the calculation shall be calculated based on the ratio of the amount distributed in the previous fiscal year, and this amount shall also be filled in Table 1-3. Net income after taxes refers to net income after taxes in the most recent fiscal year. Where IFRS is adopted, net income after taxes refers to net income after taxes recorded in the parent company only or individual financial statements in the most recent fiscal year.
- Note 5. The total amount of all the remuneration paid to the Company's President, Senior Executive Vice Presidents and Executive Vice Presidents by all the companies (including the Company) listed in its consolidated financial statements shall be disclosed.
- Note 6. The name of each President, Senior Executive Vice Presidents and Executive Vice Presidents shall be disclosed in the range of remuneration corresponding to the amount of all the remuneration paid to the President, Senior Executive Vice Presidents and Executive Vice Presidents by the Company.
- Note 7. The total amount of all the remuneration paid to each President, Senior Executive Vice Presidents and Executive Vice Presidents of the Company by all companies listed in its consolidated financial statements (including the Company) shall be disclosed. The name of each President, Senior Executive Vice Presidents and Executive Vice Presidents shall be disclosed in the range of remuneration corresponding to the total amount.
- Note 8. Net income after taxes refers to net income after taxes in the most recent fiscal year. Where IFRS is adopted, net income after taxes refers to net income after taxes recorded in the parent company only or individual financial statements in the most recent fiscal year.
- Note 9. a. The amount of remuneration received from investment companies other than subsidiaries by the Company's President, Senior Executive Vice Presidents and Executive Vice Presidents shall be stated clearly in this column.
- b. If the President, Senior Executive Vice Presidents and Executive Vice Presidents of the Company receives remuneration from investee companies other than subsidiaries, the amount of remuneration received by the

President, Senior Executive Vice Presidents and Executive Vice Presidents from investment companies other than subsidiaries shall be combined into Column E of the table for ranges of remuneration, and this column shall be renamed as "All Investment Companies".

- c. Remuneration refers to the compensation, rewards (including rewards distributed to employees, Directors and Supervisors) and remuneration related to business expenses that are received by the Company's President, Senior Executive Vice Presidents and Executive Vice Presidents who serve as Directors, Supervisors or managerial officers at investee companies other than the Company's subsidiaries.

\* A different concept is used for the content of remuneration disclosed in this table compared to that in the Income Tax Act. This table is used for information disclosure, instead of taxation.

### 3. Names of Managers and the Distribution of Employee Bonus

April 15, 2025; Unit: NT\$ thousands

	Title (Note 1)	Name (Note 1)	Stock	Cash (Note 5)	Total	Ratio of Total Amount to Net Income After Tax (%)
Manager	President	Lee, Hung-Ming	0	161	161	Total amount 161  Percentage 0.0102%
	Senior Executive Vice President	Tsai, Chung-Yan				
	Senior Executive Vice President	Lin, Chin-Liang				
	Executive Vice President	Ku, Shang-Chieh				
	Executive Vice President	Guo, Jun-Her				
	Executive Vice President	Liao, Li-Chi				
	Senior Vice President of Development Department	Liu, Pang-Ho				
	Senior Vice President of Project Department I	Hsiao, Chia-Ming				
	Senior Vice President of Project Department II	Peng, Fei-I				
	Senior Vice President of Project Department III	Chang, Chia-Lun				
	Senior Vice President of Technology Department	Chang, Chih-Chiang				
	Chief Auditor of Auditing Office	Yang, Po-Shan				
	Senior Vice President of Administration Management Department & Corporate Governance Officer	Chen, Chia-Yen				
	Senior Vice President of Finance Management Department	Chang, Yi-Chun				

Note 1. Names and positions shall be listed individually, and the amount of profit distributed shall be disclosed collectively.

Note 2. Fill in the amount of employee compensation (including shares and cash) that has been approved by the Board of Directors and proposed by the managerial officers in the most recent fiscal year. If this amount cannot be estimated, the calculation should be based on the ratio of the amount distributed in the previous fiscal year. Net income after taxes refers to net income after taxes in the most recent fiscal year. Where IFRS is adopted, net income after taxes refers to net income after taxes recorded in the parent company only or individual financial statements in the most recent fiscal year.

Note 3. The scope of application for the term "managerial officer" shall follow the approved document with Ref. No. Tai Tsai Cheng San Tzu 0920001301 dated March 27, 2003. Its scope of application shall be as follows:

- (1) President and its equivalent
- (2) Vice President and its equivalent
- (3) Associate Vice President and its equivalent
- (4) Supervisor of Finance Department
- (5) Supervisor of Accounting Department
- (6) Other Personnel Authorized to Manage the Company's Affairs and Sign for Approval

Note 4. Directors, President, Senior Executive Vice Presidents and Executive Vice Presidents who receive employee rewards (including shares and cash) shall be listed not only in Table 1-2, but also in this table.

4. Remuneration paid to the five officers of TWSE/TPEX listed company with the highest remuneration (disclosure of the names and remuneration method of individual officers)

Title	Name (Note 1)	Salary (A) (Note 2)		Severance Pay and Pension (B)		Bonuses and Allowances, etc. (C) (Note 3)		Employee Compensation (D) (Note 4)				Sum of items A, B, C and D to NIAT Ratio (%) (Note 8)		Whether or not the person receives remuneration from other non- subsidiary companies that the Company has invested in (Note 9)
		The Company	All the Companies in Consolidated Financial Statements of the Company (Note 5)	The Company	All the Companies in Consolidated Financial Statements of the Company (Note 5)	The Company	All the Companies in Consolidated Financial Statements of the Company (Note 5)	The Company		All the Companies in Consolidated Financial Statements of the Company (Note 5)		The Company	All the Companies in Consolidated Financial Statements of the Company (Note 5)	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			

N/A

5. Compare the ratio of total remuneration paid to the Company's Directors, Supervisors, President, Senior Executive Vice Presidents and Executive Vice Presidents in the most recent two years to the net income after tax by the Company and all companies in the consolidated statements, and explain the policies, standards and combinations of remuneration payment, the procedures for determining remuneration, and the relevance with business performance and future risks:

- (1) Ratio of total remuneration paid to the Company's Directors, Supervisors, President, Senior Executive Vice President and Executive Vice Presidents in the most recent two years to the net income after tax:

The total amount of emoluments paid by the Company to directors, supervisors, President, Senior Executive Vice Presidents and Executive Vice Presidents in 2024 and 2023 were NT\$48,510 thousand and NT\$43,831 thousand respectively, accounting for 3.08% and 2.03% of the net profit after tax in each year.

- (2) Remuneration policies, standards and packages, and their correlations with the Company's business performance and future risk exposure:

The remunerations paid by the Company to directors, President and Vice Presidents are based on the Company's regulations in the "Remuneration Standards for Directors", "Performance Evaluation Standards for Directors", "Remuneration Standards for Managers" and "Performance Evaluation Standards for Managers", taking into account the functions of individual directors and managers and the general market conditions, as well as factors such as their contribution value, performance evaluation, and expected or actual risks.

(A) "Directors' Remuneration Standards" (hereinafter referred to as the "Standards") stipulates that directors' remuneration includes remuneration, remuneration, transportation expenses and other allowances etc.

A. Remuneration: The company's independent directors and directors involved in business execution (Chairman/Vice Chairman) may be awarded monthly fixed remuneration; directors involved in business execution shall be awarded with reference to the director's participation in the company's operations, value of contribution, and the usual level of peers. Monthly remuneration, and bonuses are awarded based on the manager's overall operating performance of the company and personal performance results for the year. All remunerations are submitted to the salary and remuneration committee for review and are issued after approval by the board of directors.

B. Remuneration: According to the company's articles of association, when there is profit in the year, the director's remuneration may be within an amount not exceeding 1% of the current year's profit as the director's remuneration for that year.

C. Transportation expenses and other allowances will be paid in accordance with the standards specified in these guidelines.

(B) The Company has established the "Remuneration Payment Standards for Managers", which includes monthly salary, bonus, welfare allowance, etc.

The remuneration for managers is paid based on the Company's "Remuneration Standards for Managers" and the salary level of the position in the industry market, the scope of powers and responsibilities of the position in the Company, and the individual's performance achievement rate and contribution to the Company's performance.

(C) In order to improve the corporate governance system and effectively urge directors and managers to perform their duties, the Company has established "Performance Evaluation Standards for Directors" and

"Performance Evaluation Standards for Managers", and set indicators such as board attendance rate, social responsibility performance, business, financial operation supervision, internal audit and internal control and annual target achievement, internal control, leadership and management capabilities for directors and managers, respectively, and use the evaluation results as the basis for salary adjustment and bonus award of executive directors and managers, which shall be examined and evaluated by the Remuneration Committee every year and submitted to the Board of Directors for approval.

- (3) According to the Company's regulations, the Remuneration Committee will review the performance appraisal and remuneration payment methods every three years and may review and revise them at any time as required.

## 6. Policy on Linking Senior Managerial Officer Remuneration with ESG-Related Performance Evaluation

### (1) Managerial Officer Performance

In order to strengthen the corporate governance system and effectively supervise managerial officers in fulfilling their responsibilities, to enhance the Company's operational strength, connect to the achievement of the Company's operational strategies and objectives, and serve as a reference for executive salary and bonus payments, Cathay Real Estate has established the "Performance Evaluation Standards for Managers." These standards clearly stipulate that the President, Senior Executive Vice President, Executive Vice Presidents, Financial Managers, Corporate Governance Officers, Information Security Officers, or other managerial officers with management responsibilities and signing authority should formulate personal performance goals based on the Company/unit's annual strategic focus objectives, position responsibilities (including internal control implementation effectiveness, risk management effectiveness), and other annual key tasks (such as: sustainability development effectiveness). Thereby ensuring that managerial officer performance goals are closely linked to company/unit strategies. Cathay Real Estate's managerial officer performance indicators are as follows:

Proportion	Indicators
60%	Annual Target Achievement
40%	Business Acumen
	Operational Integration Capability
	Leadership for Change
	Internal Control Implementation and Risk Management Effectiveness

Proportion	Indicators
	Sustainability Development Effectiveness

(2) Cathay Real Estate Managerial Officer Compensation

To create long-term shareholder value and implement compensation linked to position responsibilities to attract and motivate outstanding talent, Cathay Real Estate has established the "Remuneration Payment Standards for Managers," which clearly stipulates the standards for various salary and reward items for managerial officers. Fixed compensation is determined based on position responsibilities, performance, and capabilities, with reference to external compensation benchmark markets. Variable compensation is determined according to the "Performance Evaluation Standards for Managers," which include financial performance indicators, relative financial indicators, company operational strategy development indicators, internal control and risk management, and corporate sustainability operations. The annual operational performance of the Company and the achievement of individual indicators are reviewed and approved by the Remuneration Committee and the Board of Directors. Taking the President as an example, variable compensation accounts for approximately 30-50% of annual salary.

To ensure the reasonableness of managerial officers' compensation, a salary competitiveness analysis is conducted every year to evaluate the compensation of individual managerial officers, and the "Remuneration Payment Standards for Managers" are regularly reviewed every three years. These are submitted to the Remuneration Committee for review and to the Board of Directors for approval in accordance with regulations.

(3) 2024 Sustainability Development Promotion Results

Cathay Real Estate has established sustainability and Lifestyles of Health and Sustainability (LOHAS)" as the core principles in designing new lifestyles for customers. We have continuously optimized high-standard service quality, aiming to create happy and secure residences for homeowners, fulfilling our promise to be a lifelong pillar of support for our customers, and continuously championing sustainable development. The 2024 sustainability development promotion results are as follows:

- A. Implementing Corporate Governance: The 2023 evaluation results placed us in the 36%-50% bracket.
- B. Protecting Intellectual Property: A total of 66 valid trademarks as of December 2024.

- C. Emphasizing Ethical Management: Senior executives have signed the "Statement of Compliance with Integrity Management Policy," an independent whistleblower mailbox has been established, and online materials are provided to all employees for ethical management education and training.
- D. Developing Sustainable Environment: In 2024, 11 planned and designed projects obtained green building label agreements or candidate certificates.
- E. Promoting Social Prosperity: Including employee care, customer support, and social welfare initiatives.
- F. Strengthening Information Security: In 2024, the ISO27001 recertification was completed, with the certificate valid until October 2025.
- G. Enhancing Information Disclosure: The Company received the "Platinum Award" in the Corporate Sustainability Reporting category for Real Estate and Construction Industry, improving the transparency of sustainability governance.
- H. Deepening Brand Value: Honored with the Gold Trusted Brand Award.

## II. Implementation of Corporate Governance

### (I) Operations of the Board of Directors

The 20th term of Directors (Statistical period: 2024.1.1 to 2024.12.31)

A total of 6 meetings [A] of the Board of Directors were held in the most recent year. The attendance (appearance) of Directors and Supervisors was as follows:

Title	Name (Note 1)	Number of Actual Attendance (Appearance) (B)	Times of Attendance by Proxy	Actual Attendance (Appearance) Rate (%) [B/A] (Note 2)	Remark
Chairman	He Xin Industrial Co., Ltd. Representative: Chang, Ching-Kuei	6	0	100%	
Director	He Xin Industrial Co., Ltd. Representative: Tsai, Chung-Yan	5	1	83.3%	
Director	He Xin Industrial Co., Ltd. Representative: Lee, Hung-Ming	6	0	100%	
Director	Cathay Real Estate Culture & Education Foundation Representative: Chu, Chung-Chang	6	0	100%	
Director	Employee Welfare Committee of Cathay Real Estate Development Co., Ltd.	6	0	100%	

Title	Name (Note 1)	Number of Actual Attendance (Appearance) (B)	Times of Attendance by Proxy	Actual Attendance (Appearance) Rate (%) [B/A] (Note 2)	Remark
	Representative: Lin, Chin-Liang				
Director	Cathay Life Charity Foundation Representative: Chuang, Wan-Hua	6	0	100%	
Independent Director	Chang, Yuan-Hsiao	6	0	100%	
Independent Director	Yu, Tsu-Kang	6	0	100%	
Independent Director	Lee, Li-Kun	6	0	100%	

Note 1. For directors and supervisors who are juristic persons, the name of juristic person shareholders and their representatives shall be disclosed.

Note 2. (1) Where a director or a supervisor resigns before the end of the fiscal year, the Remark column shall be filled with the director's or supervisor's resignation date, whereas his/her percentage of attendance in person (%) shall be calculated based on the number of Board of Directors' meetings held and the actual attendance in person during the period during his/her term of office.

(2) When the election of directors and supervisors is held before the end of the year, the names of both the incoming and outgoing directors and supervisors shall be listed in the remark column with annotations specifying whether the directors and supervisors are outgoing, incoming or re-elected, as well as the date of the election. The Director's rate of attendance in person (%) shall be calculated based on the number of Board of Directors' Meetings held and the actual attendance in person during his/her term of office.

Other matters to be recorded:

I. With regard to the implementation of the Board of Directors, if any of the following circumstances occurs, the dates, terms of the meetings, contents of motions, all independent directors' opinions and the Company's handling of such opinions shall be specified: None.

(I) Matters referred to in Article 14-3 of the Securities and Exchange Act.

(II) In addition to the preceding matter, other resolutions of the Board of Directors on which independent directors have dissenting opinions or qualified opinions, and that are documented or issued through written statements.

II. In regards the recusal of Independent Directors from voting due to conflict of interests, the name of the Independent Directors, the resolutions, reasons for recusal due to conflict of interests and voting outcomes shall be stated:



Name of Director	Proposal	Reason for Recusal	Participation in Voting
Chang, Ching-Kuei, Tsai, Chung-Yan, Lee, Hung-Ming, Lin, Chin-Liang	2023 annual bonus and special incentive payments for directors and managers actively involved in the year's business operations.	Directors on the left were involved in the contents of motion.	Did not participate in discussion and voting.
Chang, Ching-Kuei, Chang, Yuan-Hsiao, Yu, Tsu-Kang, Lee, Li-Kun	Remuneration assessment for independent directors and executive directors actively involved in the 2023 year's business operations.	Directors on the left were involved in the contents of motion.	Did not participate in discussion and voting.
Tsai, Chung-Yan, Lee, Hung-Ming, Lin, Chin-Liang	2023 annual Evaluation of Managers' Compensation	Directors on the left were involved in the contents of motion.	Did not participate in discussion and voting.
Chang, Ching-Kuei, Tsai, Chung-Yan, Lee, Hung-Ming, Lin, Chin-Liang, Chuang, Wan-Hua, Chu, Chung-Chang	Deliberation on 2023's Distribution of Employee and Director Compensation	Directors on the left were involved in the contents of motion.	Did not participate in discussion and voting.
Lin, Chin-Liang	Providing endorsement and guarantee for the reinvested subsidiary Bannan Realty Co., Ltd.	Directors on the left were involved in the contents of motion.	Did not participate in discussion and voting.
Chang, Yuan-Hsiao, Yu, Tsu-Kang	To lift the restrictions on competition prohibition for directors of the Company.	Directors on the left were involved in the contents of motion.	Did not participate in discussion and voting.
Chang, Ching-Kuei, Tsai, Chung-Yan, Lee, Hung-Ming, Lin, Chin-Liang	The salary adjustments to the directors and managers who participated in business operations in 2024.	Directors on the left were involved in the contents of motion.	Did not participate in discussion and voting.

III. A listed company shall disclose information regarding cycle, period, scope, and method of self- (or peer) evaluation of the Board of Directors and fill out the implementation status of the evaluation of the Board:

Frequency (Note 1)	Period (Note 2)	Scope (Note 3)	Method (Note 4)	Content (Note 5)
Once a year	From January 1, 2024 to December 31, 2024.	The Board of Directors and various functional committees (including the Audit Committee and the Remuneration Committee )	■ Evaluation by the executing unit, self-evaluation by each director and each functional committee (including the Audit Committee and the Remuneration Committee).	The performance evaluation indicators of the Company's Board of Directors and functional committees (including the Audit Committee and the Remuneration Committee) should respectively include the following five aspects, with each aspect divided into "qualitative measurement indicators" and "quantitative measurement indicators": ■ Aspects of the Board of Directors' Performance Evaluation: 1. Degree of participation in the

Frequency (Note 1)	Period (Note 2)	Scope (Note 3)	Method (Note 4)	Content (Note 5)
			<ul style="list-style-type: none"> <li>■ The assessment results are divided into three levels: beyond the standard, meeting the standard and to be strengthened.</li> </ul>	<ul style="list-style-type: none"> <li>Company's operations.</li> <li>2. Improvement in the quality of decision-making of the Board of Directors.</li> <li>3. Composition and structure of the Board of Directors.</li> <li>4. Election and continuing education of the Directors.</li> <li>5. Internal control.</li> <li>■ Performance Evaluation Criteria for Functional Committees: <ul style="list-style-type: none"> <li>1. Degree of participation in the Company's operations.</li> <li>2. Responsibility awareness of functional committees.</li> <li>3. Enhancing the quality of decision-making skills.</li> <li>4. The composition and selection of members.</li> <li>5. Internal control.</li> </ul> </li> </ul>

The performance evaluation of the Directors of the Company includes monitoring the main responsibility indicators such as "company business execution", "financial operation status", "internal audit and internal control", "risk management, legal compliance" and "corporate performance of corporate social responsibility", "board attendance rate" and other reference indicators, and the evaluation process is composed of self-evaluation, reevaluation and ratification, etc.

Note 1. Fill in the execution period of the evaluation of Board of Directors.

Note 2. Fill in the period covered by the evaluation of Board of Directors.

Note 3. The scope of evaluation covers the evaluation of the performance of the Board of Directors, individual Directors, and functional committees.

Note 4. Methods of evaluations include the self-evaluation of the board, self-evaluation by individual board members, peer evaluation, and evaluation by appointed external professional institutions, experts, or other appropriate methods.

Note 5. The contents of the evaluation shall include at least the following items:

- (1) Performance evaluation of the Board of Directors: The evaluation shall include at least the "participation in the operations of the Company", "improvement of the quality of the Board of Directors' decision making", "composition and structure of

the Board of Directors", "election and continuing education of the Directors", "and  
"internal control".

- (2) Performance evaluation of individual Directors: The evaluation shall include at least the "familiarity with the goals and missions of the Company", "knowledge of the duties of Directors", "degree of participation in the Company's operations", "management of internal relations and communication", "professional and continuous education of Directors", and "internal control".
- (3) Performance evaluation of functional committees: Degree of participation in the Company's operations, knowledge of the duties of the functional committee, improvement in the quality of functional committee decisions, functional committee composition and election of members, and internal control.

#### IV. The Board of Directors Performance Linkage and Evaluation Result:

In accordance with the revised "Performance Evaluation Measures for the Board of Directors and Functional Committees" approved by the Board of Directors, the Company conducts annual performance evaluations of the Board of Directors and various functional committees (including the Audit Committee, Remuneration Committee ) in December each year.

The evaluation targets includes the overall operation of the Board of Directors, the performance of individual directors, and of functional committees (including the Audit Committee and the Remuneration Committee .) The performance evaluation indicators of the Company's Board of Directors and functional committees are branched into the following five major dimensions, and each dimension is further divided into "qualitative measurement indicators" and "quantitative measurement indicators":

##### 1. Aspects of the Board of Directors' Performance Evaluation:

- (1) Degree of participation in the Company's operations.
- (2) Improvement in the Board of Directors' decision-making capability.
- (3) The composition and structure of the Board of Directors.
- (4) The election and appointment as well as continuing education of Directors.
- (5) Internal control.

##### 2. Performance Evaluation Criteria for Functional Committees:

- (1) Degree of participation in the Company's operations.
- (2) Responsibility awareness of functional committees.

- (3) Enhancing the quality of decision-making skills.
- (4) The composition and selection of members.
- (5) Internal control.

The assessment results are divided into three levels: beyond the standard, meeting the standard and to be strengthened, i.e. when the achieving rate of the quantitative measurement indicators and qualitative measurement indicators is 90% or more, it is beyond the standard; when it is more than 80% and less than 90%, it is meeting the standard; when it is less than 80%, it is to be strengthened.

The internal performance evaluation results of the Company's Board of Directors and functional committees (including the Audit Committee and Remuneration Committee ) for fiscal year 2024 were all "exceeding standards". The results were reported to the Board of Directors on March 14, 2025, demonstrating the Company's success in enhancing the efficacy of the Board of Directors and functional committees. The "Performance Evaluation Measures for the Board of Directors and Functional Committees" has been disclosed on the Public Information Observatory and the Company's website, the performance evaluation results of the Board of Directors and functional committees (including the Audit Committee and Remuneration Committee ) were also published in the annual report and on the Company's website for reference.

- V. Targets for strengthening the functions of the Board of Directors in the current fiscal year and the most recent fiscal year (e.g., establishing an audit committee and enhancing information transparency), and evaluation of target implementation:

Strengthen the functions of the Board of Directors.

The Board of Directors of the Company consists of 9 directors. In order to strengthen the professional function of the Board of Directors and to be in line with international standards, the Company has set up a Remuneration Committee to formulate and evaluate the performance evaluation and remuneration standards of the Company's directors and managers, aiming to effectively establish the remuneration and performance appraisal system for the directors and managers of the Company, and further improve the Company's operational performance; an Audit Committee is also set up, consisting of all independent directors, to assist the Board of Directors to improve corporate governance performance. The members of the Board of Directors of the Company are diverse and include different professional experiences/fields of work and backgrounds. In order to strengthen

corporate governance and promote the sound development of the composition and structure of the Board of Directors, the "Policy on Diversity of Board Members" is covered in paragraph 2 of the Company's Corporate Governance Best-Practice Principles. The relevant content and implementation are as follows:

In order to improve the structure of the Board of Directors, the members of the Board of Directors should be diverse, such as with different professional experience, gender or work field, etc., and should generally possess the knowledge, skills and qualities necessary to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities:

1. Operational judgment ability.
2. Accounting and financial analysis ability.
3. Operation and management ability.
4. Crisis handling capability.
5. Industrial knowledge.
6. International market view.
7. Leadership.
8. Decision-making ability.

The current Board of Directors of the Company consists of 9 Directors, including 3 Independent Directors with extensive experience and expertise in the fields of business, construction, and law. In addition, the Company also focuses on gender equality in the composition of the Board of Directors; the ratio of female Directors is at least 10%. Currently there are 9 Directors, including a female director and the ratio is 11%.

The implementation is as follows:

Diversified core Item          Name of Director	Basic Composition						Experience/ Field of Work					Backgrounds											
	Nationality/Place of Incorporation (Note)	Gender	A Concurrent Employee of the Company	Age				Seniority of Independent Director		Real Estate	Health Management\Medical Treatment	Hotel Tourism	Financing Control\Banking\Insurance	Information\Telecom\Media	Manufacturing\Investment\Others	Business	Building	Law	Public Administration	Business Management			
				41 or 50	51 or 60	61 or 70	71 or 80	Less than 3 years	3 to 9 years														
Chang, Ching-Kuei	1	Male		1	2	2	4			✓	✓					✓	✓						
Lee, Hung-Ming	1	Male	✓									✓		✓	✓		✓	✓		✓			
Tsai, Chung-Yan	1	Male	✓									✓	✓		✓			✓				✓	
Lin, Chin-Liang	1	Male	✓									✓		✓	✓	✓		✓	✓				
Chuang, Wan-Hua	1	Female										✓		✓				✓					
Chu, Chung-Chang	2	Male										✓			✓		✓	✓					✓
Chang, Yuan-Hsiao	1	Male											✓	✓					✓		✓		
Yu, Tsu-Kang	1	Male										✓		✓				✓	✓				✓
Lee, Li-Kun	1	Male										✓		✓	✓				✓		✓		

Note: Nationality/Place of Incorporation: 1. Republic of China, 2. Canada.

## (II) Operations of the Audit Committee

The Company's Audit Committee is solely composed of all Independent Directors. The goal of the Audit Committee is to provide assistance to the Board of Directors in performing its duty of supervising the Company on accounting, auditing, financial reporting process and quality of financial control, and integrity related matters.

The tasks of the Audit Committee mainly include the following:

1. Adoption or amendment of internal control systems in accordance with Article 14-1 of the Securities and Exchange Act
2. Assessment of the effectiveness of the internal control system
3. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.

4. Items that involve the director's own interests.
5. Major assets or derivatives transactions.
6. Significant loaning of funds, providing endorsements/guarantees.
7. Raising, issuing or privately placing equity-type securities.
8. Appointment, dismissal, and compensation of CPAs.
9. Appointment and dismissal of finance manager, accounting manager, and head of internal audit.
10. The annual financial report signed or stamped with the seal of the Chairman, managerial officer, and chief accounting officer.
11. Business report.
12. Proposal of profits distribution or deficit compensation.
13. Other major items required by the Company or the competent authority.

Key auditing items include:

1. Review financial statements:

The Board of Directors prepared the Company's 2023 annual Business Report, Financial Statements (including consolidated financial statements), and an earnings distribution proposal, among which the Financial Statements (including consolidated financial statements) have been audited by Hsu, Jung-Huang and Ma, Chun-Ting, CPAs at Ernst & Young, by whom an audit report has been issued. The above-mentioned reports presented by the Board of Directors have been verified by the Audit Committee, and it is considered that there is no inappropriate content. After review and approval by the company's audit committee on March 14, 2024, the company's 2024 regular shareholders' meeting report will be submitted.

2. Assessment of the effectiveness of the internal control system:

The Audit Committee has assessed the effectiveness of the Company's internal control system policies and procedures (including control measures such as finance, operation, risk management, information security, outsourcing, regulatory compliance, etc.) and audited The Company's audit department and CPAs, as well as management's periodic reports, including risk management and regulatory compliance. In reference to the Internal Control - Integrated Framework issued by The Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2013, as well as the Effective Internal Control over Sustainability Reporting (ICSR): Building Trust and Confidence through the COSO Internal Control -

Integrated Framework, and the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors (IIA) and other relevant regulations, the Audit Committee believes that the Company's risk management and internal control systems are effective. The Company has adopted necessary control mechanisms to monitor and correct violations.

### 3. Appointment of CPAs

In order to ensure the neutrality of financial statements, the Audit Committee is entrusted with the responsibility of overseeing the independence of the certified public accounting firm. The Company's appointment of CPAs is on an annual basis. Generally speaking, apart from tax-related services listed in the "Pre-approval Policy for Non-assurance Services of Certified Public Accountants" or specially approved items, the certified public accounting firm may not provide the Company with other services.

The remuneration of certified public accountants should be approved by the Audit Committee to ensure the independence of the certified public accounting firm. The Audit Committee evaluates the independence, professionalism, and suitability of the CPAs by referring to Article 47 of the Certified Public Accountant Act and Bulletin No.10 "Integrity, Fairness, Objectivity and Independence" of the Certified Public Accountant's Code of Professional Ethics, as well as the "Audit Quality Indicators" (hereinafter referred to as AQI) provided by the firm. The evaluation includes examining whether there is a related party relationship, business or financial interests between the firm and the Company, and the AQIs (encompassing professionalism, quality control, independence, supervision, and innovation capability), the accountants' personal resumes (including relevant experience, professional qualifications, and major clients), and other items. The CPAs are also required to issue an independence statement. Please refer to pages 58–59 for the AQI assessment results of our company.

The 3rd term of Audit Committee (Statistical period: 2024.1.1 to 2024.12.31)

The Audit Committee held 5 meetings (A) in the most recent year; the appearance of members is summarized as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Actual Attendance Rate (%) (B/A) (Note 1, Note 2)	Remark
Independent Director	Chang, Yuan- Hsiao	5	0	100%	



Title	Name	Attendance in person (B)	Attendance by proxy	Actual Attendance Rate (%) (B/A) (Note 1, Note 2)	Remark
Independent Director	Yu, Tsu-Kang	5	0	100%	
Independent Director	Lee, Li-Kun	5	0	100%	

Note:

1. If an Independent Director resigns before the end of the year, the resignation date shall be specified in the Note column. The percentage of attendance in person (%) shall be calculated based on the number of meetings held by the audit committee and the number of actual attendance during the term of service.
2. If an Independent Director is elected before the end of the year, incoming and outgoing Independent Directors shall be listed accordingly, and the Note column shall indicate whether the status of an Independent Director is "outgoing," "incoming," or "re-elected," and the date of re-election. Actual attendance rate (%) was calculated based on the number of board meetings held during each director's term and the number of meetings actually attended by that director.

Other matters to be recorded:

- I. If the operation of the Audit Committee falls under any of the following circumstances, the meeting date of the Audit Committee, the session, the content of the proposals, the independent directors' objections, reservations or major proposals, the results of the Audit Committee's resolutions, and the Company's handling of the comments of the Audit Committee:

(I) Items listed in Section 5, Article 14 of Securities and Exchange Act are explained as follows:

Board of Directors	Proposal of the Board of Directors	Matters referred to in Article 14-5 of the Securities and Exchange Act:	Other resolutions passed by two thirds of all Directors but yet to be approved by the Audit Committee
The 6th Session of the 20th Meeting on 2024.3.14	1. Submission of the "Internal Control System Statement for the Year 2023" to the Securities and Futures Bureau, Financial Supervisory Commission for the Company.	✓	✕
	2. 2023 Annual Business Report.	✓	✕
	3. 2023 Parent Company Only Financial Statements and Consolidated Financial Statements.	✓	✕

Board of Directors	Proposal of the Board of Directors	Matters referred to in Article 14-5 of the Securities and Exchange Act:	Other resolutions passed by two thirds of all Directors but yet to be approved by the Audit Committee
	4. It is proposed to change to Deloitte & Touche accounting firm from 2024 onwards, and to appoint the firm's accountants to handle financial and tax audits and other related services.	✓	✗
	5. It is proposed to establish a pre-approval policy for non-assurance services provided by certified public accountants for the Company and its subsidiaries.	✓	✗
	6. Amendments to the "Company's Internal Control System" and "Internal Audit Implementation Rules".	✓	✗
	Results of the Audit Committee resolution (March 14, 2024): The 1st proposal to the 6th proposal were passed with the consent of all the attending members of the Audit Committee. The Company's actions in response to the opinions of the Audit Committee: Approved by all the attending directors (Note: See pages 44-45 for details on the implementation of directors' withdrawal from interest-related proposals)		
The 7th Session of the 20th Meeting on 2024.4.29	1. 2023 annual earnings distribution.	✓	✗
	2. Consolidated Financial Report for the first quarters of 2024.	✓	✗
	3. Providing endorsement and guarantee for the reinvested subsidiary Bannan Realty Development Co., Ltd.	✓	✗
	4. To lift the restrictions on competition prohibition for directors of the Company.	✓	✗
	5. Amendments to the Company's "Internal Control System and Internal Audit Implementation Rules for the Share Administration Unit".	✓	✗
	6. It is proposed to have the subsidiary "San-Ching Engineering Co., Ltd." undertake the new construction project "Cathay Yang Huei" of the Company in Beitun District, Taichung City.	✓	✗
	7. It is proposed to have the subsidiary "San-Ching Engineering Co., Ltd." undertake the new construction project "Cathay Yang Mu" of the Company in Yongkang District, Tainan City.	✓	✗
	Results of the Audit Committee resolution (April 29, 2024): The 4th proposal: except for Independent Director Chang, Yuan-Hsiao and Independent Director Yu, Tsu-Kang who legally recused themselves, all other attending independent directors unanimously approved the proposal. For the remaining proposals: unanimously approved by all members of the Audit Committee.		
	The Company's actions in response to the opinions of the Audit Committee: Approved by all the attending directors (Note: See pages 44-45 for details on the implementation of directors' withdrawal from interest-related proposals)		
The 8th Session of the 20th Meeting on 2024.6.14	1. Amendments to the Company's "Internal Control System" and "Operational Items Related to Computerized Information Processing" in the 'Internal Audit Implementation Rules'.	✓	✗

Board of Directors	Proposal of the Board of Directors	Matters referred to in Article 14-5 of the Securities and Exchange Act:	Other resolutions passed by two thirds of all Directors but yet to be approved by the Audit Committee
	2. Personnel case of the Company's new financial and accounting executives.	✓	✗
	3. It is proposed to have the subsidiary "San-Ching Engineering Co., Ltd." Undertake the Demolition contract of land located in Zhongshan District, Taipei City.	✓	✗
	Results of the Audit Committee resolution (June 14, 2024): The 1st proposal to the 3rd proposal were passed with the consent of all the attending members of the Audit Committee.		
	The Company's actions in response to the opinions of the Audit Committee: Approved by all the attending directors (Note: See pages 44-45 for details on the implementation of directors' withdrawal from interest-related proposals)		
The 9th Session of the 20th Meeting on 2024.8.7	1. Consolidated Financial Report for the first half of 2024.	✓	✗
	2. Amendments to the Company's "Internal Control System".	✓	✗
	3. Amendments to the Company's Organizational Rules of the Audit Committee.	✓	✗
	4. It is proposed to have the subsidiary "San-Ching Engineering Co., Ltd." undertake the new construction project "Cathay You Ran" of the Company in Wenshan District, Taipei City.	✓	✗
	5. It is proposed to have the subsidiary "San-Ching Engineering Co., Ltd." undertake the new construction project "Cathay Sen Lin Huei" of the Company in Nantun District, Taichung City.	✓	✗
	Results of the Audit Committee resolution (August 7, 2024): The 1st proposal to the 5th proposal were passed with the consent of all the attending members of the Audit Committee.		
The 10st Session of the 20th Meeting on 2024.11.6	The Company's actions in response to the opinions of the Audit Committee: Approved by all the attending directors (Note: See pages 44-45 for details on the implementation of directors' withdrawal from interest-related proposals)		
	1. Consolidated Financial Report for the first three quarters of 2024.	✓	✗
	2. Review of the appointment of accountants and service fees for the implementation of IFRS Sustainability Disclosure Standards.	✓	✗
	3. Amendments to the Company's "Internal Control System" and "Internal Audit Implementation Rules".	✓	✗
	4. Propose to sell the housing properties and parking spaces of the Company's pre-sale construction projects to related parties.	✓	✗
	Results of the Audit Committee resolution (November 6, 2024): The 1st proposal to the 4th proposal were passed with the consent of all the attending members of the Audit Committee.		
	The Company's actions in response to the opinions of the Audit Committee: Approved by all the attending directors (Note: See pages 44-45 for details on the implementation of directors' withdrawal from interest-related proposals)		

(II) In addition to the items in the preceding sentence, other resolutions passed by two-thirds of all the directors but yet to be approved by the Audit Committee: None.

II. In regards the recusal of Independent Directors from voting due to conflict of interests, the name of the Independent Directors, the resolutions, reasons for recusal due to conflict of interests and voting outcomes shall be stated.

Name of Independent Director	Proposal	Reason for Recusal	Participation in Voting
Chang, Yuan-Hsiao, Yu, Tsu-Kang	To lift the restrictions on competition prohibition for directors of the Company.	Independent Directors on the left were involved in the contents of motion.	Did not participate in discussion and voting

III. Communications between independent directors and head of internal audit and CPAs (material methods and outcomes related to the Company's financial and business status should be included).

1. The Company's Audit Committee is composed of Independent Directors solely. The CPA reports at least once a year to the Independent Directors on the Company's financial status and internal control check. In the absence of general directors and the management, it reports to the independent directors, and communicates the impact of major adjustments or legislative amendments. Summary of previous communications:

Date	Nature	Key Communications Points	Communication Results
2024.3.14	Board of Directors Pre-meeting conference	1. Auditor's Independence Statement. 2. The accountant describes the audit operations for the 2023 financial statement, including the scope of the Group's audits, relationships and transactions with related parties, the key audit items, significant risk, the contents of the customer declaration, and audit differences identified during the process as well	1. The Audit Committee has approved the 2023 annual financial statements and submitted them to the Board of Directors for approval, followed by announcement and reporting as scheduled. 2. Independent Directors' Suggestion: None.

Date	Nature	Key Communications Points	Communication Results
		<p>as reporting on the execution and results of internal control tests.</p> <p>3. The audit opinions being issued by the accountant in the year 2023.</p> <p>4. Impacts of recent amendments to securities, tax, and corporate governance laws.</p>	

2. At least once a year, the Chief Auditing Officer of the Company communicates on the audit report and the follow-up implementation to the independent directors in the absence of general directors and management.

The summary of the communication is as follows:

Date	Nature	Key Communications Points	Communication Results
2024.3.14	Board of Directors Pre-meeting conference	1. Implementation of 2023 audit.	<p>1. Fully inform the independent directors of the follow-up suggestions for improvement.</p> <p>2. Suggestions from independent directors: none.</p>

(III) Implementation Status of Corporate Governance and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof

Item	Operation			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
I. Does the Company establish and disclose its corporate governance best-practice principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		The Company has established the "Corporate Governance Best-practice Principles" on March 19, 2020, and disclosed the principles on the Market Observation Post System (MOPS) and the Company website. ( <a href="https://www.cathay-red.com.tw/tw/About/ManageRegulation">https://www.cathay-red.com.tw/tw/About/ManageRegulation</a> )	No significant difference.
II. Shareholding structure & shareholders' rights (I) Has the Company established an internal operating procedure for handling matters related to shareholders' recommendations,	V		When dealing with shareholders' suggestions or disputes, the spokesman, acting spokesman and the stock affairs unit are responsible for summarizing and dealing with them.	No significant difference.

Item	Operation			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
doubts, disputes and lawsuits, and implemented them accordingly?				
(II) Does the Company maintain a register of major shareholders with controlling power as well as a register of persons exercising ultimate control over those major shareholders?	V		The Company reports information regarding changes in shareholding of major shareholders to TWSE monthly in accordance with Article 25 of the Securities and Exchange Act, and makes sure that the register of shareholders and the application materials are consistent when the stock transfer is stopped to keep abreast of the shareholding of major shareholders. The Company also discloses the list of all shareholders with a stake of 5% or greater in the quarterly (annually) financial statements.	No significant difference.
(III) Has the Company established and implemented risk control and firewall mechanisms among its affiliated companies?	V		The financial operations of the Company and its affiliates operate independently, and a subsidiary supervision operation system has been established.	No significant difference.
(IV) Has the Company formulated internal regulations that prohibit insiders of the Company from trading securities using undisclosed information in the market?	V		The Company has formulated the Insider Trading Prevention Management Regulations and Code of Ethical Conduct. Any sensitive information that may significantly impact securities trading prices that insiders have become aware of during the course of their duties shall be kept strictly confidential in accordance with the Securities and Exchange Act before said information is publicly disclosed. Insiders shall also not engage in insider trading through taking advantage of said information.	No significant difference.
III. Composition and responsibilities of the Board of Directors				
(I) Does the Board develop and implement a diversified policy and specific management targets for the composition of its members?	V		The Company has established a diversified policy for the composition of the Board in Corporate Governance Best Practice Principles, taken into account the gender of members, covered all professional fields, and led to a prosperous development of the operations of the Company. Please refer to pages 28-29.	No significant difference.
(II) Does the Company voluntarily establish other functional committees in addition to the legally-required Remuneration Committee and Audit Committee?	V		In addition to the Remuneration Committee and the Audit Committee set up in accordance with the law, the company has established the Corporate Sustainability Committee on January 23, 2025.	No significant difference.
(III) Does the Company formulate the performance evaluation methods for the Board of Directors, conduct performance evaluations annually and regularly, and report the results of the performance evaluations to the Board of Directors, and use them as a reference for individual directors' remuneration and nomination and renewal?	V		The Company has formulated rules and procedures for evaluating the Board's performance and conducts it annually. Please refer to pages 41-43 and 45-50.	No significant difference.
(IV) Does the Company regularly evaluate the independence of CPAs?	V		The Company's appointment of CPAs is on an annual basis. When appointing the accounting firm, the Company obtains a declaration of independence from the CPAs and evaluates their performance based on the dimensions of the "Audit Quality Indicators" (hereinafter referred to as AQI) provided by the firm, encompassing of "professionalism", "quality control", "independence", and "supervision." The evaluation of the certified public accountants is as follows: Professionalism: Whether the accounting firm and certified public accountants have sufficient audit experience. 1. Whether the accounting firm and certified public accountants have sufficient audit experience. 2. Whether the accountants and firm employees have sufficient education and training hours. 3. Whether the turnover rate of the firm is reasonable and holds sufficient support from	No significant difference.

Item	Operation			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			<p>other professional departments.</p> <p>Quality Control:</p> <ol style="list-style-type: none"> <li>Whether the number of audit clients for an accountant is reasonable or overloaded.</li> <li>The status of the Engagement Quality Control Review (EQCR) and whether the support from the quality control department is sufficient.</li> </ol> <p>Independence:</p> <ol style="list-style-type: none"> <li>Whether the proportion of non-assurance services provided by the accounting firm appropriate?</li> <li>The accounting firm's familiarity with the case and whether the accountant have provided audit services for less than seven consecutive years.</li> </ol> <p>Submit the assessment results above to the audit committee and the board of directors for discussion and use as a reference for the board to appoint a visa accountant.</p> <p>The assessment results of the recent two years have been reported to the Board of Directors for approval on March 14, 2024 and March 12, 2025, respectively.</p>	
IV. Whether the TWSE/TPEx listed companies are equipped with competent and appropriate number of corporate governance personnel, and specify the head of corporate governance to be responsible for corporate governance related matters (including but not limited to providing data required by Directors and Supervisors in the execution of business, assisting Directors and Supervisors to comply with laws and regulations, handling relevant matters of meetings of the Board of directors and shareholders' meeting in accordance with laws, and preparing records for the Board of Directors and shareholders' meetings, etc.)?	V		<p>Chen, Jia-Yan has served as the corporate governance supervisor responsible for corporate governance since July 1, 2024 upon the resolution of Board meeting held on June 14, 2024.</p> <ol style="list-style-type: none"> <li>The implementation of corporate governance is as follows: <ol style="list-style-type: none"> <li>Handling of matters relating to the meetings of the Board of Directors and Shareholders' Meetings in compliance with law.</li> <li>Produce meeting minutes for the meetings of the Board of Directors and Shareholders' Meetings.</li> <li>Assist the Directors in taking office and continuing education.</li> <li>Provision of information required for performance of duties by the Directors.</li> <li>Assistance in the directors' and supervisors' compliance of law.</li> <li>Report to the Board of Directors on whether the qualifications of independent directors comply with relevant laws and regulations during their nomination, election, and term of office.</li> <li>Handle matters related to the changes in the board of directors</li> <li>Other matters set forth in the Company's Articles of Incorporation or contracts.</li> </ol> </li> <li>Operations carried out in 2024: <ol style="list-style-type: none"> <li>Revise relevant regulations <ul style="list-style-type: none"> <li>● Amend the Organization Rules of the Audit Committee.</li> <li>● Amend the Rules of Procedure for the Board of Directors.</li> <li>● Amend the Rules Governing the Scope of Powers of Independent Directors.</li> <li>● Amend the Corporate Governance Principles.</li> <li>● Amend the guidelines for directors' remuneration.</li> <li>● Amend the Rules of Procedure for the Board of Directors.</li> </ul> </li> <li>Completion of the Board of Directors' performance evaluation for the year 2024.</li> <li>Completion of the Board of Independent Directors' qualification evaluation for the year 2024.</li> <li>Handle matters relating to the</li> </ol> </li> </ol>	No significant difference.

Item	Operation			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			meetings of the Board of Directors and Shareholders' Meetings. 3. Training hours and content of the Chief Corporate Governance Officer in 2024: (1) Taiwan Stock Exchange Building a New Carbon Era Advocacy Seminar through Sustainable Knowledge Power/ 6hrs.	
V. Has the Company established channels of communication with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), dedicated a section of the Company's website for stakeholder affairs and adequately responded to stakeholders' inquiries on significant corporate social responsibility issues?	V		Please refer to pages 95-97.	No significant difference.
VI. Does the Company commission a professional shareholder services agency to arrange shareholders' meetings and other relevant affairs?		V	As the Company handles its own stock affairs and has a stock affair unit responsible for handling shareholders' issues and affairs of shareholders' meeting, no stock affair agency has been appointed.	No significant difference.
VII. Information disclosure (I) Has the Company established a website to disclose information on financial operations and corporate governance?	V		The Company has established website ("Investor Zone" and "Corporate Social Responsibility Zone") to disclose both financial standings and the status of corporate governance. ( <a href="https://www.cathay-red.com.tw/tw/Investor/FinanceStatement">https://www.cathay-red.com.tw/tw/Investor/FinanceStatement</a> ) ( <a href="https://www.cathay-red.com.tw/tw/About/ManageDirectors">https://www.cathay-red.com.tw/tw/About/ManageDirectors</a> )	No significant difference.
(II) Does the Company have other information disclosure channels (e.g., building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, and making the process of investor conferences available on the corporate website)?	V		Designate specific personnel to collect company information and disclose it both on the Company's Chinese and English websites, and implement a spokesperson system. The making the process of investor conferences has been made available on the company's official website. ( <a href="https://www.cathay-red.com.tw/tw/Investor/Others">https://www.cathay-red.com.tw/tw/Investor/Others</a> )	No significant difference.
(III) Does the Company publicly announce and file the annual financial reports within two months after the close of the given fiscal year and publicly announce and file the first, second, and third quarterly financial reports and the operation of each month ahead of the required deadline?		V	Published within the prescribed filing time limit.	No significant difference.
VIII. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchase of liability insurance for directors and supervisors)?	V		Please refer to pages 95-99.	No significant difference.
IX. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures. (Leave this section blank if the Company is not included in the evaluation process)	V		1. Completed improvements: (1) Starting from 2024, the Company holds at least two investor conferences either self-organized or through invitation, with an interval of more than three months between the first and last investor conferences in the evaluated year. (2) The company has established a functional committee for the Corporate Sustainability Committee on January 23, 2025. (3) Preparation of interim financial reports and Sustainability Report in English. (4) Disclosure of Policy on Linking Senior Managerial Officer Remuneration with ESG-Related Performance Evaluation.	No significant difference.



Item	Operation			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			<p>(5) Sustainability Report was approved by the Board of Directors.</p> <p>2. Priorities and measures:</p> <p>(1) Risk management policy and procedures are being formulated, with annual reporting to the Board of Directors.</p>	
X. Does the Company have an intellectual property management plan linked to its business objectives and disclose its implementation on the Company website or in the annual report and report to the Board at least once a year?	V		<p>The Company deeply cultivates Taiwan's real estate market with four major guarantees. In order to protect the brand value, maintain the brand value, reduce the intellectual property risk, and enhance the competitiveness, the Company has formulated an intellectual property management plan. The implementation result of the above-mentioned plan as well as that of the sustainable development strategy will be reported to the Board of Directors annually. The 2024 Intellectual Property Management Plan, along with a review of the corporate sustainability development implementation effectiveness was submitted to the Board of Directors on March 12, 2025.</p> <p>The intellectual property rights management plan includes:</p> <ol style="list-style-type: none"> <li>1. Patents: 1 new patent has been obtained since its introduction in 2021. In the future, we will regularly review the current status and management of patents, and in response to the rapid development of technology and economic environment, pay attention to relevant laws and regulations and future developments, and encourage colleagues to develop and innovate their businesses, strive for and protect patents of the Company.</li> <li>2. Trademarks: There are a total of 66 registered trademarks. In order to implement trademark management, safeguard the Company's rights and interests and control risks, and maintain a competitive advantage in operations, the Company regularly reviews the status of trademark applications and maintenance every year. The Company also dynamically manages trademark registration and maintenance to effectively protect the Company's trademark rights and corporate identity in line with business development needs.</li> <li>3. Copyright: The Company agrees on the ownership of copyright with employees and external vendors, and shall not infringe the copyright of others, so as to maintain and manage the Company's copyright.</li> <li>4. Trade secrets: In the internal regulations such as Labor Contracts, Employee Codes of Conduct, Ethical Codes of Conduct, and Ethical Corporate Management Best-Practice Principles, the Company's personnel are required to keep confidential the business information they know directly or indirectly through the performance of business. Information security management and control is carried out to reduce the risk of leakage of confidential information, and a leakage reporting mechanism has also been established to reduce related impacts. The information outsourcing contract includes confidentiality clauses, penalties, damages claim and other related provisions to ensure that the cooperative vendors comply with the confidentiality obligations.</li> </ol> <p>The company will continue to plan the management policy of intellectual property rights such as patents, trademarks, copyrights and trade secrets in accordance with its operating goals and development strategies, in order to provide a strong backing for business development.</p>	No significant difference.

#### (IV) Composition, Responsibilities and Operations of the Remuneration Committee

##### 1. Information regarding the members of the Remuneration Committee

April 15, 2025

Title (Note 1)	Qualifications	Professional qualifications and experience (Note 2)	Independence Criteria (Note 3)	Number of publicly listed companies in which the member concurrently serves as a Remuneration Committee member
	Name			
Independent Director (Convener)	Chang, Yuan-Hsiao	Refer to pages 22-28.	Refer to pages 22-28.	1
Independent Director	Yu, Tsu- Kang	Refer to pages 22-28.	Refer to pages 22-28.	0
Independent Director	Lee, Li-Kun	Refer to pages 22-28.	Refer to pages 22-28.	0

Note 1. Please specify in the form the relevant working years, professional qualifications and experience and independence of the members of the Remuneration Committee. If they are independent directors, please indicate to refer to Schedule 1 on page 00 and the Directors and Supervisors (I) for details. For title, please identify whether the person is an Independent Director or other (if a convener, please specify).

Note 2. Professional qualifications and experience: describe the professional qualifications and experience of individual Remuneration Committee members.

Note 3. Independence: state the independence of the members of the Remuneration Committee, including but not limited to whether they, their spouse, or relatives within the second degree of kinship serve as directors, supervisors or employees of the Company or its affiliates; The number and proportion of the Company's shares held by relatives (or in the name of others); whether they serve as directors, supervisors or employees that have a specific relationship with the Company (refer to the provisions of Article 6, Paragraph 1, Subparagraphs 5 to 8 of the Regulations on the Establishment of Remuneration Committee of TWSE/TPEX Listed Companies and Performance of Functions); the amount of remuneration received for providing business, legal, financial, accounting and other services to the Company or its affiliates in the last two years.

##### 2. Operations of the Remuneration Committee

- (1). The Company's 5th term of Remuneration Committee consists of 3 members.  
Term of office of the 5th term: June 21, 2023 to June 8, 2026. A total of 4 meeting (A) was conducted by the Remuneration Committee in the most recent fiscal year, where the qualifications and attendance of the members are as follows: (statistical period: 2024.1.1-2024.12.31)

Title	Name	Attendance in Person (B)	Attendance by Proxy	Actual Attendance Rate (%) (B/A) (Note)	Remark
Convener	Chang, Yuan-Hsiao	4	0	100%	
Committee Member	Yu, Tsu-Kang	4	0	100%	
Committee Member	Lee, Li-Kun	4	0	100%	

Note:

1. Where a member of the Remuneration Committee resigns before the end of the fiscal year, the Remark column shall be filled with the member's resignation date, whereas his/her rate of attendance in person (%) shall be calculated based on the number of meetings held by the Remuneration Committee and the actual number of meetings attended during his/her term of office.
2. If members of the Remuneration Committee are re-elected before the end of the fiscal year, incoming and outgoing members shall be listed accordingly, and the Remark column shall indicate whether the status of a member is "outgoing", "incoming" or "re-elected", and the date of re-election. The actual attendance rate (%) is calculated based on the number of meetings held by the Remuneration Committee and the actual number of meetings attended during his/her term of office.

(2). Resolutions of the Remuneration Committee:

The Company has clearly stated the remuneration policy, scope, type and regular review mechanism for directors and managers in the remuneration payment standards. The remuneration of directors and managers is based on the results of performance evaluation and the usual standards of the industry every year, and is submitted to the Remuneration Committee for review on a case-by-case basis, and then submitted to the Board of Directors for approval, and the remuneration of directors and managers is regularly assessed every three years.

Remuneration Committee	Date	Important resolutions:
The 2th Session of the 5th Meeting	2024.1.24	<ol style="list-style-type: none"> <li>1. Approval of the granting of year-end bonuses and special incentive payments, etc., to directors and managers who participated in business execution of the fiscal year 2023.</li> <li>2. Approval of the assessment of remuneration for independent directors and executive directors who participated in business operations for the fiscal year 2023.</li> <li>3. Approval of evaluation of managers' compensation for the fiscal year 2023.</li> <li>4. Approval of amendment to the Company's "Board of Directors Performance Evaluation Measures".</li> </ol> <p>Resolution result: the above important resolutions were passed by all the directors attending the committee meeting without objection</p>

Remuneration Committee	Date	Important resolutions:
		The Company's response: Submit to the Board of Directors for adoption by all directors present. (Note: See pages 44-45 for details on the implementation of directors' withdrawal from interest-related proposals)
The 3rd Session of the 5th Meeting	2024.3.14	1. Approval of Deliberation on the distribution of employee and director compensation for the fiscal year 2023. Resolution result: the above important resolutions were passed by all the directors attending the committee meeting without objection The Company's response: Submit to the Board of Directors for adoption by all directors present. (Note: See pages 44-45 for details on the implementation of directors' withdrawal from interest-related proposals)
The 4th Session of the 5th Meeting	2024.6.14	1. Approval of amendment to the Company's "Remuneration Payment Standards for Directors" and "Remuneration Payment Standards for Managers". 2. Approval of the salary adjustment proposal for directors and managerial officers who actually participated in business operations in 2024. Resolution result: the above important resolutions were passed by all the directors attending the committee meeting without objection The Company's response: Submit to the Board of Directors for adoption by all directors present. (Note: See pages 44-45 for details on the implementation of directors' withdrawal from interest-related proposals)
The 5th Session of the 5th Meeting	2024.11.6	1. Approval of amendment to the Company's "Performance Evaluation Standards for Directors" and "Performance Evaluation Standards for Managers". Resolution result: the above important resolutions were passed by all the directors attending the committee meeting without objection The Company's response: Submit to the Board of Directors for adoption by all directors present. (Note: See pages 44-45 for details on the implementation of directors' withdrawal from interest-related proposals)

3. Other matters that should be recorded:

- (1) If the Board of Directors refuses to adopt or amends a recommendation of the Remuneration Committee, the date of the meeting, session, content of the motion, resolution by the Board of Directors, and the Company's response to the Remuneration Committee's opinion (e.g., if the remuneration passed by the Board of Directors exceeds the recommendation of the Remuneration Committee, the circumstances and cause for the difference shall be specified) shall be specified: None.
- (2) If the members of the Remuneration Committee has any dissenting opinion or qualified opinions on the resolutions of the Remuneration Committee, where such opinions are documented or issued through written statements, the date and session of the meeting of the Remuneration Committee, resolutions, all the members' opinions and handling of these opinions shall be stated: None.

(V) Implementation of the promotion of sustainable development and the differences and reasons from the Sustainable Development Best Practice Principles for TWSE or TPEX Listed Companies

Promoted Item	Status of Implementation (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	√		<p>In order to effectively promote the implementation of corporate sustainable development responsibility, the Company established the CSR Committee in 2014, which was renamed as Corporate Sustainable Development Committee in 2022, and appoints a Chairman served by the President of the Company and the committee members are served by senior executive.</p> <p>Since January 23, 2025, upon resolution passed by the Board of Directors, a functional committee, the Corporate Sustainability Committee, will be established, composed of all independent directors, to supervise the implementation of the Company's sustainable development-related initiatives. In addition, a Corporate Sustainability Executive Committee will be established as a dedicated (or concurrent) unit, with the Company's President appointed as the Chief Sustainability Officer and Chairperson, to ensure the promotion of the Company's sustainable development efforts. Based on the nature of the tasks, the executive committee has established five specialized teams, including "Corporate Governance," "Customer Care," "Employee Care," "Environmental Protection," and "Social Welfare," with members comprised of cross-departmental personnel from the Company. Regular meetings are convened to supervise actions related to environmental, economic, and social aspects, facilitate cross-departmental communication, and track sustainability trends. Two meetings were held in 2024, and external consultants were invited to conduct advocacy for the company's employees on climate change management in the construction materials industry, as well as aligning with IFRS and carbon management issues. The committee reviews the performance related to significant sustainability issues, risk issues, and climate-related issues yearly, and formulates target guidelines for these issues. The "Corporate Sustainability Executive Committee" has designated the Company's General Manager's Office as the dedicated unit for promoting the Committee's work, assisting in coordinating the Committee's affairs, and regularly submitting proposals to the Board of Directors to report on the implementation status. On March 14 and August 7, 2024, 2023 implementation review reports and publication reports were presented to the Board of Directors. (A review of the implementation effectiveness of corporate sustainability development</p>	No significant difference.

Promoted Item	Status of Implementation (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof						
	Yes	No	Description							
			in 2024 was presented to the Board of Directors on March 12, 2025.) Supervision by the Company's Board of Directors: The Committee consolidates ESG-oriented short-, medium- and long-term strategic plans according to the actual implementation status, which are submitted to the Chairman for approval and to the Board of Directors for resolution, so as to give full play to the Board of Directors' supervisory and management functions to ensure sustainability goals are achieved.							
II. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (Note 2)	V		<p>The Company's risk assessment boundary is mainly based on the Company, including the existing business locations in Taiwan. The scope of the sustainability report covers Cathay Real Estate Development Co., Ltd. and part of the sustainability results of the investee companies in the consolidated financial statements (Cathay Real Estate Management Co., Ltd., Cathay Healthcare Management Co., Ltd. and Cathay Hospitality Consulting Co., Ltd.).</p> <p>The Company's 2023 sustainability report has a special chapter (Chapter 1, Sections 1.1-1.3, P17-36) for the analysis of major sustainability issues. After comparing the risk issues with the material issues, the Company's annual material issues are listed, and management policies and guidelines are discussed in the subsequent chapters.</p> <p>Based on the assessed risks, relevant risk management policies or strategies are formulated:</p> <table><tr><th>Material issues</th><th>Risk assessment items</th><th>Description</th></tr><tr><td>Environment</td><td>Environmental impact and energy resource management</td><td><p>1. Upholding the five major sustainable building policies of 'environmental friendly design, environmental friendly construction materials, life cycle assessment, innovative R&amp;D, and amicableness.</p><p>2. The Sustainability Committee refers to the TCFD guidelines and industry recommendations, as well as the TCFD application cases compiled by WBCSD, identify items of significant risks and opportunities, analyze their potential financial impacts on the Company's operations, and stipulate further</p></td></tr></table>	Material issues	Risk assessment items	Description	Environment	Environmental impact and energy resource management	<p>1. Upholding the five major sustainable building policies of 'environmental friendly design, environmental friendly construction materials, life cycle assessment, innovative R&amp;D, and amicableness.</p> <p>2. The Sustainability Committee refers to the TCFD guidelines and industry recommendations, as well as the TCFD application cases compiled by WBCSD, identify items of significant risks and opportunities, analyze their potential financial impacts on the Company's operations, and stipulate further</p>	No significant difference.
Material issues	Risk assessment items	Description								
Environment	Environmental impact and energy resource management	<p>1. Upholding the five major sustainable building policies of 'environmental friendly design, environmental friendly construction materials, life cycle assessment, innovative R&amp;D, and amicableness.</p> <p>2. The Sustainability Committee refers to the TCFD guidelines and industry recommendations, as well as the TCFD application cases compiled by WBCSD, identify items of significant risks and opportunities, analyze their potential financial impacts on the Company's operations, and stipulate further</p>								

Promoted Item	Status of Implementation (Note 1)					Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description			
					<div>formulated response measures based on these information.</div> <div>3. The Company follows the Environmental Protection Administration's "Construction Waste Management Strategy", implements construction site waste reduction and classification operations, and formulated a waste treatment process management system.</div> <div>4. The Company's construction projects fully adopt 100% green building ideologies, modular construction, and BIM technology; laying the foundation for smart buildings. Energy-saving designs are introduced to reduce building energy consumption, in line with green building and environmental sustainability principles.</div> <div>5. Greenhouse gases are regularly observed in accordance with ISO 14064-1, energy-saving and carbon reduction projects are simultaneously implemented to achieve effective resource management.</div> <div>6. The scope of the inventory includes the energy consumption across offices of Cathay Real Estate in the north, center and south of Taiwan, as well as Kaohsiung. With the addition of the reception center, warehouse, buildings, and uncompleted construction projects, while implementing energy-saving and carbon reduction initiatives to achieve</div>	

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	Yes	No	Description			
					effective resource management.	
			Society	Occupational safety	In order to reduce the occurrence of occupational hazards and safeguard the health and safety of employees, Cathay Real Estate formulated regulations and measures such as the "Implementation Measures for Protection of Maternal Health of Female Workers", "Prevention Plan for Diseases Caused by Abnormal Workloads", "Prevention Plan for Human Factors Hazards", and "Occupational Safety and Health Management Plan" in accordance with the regulations. Employee health seminars are regularly held every year, and prevention mechanisms and management measures are established on the construction sites to create a safe workplace environment.	
				Construction quality and safety	1. The Company has established a sound supplier selection and screening process for business partners, and require all suppliers to sign the "Corporate Social Responsibility Clause". 2. The Company implements the three-level quality control system and standard operating procedures for construction, and hold "Seminars on New Materials, New Equipment, and New Construction Methods" every quarter to analyze the latest technology and combine them with market demands, and ensure good quality of construction projects with refined product design.	
				Client and consumer	1. To establish long-term, close and	



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	Yes	No	Description			
				Corporate governance	relationship management	<p>trustful relationship with customers, the Company has four service guarantees, including clearly-established ownership, construction in line with the drawings, timely completion, and sustainable service.</p> <p>2. We proactively conduct customer satisfaction surveys at each stage of house purchase, and analyze statistical data for further feedback in order to continuously improve customer service experience and implement the Company's sustainable services.</p> <p>3. Community care activities are held on a regular basis, and customer relationship management is reinforced through social networking website and customer service repair website.</p> <p>4. For a long time, we have been involved in the Lin Yuan Library, caring for the second generation of new immigrants, blood donation activities, Cathay Excellence Scholarship Program, providing warmth in the winter, and activities supporting remote area.</p>
					Stakeholders communication	<p>The Company regularly carries out survey of major issues towards internal and external stakeholders (customers/consumers, employees, partners, government agencies, investors, media, neighboring communities), and discloses the results in the Sustainability Report. Through the material topic analysis questionnaire system, we invite all stakeholders to</p>

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	Yes	No	Description				
						assess the impact significance of the "scope or severity" and "likelihood of occurrence" for each item. Based on the responses, we analyze the significant impacts of Cathay Real Estate on the economy, environment, and society (human rights), and identify the significant impacts of concern to stakeholders of all categories. Various communication channels are established to respond to and meet the expectations of stakeholders for Cathay Real Estate.	
III. Environmental issues (I) Has the Company established a suitable environmental management system based on its industrial characteristics?	V		The Company perceives that the environment protection is an important issue for people all over the world to work together and faces up to the importance of global warming to the ecological impact and environmental protection. The Company is in the construction investment industry with no qualification as a construction plant and entrusts the related businesses to the professional engineering management consulting firm and sets up Technology Department to manage the supervision, coordination, and management of construction of construction companies, actively promotes actual environmental protection activities such as energy conservation and carbon reduction to fulfill the social responsibilities of enterprises. Since 2019, the Company has continued to conduct annual greenhouse gas inventory in accordance with ISO 14064-1:2018, tracking emission reduction performance and publicly disclosing it in the Sustainability Report and on the Company website: <a href="https://cathayred-csr.com/">https://cathayred-csr.com/</a> .				No significant difference.
(II) Does the Company endeavor to utilize all resources more efficiently and use renewable materials that have low impact on the environment?	V		In response to world sustainability, environmental protection trends and corporate social responsibility, the Company actively introduces relevant strategic solutions such as green building, universal design, full-age housing, and environmental protection to create environmentally friendly spaces; in addition, it also actively promotes various energy reduction measures, adopts equipment designed for high energy efficiency and energy-saving to reduce the energy consumption of the Company and its products, aiming to optimize the energy use efficiency. ➤ In 2024, the proportion of newly constructed green buildings reached 43%. ➤ In 2025, the green building concept will be fully introduced for new construction projects. ➤ In 2024, 100% of new construction projects adopted BIM technology, digitizing model				No significant difference.

Promoted Item	Status of Implementation (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
			<p>information to reduce the risk of construction errors and energy consumption.</p> <ul style="list-style-type: none"> <li>➤ Completed the renovation of the entire building's air conditioning system and updating the eco-friendly elevators, improving energy efficiency.</li> <li>➤ Promote remote video conferencing, the introduction of electronic whiteboards and paperless meetings to reduce carbon emissions from transportation and paper production.</li> <li>➤ Hiring 100% qualified waste disposal contractors to handle the relevant construction waste.</li> </ul> <p>In order to maintain the environment and care for the environment protection, the Company uses building material equipment with low impact on the environmental load.</p> <ol style="list-style-type: none"> <li>1. Use energy-saving T5, LED lamps.</li> <li>2. Set up a rainwater recovery system and use water-saving toilets, faucets, sensor faucets in the public area and other appliances.</li> <li>3. Set energy-saving sensitization control and solar power generation equipment.</li> <li>4. Replace the traditional ballast with the electronic energy-saving ballast.</li> <li>5. Increase window opening and light guiding in architectural planning.</li> <li>6. Increase ventilation and heat convection in equipment planning, and use natural ventilation to reduce heat.</li> <li>7. Use frequency conversion and energy saving host as air conditioning equipment.</li> <li>8. Carry out shade tree planting green design on roof and in garden.</li> <li>9. Give priority to use green building material seal for interior and exterior decoration.</li> <li>10. The new project of the building aims to obtain the green building certificate. In 2023, 4 projects have obtained the green building candidate certificate or mark.</li> <li>11. Require builders to strengthen environmental maintenance on the site, including air pollution prevention, noise control and water pollution prevention.</li> <li>12. Invest in energy-saving or green energy-related machinery and equipment: In 2024, Taichung Cathay Financial Building updated two 350-ton air conditioning chiller units, with a total cost of NT\$19.47 million. According to estimates, the updated air conditioning units will reduce annual energy consumption by approximately 410,000 kWh compared to the old units, with estimated annual electricity cost savings of about NT\$1.23 million.</li> </ol>	

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	Yes	No	Description	
(III) Has the Company evaluated the current and future potential risks and opportunities of climate change, and adopted countermeasures against relevant issues?	V		<p>The Company has a "Corporate Sustainability Executive Committee" as the highest sustainability implementation unit, with the President serving as the Chairman. The Corporate Sustainability Committee systematically identifies and evaluates climate change-related risks and opportunities every year, look into its financial impact on corporate operations, take responsibility for formulating and promoting corporate social responsibility policies, systems and implementation plans, and regularly report environment-related implementation results to the Board of Directors and the Corporate Sustainability Committee.</p> <p>The Corporate Sustainability Executive Committee and five functional teams under its purview. These serve as platforms for cross-departmental communication and management of corporate social responsibility issues. They are responsible for executing and promoting major sustainability issues, risk issues, and climate-related initiatives, and regularly report to the Board of Directors and the corporate Sustainability Committee on the performance of environmental-related programs. In each year, the Sustainability Executive Committee refers to the TCFD guidelines, industry-specific recommendations, and WBCSD's compilation of TCFD application cases to identify material risks and opportunities. The committee analyzes their potential financial impact on the company's operations and uses this as a basis for further developing subsequent response measures.</p> <p>The Company has identified climate-related risks and opportunities, including physical risks such as the increasing severity of extreme weather events like typhoons, floods, and droughts, as well as transition risks such as rising raw material costs, increased pricing of greenhouse gas emissions, and higher costs associated with transitioning to low-carbon technologies. Furthermore, we have analyzed and cross-referenced the impacts of climate-related opportunities and compiled the potential financial implications on Cathay Real Estate's operations. To this end, the Company further developed follow-up countermeasures, with the greenhouse gas inventory as the top priority, and at the same time implemented energy-saving and carbon-reduction projects to achieve the purpose of energy management through a two-pronged approach. The Company is committed to fully introducing the concept of green building in new projects, and sets the relevant green reduction goals accordingly. Subsequently, the Company aims to integrate climate-related risks and opportunities progressively, establish management indicators and goals as the basis for the evaluation of results, and</p>	No significant difference.

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	Yes	No	Description																																				
			fulfill the responsibility to create a friendly environment. The Company's detailed analysis of climate change risks and opportunities has been disclosed in the Company's sustainability report. ( <a href="https://cathayred-csr.com/download.html">https://cathayred-csr.com/download.html</a> )																																				
(IV) Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in the past two years, and set greenhouse gas emissions reduction, water usage reduction, and other waste management policies?	√		<div>1. The company established a greenhouse gas inventory mechanism in accordance with the ISO 14064-1: 2018 Greenhouse Gas Inventory Standard published by the International Organization for Standardization (ISO). And from 2025 onwards, we will include subsidiaries in the consolidated financial report and regularly conduct annual inventories of greenhouse gas emissions for both our company and subsidiaries in the consolidated financial report, accurately tracking emission conditions and dedicated to promoting greenhouse gas reduction. The Company completed verification in 2024 and expects to complete third-party verification of subsidiaries included in the consolidated financial reports by 2027.</div> <div>The greenhouse gas inventory data for the past two years is based on the 'Operational Control Approach,' summarizing the greenhouse gas emissions (in metric tons) from our company and all subsidiaries included in the consolidated financial statements, as described below:</div> <table><tr><th colspan="2">Year</th><th>2023</th><th>2024(Note2)</th></tr><tr><th colspan="2">Item/company</th><th>Emissions (metric tons CO2e)</th><th>Emissions (metric tons CO2e)</th></tr><tr><td rowspan="4">Parent Company Only</td><td>Scope 1</td><td>325.43</td><td>479.54</td></tr><tr><td>Scope 2</td><td>1,410.52</td><td>1,248.50</td></tr><tr><td>Scope 3</td><td>282.13</td><td>260.16</td></tr><tr><td>Subtotal</td><td>2,018.08</td><td>1,988.20</td></tr><tr><td rowspan="4">Subsidiaries Of Consolidated financial statement</td><td>Scope 1</td><td rowspan="4">Omitted (Note1)</td><td>1,539.75</td></tr><tr><td>Scope 2</td><td>12,371.93</td></tr><tr><td>Scope 3</td><td>3,047.48</td></tr><tr><td>Subtotal</td><td>16,959.16</td></tr><tr><td colspan="2">Total</td><td>2,018.08</td><td>18,947.36</td></tr></table> <div>Note1: The subsidiaries of consolidated financial are classified as second-phase of Sustainability Development Roadmap for Listed Companies, and the review will begin in 2025 (with the disclosure of 2024 greenhouse gas inventory information). Therefore, there is no inventory data for 2023.</div> <div>Note2: The greenhouse gas emissions disclosed for the year 2024 have not yet obtained complete greenhouse gas assurance opinions prior to the annual report publication date. If there are any updates to emission figures after verification, complete assurance information will be disclosed in the Company's sustainability report.</div> <div>The data coverage of parent company only for 2024 includes offices, warehouses, unrented buildings, reception centers, and undelivered construction</div>	Year		2023	2024(Note2)	Item/company		Emissions (metric tons CO2e)	Emissions (metric tons CO2e)	Parent Company Only	Scope 1	325.43	479.54	Scope 2	1,410.52	1,248.50	Scope 3	282.13	260.16	Subtotal	2,018.08	1,988.20	Subsidiaries Of Consolidated financial statement	Scope 1	Omitted (Note1)	1,539.75	Scope 2	12,371.93	Scope 3	3,047.48	Subtotal	16,959.16	Total		2,018.08	18,947.36	No significant difference.
Year		2023	2024(Note2)																																				
Item/company		Emissions (metric tons CO2e)	Emissions (metric tons CO2e)																																				
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	Yes	No	Description																								
			<p>projects. The data coverage of Subsidiaries Of Consolidated financial statement includes offices, clinic 、 construction sites, workshops, parking lot and business locations, As described below:</p> <table><tr><th rowspan="2">Company</th><th rowspan="2">Item</th><th>2025</th></tr><tr><th>Emissions (metric tons CO2e)</th></tr><tr><td rowspan="3">Parent Company &amp; Subsidiaries</td><td>Scope 1</td><td>2,019.29</td></tr><tr><td>Scope 2</td><td>13,620.43</td></tr><tr><td>Scope 3</td><td>3,307.64</td></tr><tr><td colspan="2">Total</td><td>18,947.36</td></tr></table> <p>The total greenhouse gas emissions in 2024 amounted to 18,947.36(CO2e tons). Of these emissions, 13,620.43 tons of CO2e came mainly from Scope 2 electricity emissions, accounting for 71.89% of the aforementioned emissions. Next, Scope 3 indirect greenhouse gas emissions amounted to 3,307.64 tons of CO2e, accounting for 17.46%, followed by Scope 1 emissions of 2,019.29 tons of CO2e, which accounted for 10.65%.</p> <p>➤ Scope 1: Direct emissions (i.e., emissions directly from sources owned or controlled by the Company)</p> <p>➤ Scope 2: Indirect energy emissions (i.e., indirect GHG emissions from electricity, heat, or steam)</p> <p>➤ Scope 3: Other indirect emissions (i.e., emissions from company activities that are not indirect energy emissions, but originate from sources owned or controlled by other companies. Currently, the company discloses Scope 3 Category 4: Indirect greenhouse gas emissions from the use of products sold by the organization.)</p> <p>The greenhouse gas emission intensity((CO2e/million revenue) for 2023 is 0.2955 calculated by dividing the parent company only's emissions (tons of CO2e) by the parent company only's individual revenue (in NTD million).</p> <p>The greenhouse gas emission intensity (CO2e/million revenue) for 2024 is 0.7941 calculated by dividing the consolidated company's emissions (tons of CO2e) by the consolidated revenue (in NTD million).</p> <p>As described below:</p> <table><tr><th>Year</th><th>Emissions (metric tons CO2e)</th><th>Emission Intensity (CO2e/million revenue)</th></tr><tr><td>2023</td><td>2,018.08</td><td>0.2955</td></tr><tr><td>2024</td><td>18,947.36</td><td>0.7941</td></tr></table> <p>To continue achieving international emission reduction trends, the Company actively promotes</p>	Company	Item	2025	Emissions (metric tons CO2e)	Parent Company & Subsidiaries	Scope 1	2,019.29	Scope 2	13,620.43	Scope 3	3,307.64	Total		18,947.36	Year	Emissions (metric tons CO2e)	Emission Intensity (CO2e/million revenue)	2023	2,018.08	0.2955	2024	18,947.36	0.7941	
Company	Item	2025																									
		Emissions (metric tons CO2e)																									
Parent Company & Subsidiaries	Scope 1	2,019.29																									
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	Yes	No	Description	
			<p>various energy-saving measures, selecting energy-efficient and energy-saving equipment designs to reduce corporate and product energy consumption, maximizing energy efficiency. In addition to closely monitoring the impact of climate change on operating activities, the company has formulated corporate energy conservation, carbon reduction, and greenhouse gas emission reduction policies:</p> <ul style="list-style-type: none"> <li>➤ Continue to cooperate with the industrial development department of the Taipei City Government to implement relevant energy-saving measures in accordance with the "Self-Governing Regulations on Energy Saving and Carbon Reduction Guidance and Management for Industries and Businesses".</li> <li>➤ Greenhouse gas reduction, with a target of annual growth rate reduction of 1% per year, in line with the 2050 net zero emissions policy.</li> <li>➤ Continuously control the usage of office paper and various printed materials and implement paperless measures.</li> <li>➤ Continuously promote no tie and suit for work, and setting the office temperature to 26°C.</li> <li>➤ Installation of an automatic power-saving device controller with a lunchtime and after-work lights-off mechanism.</li> <li>➤ Biannually, a professional institution is commissioned to conduct office lighting and CO2 environmental testing.</li> <li>➤ Continue to implement the ISO 14001 environmental management and ISO 14064-1 greenhouse gas management systems, establish mechanisms for measuring office water and electricity consumption, and establish energy concepts.</li> <li>➤ New official vehicles must be environmentally friendly and of low-fuel consumption hybrid models.</li> </ul> <p>2. Our company has long been concerned with water resource conservation and environmental protection issues. Starting from comprehensively implementing water conservation daily, after a complete renovation of air conditioning equipment in 2018, water demand has returned to its normal usage. Due to the improved efficiency of the chilled water units, the water consumption of the cooling towers has been significantly reduced. Over the years, the Company has vigorously promoted water conservation, and all employees have developed the habit of conserving water on their own. In 2024, the water consumption of our four business locations in northern, central, southern, and eastern Taiwan was 1,574 (M³).</p>	

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	Yes	No	Description													
			<div>Water consumption in the last 2 years:</div> <table><tr><th>Year</th><th>Total water consumption</th><th>Density (M³/Million Revenue)</th><th>Data range</th></tr><tr><td>2024</td><td>1,574</td><td>0.12</td><td>Parent Company Only</td></tr><tr><td>2023</td><td>1,831</td><td>0.27</td><td>Parent Company Only</td></tr></table> <div>The 2023 Sustainability Report (P.96-101) lists the Company's relevant energy usage policies and green initiatives for office spaces, and also includes disclosure of energy consumption, water usage, and related green practices at the operating locations of its subsidiaries.</div> <div>3. Waste: The Company recorded the total load of construction waste and domestic garbage generated from its construction projects, and strictly controls the waste treatment process and disposal. In 2023, the total weight was 13,554.7 tons, as detailed in the 2023 Sustainability Report (P.72). In 2022, the accumulative construction or demolition waste at construction sites was 12,252.4 tons, and the accumulative domestic waste was 1,302.3 tons.</div> <div>4. In accordance with the "Roadmap for Corporate Sustainable Development" set by the Financial Supervisory Commission, the Company has completed third-party verification by 2024, and the complete assured information will be disclosed in the Sustainability Report. (<a href="https://cathayred-csr.com/download.html">https://cathayred-csr.com/download.html</a>)</div>	Year	Total water consumption	Density (M³/Million Revenue)	Data range	2024	1,574	0.12	Parent Company Only	2023	1,831	0.27	Parent Company Only	
Year	Total water consumption	Density (M³/Million Revenue)	Data range													
2024	1,574	0.12	Parent Company Only													
2023	1,831	0.27	Parent Company Only													
IV. Social issues (I) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	v		<div>The Company has referred to the principles as in the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the United Nations Global Compact, and the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work, and formulated Human Rights Policy of Cathay Real Estate Development Co., Ltd. while identifying relevant stakeholders, implementing management mitigation measures, and placing relevant information on the official website as a reference for employees and the public.</div> <div>The Company has also referred to the United Nations Convention on the Rights of Persons with Disabilities, the Convention on the Elimination of All Forms of Discrimination against Women, and the Convention on Human Rights for Children and abides by the relevant labor laws and regulations. When it comes to the working conditions regarding general employees, intern hiring, working hours, salary, gender equality, and prevention of sexual harassment, the Company practices in accordance with the law, and has</div>	No significant difference.												



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	Yes	No	Description	
			formulated the Code of Ethical Conduct, the Code of Integrity Management, and handling methods for reporting illegal and unethical or dishonest behaviors, and amended the "Working Codes" and announced them in accordance to related laws and regulations. The Company also provided educational courses in 2024 on the "Personal Information Protection Act" and "Workplace Stress Source Analysis and Stress Relief Practice" for employees, totaling to 312 hours. A sum of 116 and 96 colleagues completed the training, accounting for 74% and 62% respectively of the total number of employees.	
(II) Has the company formulated and implemented reasonable employee benefit measures (including remuneration, rest and annual leave, and other benefits), and appropriately reflected the operating performance or achievements in the employee remuneration?	V		Employees are the most precious asset of the Company. In order to create a happy and inclusive workplace environment and create a stable talent retention rate, in addition to providing salaries in line with the market, the Company also provides statutory leave, and create all-round employee welfare measures including medical examination, tourism, and parent-child parties, aiming to help the employees to achieve work-life balance and protect the rights and interests of employees. The relevant measures and regulations are also clearly specified in the work rules. In addition, according to the employee's treatment, employee performance appraisal and various bonus payment methods, the employee's salary is clearly regulated and linked to the position responsibilities, performance achievements and abilities, and at the same time, it is related to the Company's operating conditions. According to the Company's Articles of Incorporation, if there is profit in the year, 0.1-1% of the profit should be allocated as employee compensation, but when the Company still has accumulated losses, the amount should be reserved in advance to make up; in addition, the Company sets, tracks and evaluates employees' performance goals according to the policies and annual goals, adjusts salaries and positions according to the evaluation results, and calculates and awards bonuses according to employees' performance appraisal and performance according to regulations. The Company also pays close attention to employee benefits, including group insurance, medical examination, marriage and maternity subsidies, community activities, etc., and hopes to use the welfare system to supplement employees' living needs and enhance the emotional connection between employees, so as to strengthen employees' sense of belonging.	No significant difference.
(III) Does the Company provide a healthy and safe work environment and organize health and safety training for	V		1. The Company performs office environment testing every six months (June 21, 2024 and December 13, 2024), including the measurement of lamp illuminance and CO2 concentration in order to provide an excellent workplace	No significant difference.

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	Yes	No	Description	
its employees on a regular basis?			<p>environment with adequate illumination and good air quality with employees.</p> <p>2. The Company arranges all employees to accept health check every year (March to June, 2024), and holds health and safety lectures (In 2023 the Northern, Central, Southern and Kaohsiung seminars will be divided into five sessions on 10/14, 10/15, 10/17, 10/18, 10/25) to provide health information and consulting services for employees to ensure that each employee can be in best status and has physical and psychological health.</p> <p>3. The Company strictly implements the automatic check plan for official vehicles every month, and completes the records of daily point inspections and monthly regular inspections to ensure the safety of official vehicles used by employees.</p> <p>4. The Company arranges 8 colleagues who accepted emergency personnel training in the office spaces and prepares general standing drugs and related medical supplies, first-aid equipment (such as: AED) to cope with the unexpected situations of employees when working in workplaces.</p> <p>5. The Company does legally offer the safety and health education training courses for occupational safety and health business executives, new employees and ordinary employees, and carries out various safety measures drills or tests (building security check and fire drill) coordinating with building management units in the office spaces to strengthen the occupational safety concept of employees and promote the maintenance of work environment safety, and then implement the safety management of workplace work. There were no occupational injuries reported in the Company in 2024.</p> <p>6. The Company has formulated Executive Measures for Maternal Health Protection of Female Workers, Prevention Plan for Illegal Immunization in Performing Jobs, Plan for Prevention of Sexual Harm and Plan for Prevention of Diseases caused by Abnormal Workload to maintain the physical and psychological health of employees and avoid unnecessary work injuries.</p> <p>7. The Company's major subsidiary, San-Ching Engineering Co., Ltd, had 1 occupational safety incident. During the demolition of the medical record elevator in the basement as part of the rehabilitation department expansion project in Xizhi Cathay General Hospital's basement, a steel cable broke causing counterweights to fall, resulting in a fatality of a construction worker</p>	

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	Yes	No	Description	
			during the rescue operation. After investigation by the occupational safety unit, since the construction personnel had employer status, the incident was not classified as a workplace accident. The company has strengthened disaster cause analysis and implemented occupational safety and health management during construction. Currently, the demolition of 3 medical record elevators and floor slab repair work was completed on March 22, 2025.	
(IV) Does the Company establish effective career development and training plans for its employees?	√		To attract and retain suitable talent, the Company has collaborated with international corporate management companies to establish career development roadmaps for various positions. This includes defining title standards for each job category based on six dimensions: professional knowledge, operational knowledge, leadership responsibilities, complexity of problem-solving, degree and scope of operational impact, and interpersonal relationship challenges. This is coordinated with annual performance processes (goal setting, tracking, evaluation) to discuss, formulate, and follow up on individual development plans. Based on these personal development plans, colleagues are arranged for professional, general, and competency training. In 2024, a total of 1,498 participants completed 4,684 hours of various types of training. The new personnel training course lasted 16 hours, and a total of 48 people completed the training, totaling 768 hours. For succession planning on pages 97-99.	No significant difference.
(V) Does the Company follow relevant laws and regulations and international standards, and formulate relevant consumer protection policies and complaint procedures with regard to customer health and safety, customer privacy, marketing and labeling of products and services?	√		The Company follows relevant laws and regulations and various consumer protection laws and regulations, and has established strict protection methods for customer personal information confidentiality measures, which are signed by all employees. If the consumer has any appeal about the equity, the Company can provide prompt handling and reply through the email of special parts of affiliate of the Company's website or service department. The Company actively implements the protection of consumer rights, and there are also dedicated units to handle customer complaint cases. It provides continuous services to its customers by providing complete inspection procedures and housing service manuals, and organizing regular customer care activities in the community. For more details, please refer to the 2023 Sustainability Report (pages 48-53).	No significant difference.
(VI) Does the Company formulate and implement supplier management policies that require suppliers to follow relevant	√		The clause above is involved in Paragraph 3 of Article 23 of the "Corporate Sustainable Development Principles, which has been fully notified to all units and subsidiaries of the Company and incorporated into the contract with the main suppliers, subject to the strict implement and execution.	No significant difference.

Promoted Item	Status of Implementation (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
regulations on environmental protection, occupational safety and health or labor human rights?			If the supplier violates the terms and conditions, it will be required to correct within a time limit, or to rescind or terminate the contract. In addition to the fair selection mechanism, major suppliers are also subject to a selection system every year. If the supplier does not meet the standards, the Company will provide counseling and improvement plans or suspend the authorization as the case may be to ensure the quality of the suppliers. Every year, the Company regularly holds a construction company observation meeting to create an interactive platform for communication and exchanges with the industry. In 2024, the proportion of major suppliers who signed CSR clauses reached 100%.	
V. Does the Company prepare sustainable development report and other reports that disclose non-financial information by following international reporting standards or guidelines? Are the reports certified or assured by a third-party accreditation body?	V		In addition to following the GRI Standards guidelines, AA1000 Accountability Principles Standards, SASB and TCFD standards, the Sustainability Report published by the Company also refers to the "Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies" of the Taiwan Stock Exchange Corporation, the United Nations Sustainable Development Goals, the Organization for Economic Cooperation and Development (OECD), the United Nations Global Compact (UNGC) Principles, and the ISO 26000 Social Responsibility Guidelines as disclosure points. The data has also been assured by Ernst & Young.	No significant difference.
VI. If the Company has established its own sustainable development practice principles according to the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please provide detailed information on the discrepancies between its operations and the prescribed best practices: No material discrepancy, subject to the Principles.				
VII. Other important information that facilitate the understanding of the implementation of sustainable development: please refer to (VII) Corporate Responsibility and Ethical Behavior on pages 137-139.				

Note 1. If "Yes" is selected in the operating status, please specifically explain the important policies, strategies, and measures adopted, and the implementation status; if "No" is selected in the operating status, please specify the difference reason and explain related future policies and plans for strategies and measures in the column "Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof".

Note 2. The principle of materiality refers to environmental, social and corporate governance issues that have significant impacts on the Company's investors and other stakeholders.

## Implementation of Climate-Related Information

Item	Implementation status			
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	<p>The Corporate Sustainability Committee (CS Committee) established under the Board of Directors is the supervisory unit for corporate sustainability management strategies and actions. Additionally, a Corporate Sustainability Executive Committee has been established as a dedicated (or concurrent) unit with the President appointed as the Chief Sustainability Officer and Chairperson and 5 functional teams(included "Corporate Governance," "Customer Care," "Employee Care," "Environmental Protection," and "Social Welfare,") serve as a platform for cross-departmental communication and management of issues related to corporate social responsibility, and are responsible for implementing and promoting relevant plans to address material sustainability issues, risk issues, and climate-related issues. The Executive Committee regularly reports to the Board of Directors and the Corporate Sustainability Committee on the implementation results of environment related-plans.</p> <p>Each year, the company identifies material risks and opportunities with reference to the Task Force on Climate-related Financial Disclosures (TCFD) guidelines and industry-specific recommendations, as well as the TCFD practical cases consolidated by the World Business Council for Sustainable Development (WBCSD). Afterwards, the Company analyzes the potential financial impact on the Company's operations, and uses this as a basis to further develop subsequent countermeasures.</p>			
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of thebusiness (short, medium, and long term).	Risk Category and Opportunity	Short-term ( 1~3 years )	Medium-term: ( 3~10 years )	Long-term ( Above 5 years )
	Physical risk	Typhoon, flooding, drought	-	1. Rising average temperatures. 2. Rising sea levels.
	Transition risk	-	1. Rising raw material costs. 2. Costs of low-carbon technology transition. 3. Market information uncertainty. 4. Existing building regulations and energy efficiency requirements and supervision to replace existing products and services with low-carbon alternatives.	1. Increased greenhouse gas emission pricing. 2. Shifting consumer preferences.
	Opportunity	1. Enhancing climate adaptability. 2. Recycling construction waste.	1. Adoption of green (smart) buildings. 2. R&D and innovation for new product and service development. 3. Obtaining public sector incentives through carbon emission offsets. 4. Use of low-carbon energy. 5. Participation in renewable energy projects and adoption of energy-saving measures. 6. Use of more efficient production and distribution processes. 7. Diversification of business activities.	Energy substitution and diversification.
<p>For transition risks and climate opportunities, the key response strategies of our company are as follows:</p> <p>1. Conducting greenhouse gas inventory to help set emission reduction targets and serve as the basis for calculating future carbon credit reductions in operating costs.</p>				

Item	Implementation status									
	<div><div><div>2. Formulating design criteria and staying updated on regulatory changes to benefit future product design.</div><div>3. Understanding green building/low-carbon construction method trends and related regulations to benefit future product design.</div><div>4. Monitoring changes in raw material market prices.</div><div>5. Improving construction technology to increase production efficiency.</div><div>6. Increasing methods and channels for customer contact and emphasizing customer service.</div><div>7. Combining group data to comprehensively care for customers, extending from residential services to health and tourism business lifestyle experiences.</div><div>8. Reducing intellectual property risks and formulating an intellectual property management plan to maintain brand value and enhance company competitiveness.</div><div>9. Diversifying operations: Green energy investment.</div></div><div>Regarding physical risks and climate opportunities, the Company's key response strategies are as follows:</div><div><div>1. Focusing on climate change issues.</div><div>2. Carefully selecting development areas.</div><div>3. Investment in energy-saving or green energy-related machinery and equipment.</div></div></div>									
3. Describe the financial impact of extreme weather events and transformative actions.	<div>Considering the analysis results of the significance of climate-related risk impacts, the Company has identified physical risks such as typhoons, floods, droughts and other extreme climates that have become more severe. The Company also assesses transition risks such as rising raw material costs, increasing pricing on greenhouse gas emissions, and increasing costs for low-carbon technology transformation. The impact of climate related opportunities is further analyzed and cross-referenced to conclude the potential financial impact on the Company's operations.</div> <div>In response to the transformation opportunity arising from the risk of climate change, the Company is leading customers towards a low-carbon sustainable future through its own energy and resource reduction. Our priority is to conduct a greenhouse gas inventory of the Company, and continue to set relevant green reduction goals.</div> <div>Subsequently, the Company aims to integrate climate-related risks and opportunities progressively, establish management indicators and goals as the basis for the evaluation of results, and fulfill the responsibility of earth citizens to create a friendly environment.</div> <table><tr><th></th><th>Risk/opportunity</th><th>Potential Financial Impact</th></tr><tr><td>Transition risk/ Climate-related Risk</td><td><div>1. Market information uncertainty.</div><div>2. Shifting consumer preferences.</div><div>3. Diversification of business activities.</div></td><td><div>1. Failure to grasp market trends, resulting in decreased revenue.</div><div>2. Company policy planning transformation, increasing operations.</div><div>3. Enhancing customer trust, increasing operating income.</div><div>4. Changing the company's customer service model, increasing operating income.</div></td></tr><tr><td>Physical risk/ Climate-related Opportunities</td><td><div>1. Typhoons, floods, droughts.</div><div>2. Rising sea levels.</div><div>3. Enhancing climate adaptability.</div><div>4. Energy substitution and diversification.</div><div>5. Diversification of business activities.</div></td><td><div>1. Damage to construction sites and equipment, increasing capital costs.</div><div>2. Supply chain disruptions leading to decreased productivity and reduced revenue.</div><div>3. Damage to existing assets and properties located in high-risk climate regions.</div><div>4. Strengthening climate</div></td></tr></table>		Risk/opportunity	Potential Financial Impact	Transition risk/ Climate-related Risk	<div>1. Market information uncertainty.</div> <div>2. Shifting consumer preferences.</div> <div>3. Diversification of business activities.</div>	<div>1. Failure to grasp market trends, resulting in decreased revenue.</div> <div>2. Company policy planning transformation, increasing operations.</div> <div>3. Enhancing customer trust, increasing operating income.</div> <div>4. Changing the company's customer service model, increasing operating income.</div>	Physical risk/ Climate-related Opportunities	<div>1. Typhoons, floods, droughts.</div> <div>2. Rising sea levels.</div> <div>3. Enhancing climate adaptability.</div> <div>4. Energy substitution and diversification.</div> <div>5. Diversification of business activities.</div>	<div>1. Damage to construction sites and equipment, increasing capital costs.</div> <div>2. Supply chain disruptions leading to decreased productivity and reduced revenue.</div> <div>3. Damage to existing assets and properties located in high-risk climate regions.</div> <div>4. Strengthening climate</div>
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Item	Implementation status		
			<p>resilience, reducing the probability of construction delays and potential losses.</p> <p>5. Innovative customer service solutions, increasing revenue.</p> <p>6. Assessing whether assets to be purchased are not in high-risk areas to avoid risk impact.</p>
		<p>1. Rising average temperatures.</p> <p>2. Adoption of green (smart) buildings.</p>	<p>1. Increased electricity consumption, leading to higher operational costs and carbon emissions.</p> <p>2. Promoting green (smart) buildings and energy-saving carbon reduction measures to improve energy efficiency.</p>
<p>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall riskmanagement system.</p>	<p>The identification of climate-related risks and opportunities is led by the five functional teams of the Corporate Sustainability Executive Committee, which evaluate the possibility, impact level, time of occurrence, and financial impact of each risk and opportunity. The Company ranks climate-related risks and opportunities based on the analysis of possibility and impact level, and lists the material risks and opportunities according to the impact level and time of occurrence. Taking into account the analysis results of the significance of climate-related risk impacts, the Company further analyzes and cross-references the impact on climate-related opportunities, and looks into the potential financial impact on the Company for material risks and opportunities. Based on this, the Company establishes follow-up countermeasures and incorporates them in the overall risk management system.</p>		
<p>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</p>	<p>Not Applicable.</p>		
<p>6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.</p>	<p>Not Applicable.</p>		
<p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</p>	<p>The internal carbon pricing is still in the planning stage.</p>		

Item	Implementation status								
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	<p>The climate-related targets set by our Company and the progress towards achieving them have been disclosed in the 2023 Sustainability Report on page 41.</p> <p><b>Greenhouse Gas Inventory and Assurance Status</b></p> <table> <tr> <th>Work Items</th><th>Implementation Status</th></tr> <tr> <td> <p>Continue implementing green actions (pages 73-75), achieving greenhouse gas reduction targets:</p> <ol style="list-style-type: none"> <li>1. Newly purchased official vehicles are primarily eco-friendly, low fuel. consumption hybrid cars.</li> <li>2. Replacing and updating old machinery and equipment as carbon reduction measures.</li> <li>3. Promoting water resource management and advocating water conservation practices.</li> </ol> </td><td> <ol style="list-style-type: none"> <li>1. In 2024, our company newly purchased 10 environmentally friendly, low fuel consumption hybrid cars, accounting for 62.5% of the total official vehicles purchased that year (total purchases for the year: 16 vehicles).</li> <li>2. In 2024, the Taichung Financial Building replaced two main chiller units, significantly contributing to the building's overall energy conservation and carbon reduction.</li> <li>3. Water consumption in 2024 was 1,574(M³), a reduction of 257(M³) compared to 1831(M³) in the previous year. The primary reason is that the International Building, where the Taipei office is located, underwent a restroom renovation project. The upgrades included the installation of water-saving toilets, urinals, and sensor-activated faucets to reduce water consumption, thereby achieving both environmental sustainability and cost efficiency.</li> </ol> </td></tr> <tr> <td>In 2024, greenhouse gas verification for the Company was completed.</td><td>In May 2024, the Company completed the verification for 2023 and obtained the verification statement issued by SGS.</td></tr> <tr> <td>In 2025, the Company plans to complete the greenhouse gas inventory for subsidiaries included in the consolidated financial report.</td><td>The Company plans to complete the inventory of Subsidiaries of consolidated financial statement by the end of March, 2025.</td></tr> </table>	Work Items	Implementation Status	<p>Continue implementing green actions (pages 73-75), achieving greenhouse gas reduction targets:</p> <ol style="list-style-type: none"> <li>1. Newly purchased official vehicles are primarily eco-friendly, low fuel. consumption hybrid cars.</li> <li>2. Replacing and updating old machinery and equipment as carbon reduction measures.</li> <li>3. Promoting water resource management and advocating water conservation practices.</li> </ol>	<ol style="list-style-type: none"> <li>1. In 2024, our company newly purchased 10 environmentally friendly, low fuel consumption hybrid cars, accounting for 62.5% of the total official vehicles purchased that year (total purchases for the year: 16 vehicles).</li> <li>2. In 2024, the Taichung Financial Building replaced two main chiller units, significantly contributing to the building's overall energy conservation and carbon reduction.</li> <li>3. Water consumption in 2024 was 1,574(M³), a reduction of 257(M³) compared to 1831(M³) in the previous year. The primary reason is that the International Building, where the Taipei office is located, underwent a restroom renovation project. The upgrades included the installation of water-saving toilets, urinals, and sensor-activated faucets to reduce water consumption, thereby achieving both environmental sustainability and cost efficiency.</li> </ol>	In 2024, greenhouse gas verification for the Company was completed.	In May 2024, the Company completed the verification for 2023 and obtained the verification statement issued by SGS.	In 2025, the Company plans to complete the greenhouse gas inventory for subsidiaries included in the consolidated financial report.	The Company plans to complete the inventory of Subsidiaries of consolidated financial statement by the end of March, 2025.
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9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).	Reference to pages 84-88								

## 1-1. Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

### 1-1-1 Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO <sub>2</sub> e), intensity (metric tons CO <sub>2</sub> e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.
<p>As a company with a paid-in capital of over NTD 10 billion, according to the Sustainable Development Roadmap for TWSE/TPEX Listed Companies issued by the Financial Supervisory Commission in March 2022, the Company must comply with the following regulations:</p> <ol style="list-style-type: none"> <li>1. The individual company should begin greenhouse gas inventory from 2023 (the same applies below).</li> <li>2. Subsidiaries included in the consolidated financial report fall under Phase 2 companies and should begin inventory from 2025 (disclosing greenhouse gas inventory information for 2024).</li> </ol> <p>Since 2019, the Company has established a greenhouse gas inventory mechanism in accordance with the ISO 14064-1:2018 Greenhouse Gas Inventory Standard (Note 3) published by the International Organization for Standardization (ISO). From 2025 onwards, the Company will include its subsidiaries included in the consolidated financial report and regularly conduct annual inventories of greenhouse gas emissions for both the individual company and subsidiaries in the consolidated financial report, accurately tracking emission conditions and actively promoting greenhouse gas reduction. The greenhouse gas inventory data for the past two years was compiled according to the Operational Control Method, which summarizes the greenhouse gas emissions of the Company, and all subsidiaries included in the consolidated financial report(Note 1, 2), as explained below:</p>



Scope		2024		2025	
		Total Emissions (metric tons CO <sub>2</sub> e)	Emission Intensity (CO <sub>2</sub> e/million revenue)( Note 4)	Total Emissions (metric tons CO <sub>2</sub> e)	Emission Intensity(CO <sub>2</sub> e/ million revenue) (Note 4)
Parent Company Only	Scope 1 Direct greenhouse gas emissions	325.43		479.54	
	Scope 2 Electricity emissions	1,410.52		1,248.50	
	Scope 3 Indirect greenhouse gas emissions	282.13		260.16	
	Subtotal (metric tons CO <sub>2</sub> e)	2,018.08		1,988.20	
Subsidiaries of Consolidated financial statement	Scope 1 Direct greenhouse gas emissions	(Note 5)		1,539.75	
	Scope 2 Electricity emissions			12,371.93	
	Scope 3 Indirect greenhouse gas emissions			3,047.48	
	Subtotal (metric tons CO <sub>2</sub> e)			16,959.16	
	Total	2,018.08	0.2955	18,947.36	0.7941

Note 1: Direct emissions (scope 1, i.e., emissions directly from sources owned or controlled by the Company), indirect energy emissions (scope 2, i.e., indirect greenhouse gas emissions from electricity, heat, or steam) and other indirect emissions (scope 3, i.e., emissions from company activities that are not indirect energy emissions, but originate from sources owned or controlled by other companies. Currently, the company discloses Scope 3 Category 4: Indirect greenhouse gas emissions from the use of products sold by the organization.)

Note 2: The data coverage scope for direct emissions and indirect energy emissions shall comply with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. Other indirect emissions information may be voluntarily disclosed.

Note 3: Greenhouse gas inventory standards: ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions may be calculated per unit of revenue(in NTD million) :

The greenhouse gas emission intensity for 2023: calculated by dividing the parent company only's emissions (tons of CO<sub>2</sub>e) by the parent company only's individual revenue (in NTD million).

The greenhouse gas emission intensity for 2024: calculated by dividing the consolidated company's emissions (tons of CO<sub>2</sub>e) by the consolidated revenue (in NTD million).

Note 5: The subsidiaries of consolidated financial are classified as second-phase of Sustainability Development Roadmap for Listed Companies, and the review will begin in 2025 (with the disclosure of 2024 greenhouse gas inventory information). Therefore, there is no inventory data for 2023.

### 1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.			
As a company with a paid-in capital of over NTD 10 billion, according to the Sustainable Development Roadmap for TWSE/TPEX Listed Companies issued by the Financial Supervisory Commission in March 2022, the Company must comply with the following regulations:			
1. The individual parent company should begin assurance from 2024 (the same applies below).			
2. Subsidiaries included in the consolidated financial report fall under Phase 2 companies and should begin assurance from 2027.			
Assurance Scope		2023	2024
Parent Company Only	Percentage of the greenhouse gas inventory disclosed in the aforementioned Table 1-1-1	100.00%	100.00%
Subsidiaries	Percentage of the greenhouse gas inventory disclosed in the aforementioned Table 1-1-1	Omitted (Subsidiaries has not yet been assured, and assurance is expected to begin in 2027.)	
Certifying Authority		Taiwan Inspection Technology Co., Ltd. (SGS)	Taiwan Inspection Technology Co., Ltd. (SGS)
Assurance Information		Verification criteria: Verified in accordance with ISO14064-3: 2019 and complies with the guidelines set by the International Organization for Standardization (ISO) in ISO 14064-1: 2018.	The complete assurance information will be disclosed in the Sustainability Report.
Assurance Opinion		unqualified opinion with modification.	The complete assurance information will be disclosed in the Sustainability Report.

Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. If the Company has not obtained a complete greenhouse gas assurance opinion by the date of printing of the annual report, it shall note that “Complete assurance information will be disclosed in the sustainability report.” If the Company does not prepare a sustainability report, it shall note that “Complete assurance information will be disclosed on the Market Observation Post System (MOPS),” and shall disclose the complete assurance information in the annual report of the following fiscal year.

Note 2: The assurance institutions shall meet the directions regarding assurance of sustainability reports prescribed by the TWSE and the TPEX.

### 1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.

Base Year for Greenhouse Gas Emissions Reductions	The Company completed the inventory check of the 2024 consolidated financial statements in 2025. Therefore, the company has designated the year 2024 as the baseline year for the greenhouse gas inventory.
Baseline Year Data	The greenhouse gas emissions of our company and the subsidiaries included in the consolidated financial report for the year 2024 (Category 1, Category 2, and Category 3) are 2,019.29 tons of CO <sub>2</sub> e, 13,620.43 tons of CO <sub>2</sub> e, and 3,307.64 tons

	of CO <sub>2</sub> e, respectively. The total greenhouse gas emissions amount to 18,947.36 tons of CO <sub>2</sub> e.
Reduction Target	<p>The company's greenhouse gas reduction target plan is based on the year 2024 as the baseline year. The reduction targets for each period are as follows :</p> <p>Short-term (the year 2025): 1% reduction in 2025 compared to the baseline year.</p> <p>Medium-term (the year 2028): 4% reduction in 2028 compared to the baseline year.</p> <p>Long-term (the year 2031 and the following years): 7% reduction in 2031 compared to the baseline year.</p>
Management Strategy	<p>Actively reducing the carbon emissions generated from the daily use of buildings, we introduced the ISO 14064-1 Greenhouse Gas Inventory System in 2016 and further adopted the latest ISO 14064-1:2018 standard for inventory in 2019. In 2022, we expanded the scope of the inventory. In addition to the offices of Cathay Real Estate in the north, central, south, and Kaohsiung regions, we added the reception center, warehouse, buildings, and undelivered construction projects. We inventoried all energy consumption at our operating sites and implemented energy-saving and carbon reduction projects to achieve effective energy resource management.</p>
Concrete Action Plan	<p>Cathay Real Estate takes the environment and ecology as its basis, exploring the possibilities of green buildings from various stages of the building life cycle. Through contractor observation meetings, it shares experiences in green buildings, and some of its projects have obtained domestic and international green building certifications. Starting from 2022, Cathay Real Estate has been fully introducing the mindset of green buildings, deepening the contribution of the building life cycle to the environment. It continuously promotes energy-saving actions in the office workplace, not only procuring or leasing energy-saving equipment such as official vehicles and office machines internally, but also reaching a consensus with the building owner on replacing and upgrading energy-saving equipment such as elevators and air conditioners. At the same time, it also conducts internal vigorous promotion to establish good work habits of reducing plastic and saving energy among employees.</p>
Achievement Status	<ol style="list-style-type: none"> <li>1. Introduce energy-saving design, reduce building energy consumption, in response to green building and environmental sustainability thinking.</li> <li>2. Plan Kaohsiung residences and Taichung livable architecture according to local conditions.</li> <li>3. Adopt emerging technologies such as Building Information Modeling (BIM) and modular construction 100% to enhance construction efficiency.</li> <li>4. Recycle and reuse the usable waste generated during construction.</li> <li>5. Digital transformation: Introduce customer service APP/online construction material and equipment selection system.</li> </ol>

	<p>6. Some building components and materials are prefabricated in the factory, then transported to the construction site for integrated assembly and installation. This not only reduces noise and dust pollution around the construction site, but also reduces the risks during construction and minimizes potential waste or loss of raw materials during the construction process.</p> <p>7. Continue to implement various green initiatives (for example: replace old energy-consuming equipment, focus on environmentally friendly, low fuel consumption hybrid vehicles when purchasing new official vehicles)</p> <p>8. Greenhouse Gas Inventory: By controlling greenhouse gas emissions through inventory, the company has conducted annual greenhouse gas emission inventories since the year [missing year]. In May 2024, the Company completed the verification for 2023 and obtained the verification statement issued by SGS. The Company expects to complete the greenhouse gas inventory of subsidiaries included in the consolidated financial report in 2025.</p>
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Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations.

Note 2: The base year shall be the fiscal year in which the greenhouse gas inventory is completed based on the consolidated financial reporting boundary. For example, under the order issued under Article 10, paragraph 2 of the Regulations, a company with capital of NT\$10 billion shall complete the inventory for its fiscal 2024 annual consolidated financial report in 2025, so the base year will be 2024.

(VI) Implementation of ethical corporate management, deviation from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", and reasons for deviation:

Implementation of Ethical Corporate Management and Measures for its Implementation

Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
I. Establishment of ethical corporate management policies and programs (I) Does the company formulate its ethical corporate management policies that have been approved by the Board of Directors? Has the Company declared its ethical corporate management policies and procedures in its guidelines and external documents, and does the Board of Directors and management work proactively to implement their commitment to those management policies?	v		In order to establish a corporate culture of integrity management and sound the development, and to implement a good corporate governance and risk management & control mechanism, the Company has developed the Code of Integrity Management according to Integrity Management Best Practice Principles for TWSE/TPEX Listed Companies, which was approved by the Board of Directors, disclosed and announce on the internal and external website. All senior executives signed the 'Statement of Compliance with Integrity Management Policy', stating that they will strictly adhere to the 'Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies' issued by the Taiwan Stock Exchange Corporation, the 'Ethical Corporate Management Best Practice Principles' established by Cathay Real Estate and related integrity management policies, based on the principles of integrity, transparency, and accountability, to establish sound corporate governance and risk management mechanisms, and create a sustainable operating environment.	No significant difference.
(II) Has the Company established a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activity within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include the preventive measures specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice	v		The Company's Ethical Corporate Management Best-Practice Principles covers all the activities stated in Article 7, Paragraph 2 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies. The internal audit unit should be based on the evaluation result of unethical conduct to formulate related audit plans and verify the prevention measures. In addition, anyone who finds that the personnel of the Company has violated the integrity management can report to the integrity management unit (honest@cathay-	No significant difference.

Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
Principles for TWSE/GTSM Listed Companies"?			red.com.tw) or directly to the Company's ethical management unit (Corporate Sustainability Committee). After the case is filed, the management unit will conduct investigation and processing according to certain procedures, and report the results to the Board of Directors.	
(III) Does the Company specify in its prevention programs the operating procedures, guidelines, punishments for violations, and a grievance system and implement them and review the prevention programs on a regular basis?	V		The Company has established a Code of Ethics and the Ethical Corporate Management Best-Practice Principles, forbidding the unethical conduct against the Company, the Company's Directors, Managers, employees, appointees and the the Company, the Company's Directors, Managers, employees, appointees and the material controllers of the Company such as offering or accepting bribes, providing illegal political contributions, or improper charitable donation or sponsorship, providing or accepting unreasonable gifts, reception or other improper interests, disclosing the Company's trade secrets, trespassing against intellectual property rights, working on unfair competition, or providing products and services with damage to consumers or other interested parties. The Company reviews and amends the relevant policies regularly; the Codes of Ethical Conduct was late amended on June 30, 2017, and Code of Integrity Management on March 12, 2025. For the latest implementation status, please refer to the company's website for details.	No significant difference.
II. Implementation of Ethical Corporate Management (I) Has the Company evaluated the ethics records of counterparties to its business dealings, and specified ethical business policies in contracts with counterparties related to its business dealings?	V		The Company conducts business activities on the basis of the principle of integrity management and in a fair and transparent manner. Before cooperation, the Company considers the legality of agents, suppliers, customers or other transaction objects and whether they involve unethical conducts, to avoid transactions with those involved in unethical conducts. The contract between the Company and its agents, suppliers, customers or other transaction objects shall include the clause where the counterpart complying with integrity management policies and transaction is involved in a unethical	No significant difference.

Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
			conduct, the contract may be terminated or rescinded at any time.	
(II) Does the Company have a unit under the Board of Directors that specializes in promoting ethical corporate management and regularly (at least once every year) report to the Board of Directors the implementation of the ethical corporate management policies and prevention programs against unethical conduct?	V		The Board of Directors appointed Corporate Sustainability Executive Committee as the dedicated unit to promote the integrity management of the Company, and report the execution status on an annual basis. (The review of the implementation effectiveness of ethical management operations for 2024, along with the review of the implementation effectiveness of corporate sustainability development, was submitted to the Board of Directors on March 12, 2025.)	No significant difference.
(III) Does the Company establish policies to prevent conflicts of interest, provide appropriate communication channels, and implement them accordingly?	V		According to the Company's Ethical Corporate Management Best-Practice Principles, Directors shall be highly self-disciplined. Where the proposal listed in the Board meeting is related to their own interests, they shall state clearly the important contents of their own interests at the Board meeting. Where there are damages to the Company's interests, they shall express their opinions and give a reply, but not participate in the discussion and voting, during which they shall avoid but not exercise the right to vote on behalf of other directors. In addition, according to the Code of Ethics, the Company's Directors and managers, in order to prevent conflicts of interest, shall handle official business in an objective and efficient manner, but not make improper benefits for themselves, their spouse, parents, children or relatives within the second degree of kinship by their positions in the Company. The Company shall pay special attention to preventing conflicts of interest, and state clearly whether there is a potential conflict of interest with the Company through official documents, meetings and internal communications when the Company lends funds to or provides guarantees for, has material asset transaction with or purchases goods from or sells goods to the Company in which the aforementioned personnel works.	No significant difference.
(IV) Does the Company have effective accounting and internal control systems in place to implement business integrity? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans	V		The Company's accounting system and internal control system are designed and implemented in accordance with the code of ethical management and should be reviewed at any time to ensure its continuous and effective implementation. Both the internal audit and regular CPAs	No significant difference.

Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
to audit the systems accordingly to prevent unethical conduct, or engage CPAs to perform the audits?			internal control audit are conducted in normal procedures.	
(V) Does the Company regularly hold internal and external training related to ethical corporate management?	V		<p>Integrity is the core value of the Company. In the monthly executive and internal department meeting, each supervisor provides education and training for their employees according to Ethical Corporate Management Best-Practice Principles. The Company regularly holds educational training seminars to promote the concept of ethical management. In December 2024, the concept of ethical management was promoted internally through online materials to provide education and training for all employees. In addition to promoting the Company's ethical management guidelines, this educational training material also incorporated promotional videos produced by the Ministry of Justice Investigation Bureau to reinforce the concept that employees should adhere to ethical management principles and not demand or accept any form of improper benefits in the workplace. The duration of this educational training was 0.5 hours, and all participants were employees of the Company. A survey on the effectiveness of the promotion was also conducted, and all employees who participated in the survey understood and agreed with the content conveyed in Cathay Real Estate's ethical management guidelines, effectively reinforcing the implementation of the ethical management concept. Furthermore, a section on promoting the Company's ethical management has been added to the training program for new employees to convey the Company's brand philosophy and the spirit of ethical management.</p> <p>The Company's directors attend courses related to integrity management every year. In 2024, they attended Corporate Governance courses, complying with securities trading laws and regulations, and adhering to corporate governance norms. A total of 3 people participated, with each session lasting 3 hours, accumulating to a total of 9 training hours</p>	No significant difference.



Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
III. Implementation of the Company's Whistleblowing System				
(I) Does the Company have a specific whistleblowing and reward system, a convenient whistleblowing channel, and appropriate personnel assigned to handle the whistleblowing?	v		Anyone can report through the independent report mailbox (honest@cathay-red.com.tw) or directly to the Company's ethical management unit (Corporate Sustainability Committee). No reporting mail received in 2024.	No significant difference.
(II) Does the Company establish the standard operating procedures for investigating reported misconduct, follow-up measures to be taken after the investigation, and related confidentiality mechanisms?	v		The provisions of Article 19 of the Company's Ethical Corporate Management Best-Practice Principles specify a reporting system, a whistleblowing clause, and a handling procedure for a dedicated unit, with an independent and confidential mechanism.	No significant difference.
(III) Does the Company take measures to protect the whistleblower against inappropriate disciplinary actions?	v		The provisions of Subparagraph 2, Article 19 of the Company's Ethical Corporate Management Best-Practice Principles have stipulated a whistleblower protection clause that the whistleblower will not be treated inappropriately.	No significant difference.
IV. Strengthening Information Disclosure				
Has the Company disclosed the content and effectiveness of its integrity management principles on the Company's website and the Market Observation Post System?	v		The Company has disclosed relevant information on the website and MOPS.	No significant difference.
V. Where the Company has stipulated its own best practices on ethical corporate management according to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe difference between the prescribed best practices and the actual measures taken by the Company: No material difference was found, and related operations were subject to the Principles.				
VI. Other important information to facilitate a better understanding of the Company's ethical corporate management policies (e.g. review and amendment of the Company's Ethical Corporate Management Best-Practice Principles): During the Board of Directors meeting on March 12, 2025, the Company approved the amendments to its Ethical Corporate Management Best Practice Principles, with the main revisions being the designation of a dedicated unit and the establishment of an independent whistleblowing system, further demonstrating the Company's commitment to ethical corporate management.				

Note: Regardless of whether "Yes" or "No" is selected, provide a brief description in the Summary column.

(VII) Other important information to facilitate better understanding of its corporate governance operations (including but not limited to employees' rights, employee care, investor relations, supplier relations, stakeholders' rights, directors' and supervisors' continuing education, the implementation of risk management policies and risk measurement standards, the implementation of customer policies, and the Company's purchase of liability insurance for directors and supervisors).

- (1) Status of employee rights and employee welfare: Please refer to V. (I) Employee Welfare to (IV) Labor Management Agreements and Employee Rights/Interests Maintenance on pages 134-135.
- (2) Investor Relations: Please refer to pages 60 for VII. Information Disclosure.
- (3) Supplier Relations: The Company cooperates with suppliers with mutual trust and mutual benefit, and maintains their rights and obligations and maintains a good supply and demand relationship.
- (4) Rights of Stakeholders: Please refer to pages 95-97 for (9) Establishment of Communication Channels for Stakeholders.
- (5) Directors' and Supervisors' Training Records (statistical period: 2024.1.1-2024.12.31):

Name	Training Institution	Course Name	Training Hours
Chang, Ching-Kuei	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6
Lee, Hung-Ming	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6
Tsai, Chung-Yan	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6
Chuang, Wan-Hua	Taiwan Corporate Governance Association	New Era of Artificial Intelligence: Chatbot ChatGPT flips new industry trends	3
Chuang, Wan-Hua	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	3
Chu, Chung-Chang	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6
Lin, Chin-Liang	Taiwan Corporate Governance Association	How to proactively take on the challenges and opportunities along the path to upgrade and transformation for Taiwanese enterprises in the post-pandemic era (Part I)	3
Lin, Chin-Liang	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6
Chang, Yuan-Hsiao	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3
Chang, Yuan-Hsiao	Taiwan Corporate Governance Association	Corporate Total Reward Strategy for Talent Retention	3
Yu, Tsu-Kang	Taiwan Corporate Governance Association	Corporate conduct risk management and high-level accountability management sharing	3
Yu, Tsu-Kang	Taiwan Corporate Governance Association	Nomination and Remuneration Committees in the U.S. Law: Case Analysis	3
Lee, Li-Kun	Taiwan Corporate Governance Association	The Value of Enterprise's Non-Financial Performance and	3

Name	Training Institution	Course Name	Training Hours
		Climate Related Disclosures - Global Trends and Strategies	
Lee, Li-Kun	Taiwan Corporate Governance Association	Interpret the key messages of financial reports	3

- (6) The implementation of risk management policies and risk evaluation measures: Please refer to pages 147-150 for VI. Assessment of Risk Items in the Most Recent Years and as of the Date of Publication of the Annual Report.
- (7) The implementation of customer relations policies: the Company has a customer service line and dedicates personnel to handle problems related to customers.
- (8) Purchasing insurance for Directors and Supervisors: the Company has purchased D&O insurance for Directors.
- (9) Does the Company establish communication channels with stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.), and set up a dedicated area for stakeholders on the Company's website, and respond to important corporate social responsibility issues that stakeholders are concerned about appropriately?

The Company has established channels of communication with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), dedicated a section on the Company's website for stakeholder affairs and adequately responded to stakeholders' inquiries on significant corporate social responsibility issues, and reports the communication content to the board regularly (at least once a year). The important corporate social responsibility issues, and the review result of the implementation performance of corporate sustainable development for 2025 were submitted to the Board of Directors on March 12, 2025.

Stakeholders	Important issues of concern	Main responsibility of the Company	Communication channels
Shareholders/ investors/ financial institutions	<ul style="list-style-type: none"> <li>➢ Ethical corporate management</li> <li>➢ Economic performance</li> <li>➢ Corporate Governance</li> <li>➢ Sustainable development of the Company</li> <li>➢ Risk management</li> </ul>	<ul style="list-style-type: none"> <li>➢ Commercial behaviors in a fair, honest and transparent manner.</li> <li>➢ Providing instant, synchronized, and correct company information in a timely manner, and strive to the symmetric disclosure of investment information.</li> <li>➢ Implementing long-term stable dividend policy and providing appropriate return on investment.</li> <li>➢ Maintaining good corporate credit and operations with robust financial strategy.</li> <li>➢ Following the latest laws and regulations and policy revisions of the competent authorities, and promptly responding to and adjust the information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>➢ Contact Person: Mr. Tsai, Finance Management Department</li> <li>➢ Tel: 02-23779968#5311</li> <li>➢ Email: cape0301@cathay-red.com.tw</li> <li>➢ Surveying CS issues regularly</li> <li>➢ Updating designated sections of the official website</li> <li>➢ Convening annual shareholders' meetings</li> <li>➢ Convening investor conferences</li> <li>➢ Announcing annual reports/quarterly financial reports</li> <li>➢ Simultaneously disclose the instant material news on Market Observation Post System of</li> </ul>

Stakeholders	Important issues of concern	Main responsibility of the Company	Communication channels
		<p>form and content of the Company to meet regulatory requirements.</p> <ul style="list-style-type: none"> <li>➢ Focusing on market demand and prosperity changes, adjusting business strategies in a timely manner, identifying the Company's financial and non-financial risks and review countermeasures.</li> </ul>	<p>stock exchange and release news or convene a press conference at irregular intervals as required to explain the situation.</p>
Employee	<ul style="list-style-type: none"> <li>➢ Occupational health and safety</li> <li>➢ Labor Relations</li> <li>➢ Education and training</li> <li>➢ Employee benefits</li> <li>➢ Sustainable development of the Company</li> </ul>	<ul style="list-style-type: none"> <li>➢ Safe and healthy working environment.</li> <li>➢ Promote employees' health and physical and mental balance.</li> <li>➢ Ensure and respect human rights.</li> <li>➢ Establish a transparent and smooth communication mechanism.</li> <li>➢ Legal and equitable valuation and treatment.</li> <li>➢ Attach importance to education and training.</li> <li>➢ Diverse employee benefits and care plan.</li> <li>➢ Focus on talent cultivation and employee development.</li> <li>➢ Gender equality protection.</li> </ul>	<ul style="list-style-type: none"> <li>➢ Contact Person Mr. Lin, Administration Management Department Mr. Chao, Human Resources Department</li> <li>➢ Phone: 02-23779968#5212、#5110</li> <li>➢ Email: carter.lin@cathay-red.com.tw duke@cathay-red.com.tw</li> <li>➢ Surveying CS issues regularly</li> <li>➢ Updating designated sections of the official website</li> <li>➢ Holding labor management conferences</li> <li>➢ Holding symposiums and publicity meetings</li> <li>➢ Employee meeting</li> </ul>
Customers/ consumers	<ul style="list-style-type: none"> <li>➢ Customer health and safety</li> <li>➢ Customer satisfaction</li> <li>➢ Legal compliance</li> <li>➢ Customer privacy</li> <li>➢ Innovation and development</li> </ul>	<ul style="list-style-type: none"> <li>➢ Provide products and services with market competitive and high quality.</li> <li>➢ Improve customer satisfaction and establish long-term, close and trustful partnership with customers with four guarantees, including clearly-established ownership, construction in line with the drawings, timely completion, and sustainable service.</li> <li>➢ Advocate all employees to comply with confidentiality agreements and employee response rules for customers.</li> <li>➢ Focus on issues such as climate change and population aging, and invest in energy conservation and carbon reduction, full-aging, green (including smart) buildings and master the development of new building materials, new construction methods and design.</li> </ul>	<ul style="list-style-type: none"> <li>➢ Contact Person: Miss Chen, Technology Department</li> <li>➢ Tel: 02-23779968#5740</li> <li>➢ Email: service@cathay-red.com.tw</li> <li>➢ Surveying CS issues regularly</li> <li>➢ Updating designated sections of the official website</li> <li>➢ Unscheduled customer satisfaction survey</li> <li>➢ Direct communication</li> </ul>
Partners (suppliers/ building contractors/ sales agents)	<ul style="list-style-type: none"> <li>➢ Supplier CS promotion</li> <li>➢ Purchasing Policies</li> <li>➢ Sustainable development of the Company</li> </ul>	<ul style="list-style-type: none"> <li>➢ Understand and provide assistance for the companies to implement CS.</li> <li>➢ Legal and fair trade.</li> <li>➢ Understand the environmental, safety and health matters and specification details.</li> <li>➢ Build long-term and mutually-trust business partnership with</li> </ul>	<ul style="list-style-type: none"> <li>➢ Contact Person: Ms. Cheng, President Office</li> <li>➢ Tel: 02-23779968#5800</li> <li>➢ Email: CS: csr@cathay-red.com.tw Integrity: honest@cathay-red.com.tw</li> <li>➢ Surveying CS issues regularly</li> </ul>

Stakeholders	Important issues of concern	Main responsibility of the Company	Communication channels
		suppliers.	<ul style="list-style-type: none"> <li>➢ Updating designated sections of the official website</li> <li>➢ Unscheduled conferences / training sessions</li> <li>➢ Regular suppliers assessment</li> <li>Organize supplier observation tour for direct communication</li> </ul>
Government agencies	<ul style="list-style-type: none"> <li>➢ Ethical corporate management</li> <li>➢ Legal compliance</li> <li>➢ Environmental protection</li> <li>➢ Public safety</li> </ul>	<ul style="list-style-type: none"> <li>➢ Good corporate citizens should follow government regulations, cooperate with government policies, and maintain good relations with the government.</li> </ul>	<ul style="list-style-type: none"> <li>➢ Contact Person: Ms. Cheng, President Office</li> <li>➢ Tel: 02-23779968#5800</li> <li>➢ Email: csr@cathay-red.com.tw</li> <li>➢ Surveying CS issues regularly</li> <li>➢ Updating designated sections of the official website</li> <li>➢ Official correspondences</li> <li>Irregular discussion meeting/review meeting</li> </ul>
Media	<ul style="list-style-type: none"> <li>➢ Legal compliance</li> <li>➢ Economic performance</li> <li>➢ Social welfare</li> <li>➢ Environmental protection</li> <li>➢ Public safety</li> </ul>	<ul style="list-style-type: none"> <li>➢ Maintain the correctness and immediacy of external communication information, and seek to be transparent and open. Maintain the brand image of the Company.</li> </ul>	<ul style="list-style-type: none"> <li>➢ Contact Person: Ms. Cheng, President Office</li> <li>➢ Tel: 02-23779968#5800</li> <li>➢ Email: csr@cathay-red.com.tw</li> <li>➢ Surveying CS issues regularly</li> <li>➢ Updating designated sections of the official website</li> <li>➢ Nonscheduled press conference</li> <li>Product launch conference</li> </ul>
Community residents/ neighboring rooms	<ul style="list-style-type: none"> <li>➢ Community participation</li> <li>➢ Sewage and waste emissions</li> <li>➢ Community impact</li> <li>➢ Community development</li> <li>➢ Community charity</li> </ul>	<ul style="list-style-type: none"> <li>➢ Maintain good relationships with adjacent houses and community residents in various means (such as identification of adjacent houses and cleaning and repair of exterior walls).</li> <li>➢ Pay attention to site pollution prevention and control and reduce construction dust.</li> <li>➢ Smooth communication channels reducing the adjacent loss events.</li> <li>➢ Invest in public benefit programs like community care and community libraries.</li> </ul>	<ul style="list-style-type: none"> <li>➢ Contact Person: Ms. Chen, Customer Service Department</li> <li>➢ Tel: 02-23779968#5740</li> <li>➢ Email: csr@cathay-red.com.tw</li> <li>➢ Surveying CS issues regularly</li> <li>➢ Updating designated sections of the official website</li> <li>➢ Neighborhood visit</li> <li>➢ Community care activities</li> <li>On-site communication of responsible personnel</li> </ul>

(10) Succession planning for Board members and key management personnel:

Member of the Board of Directors:

The Company's articles of association clearly stipulate the nomination system for the election of Directors, and nominations are made in accordance with the Company's "Director Selection Procedures" and "Corporate Governance Best-Practice Principles" requirements for Board structure, diversification policy, professionalism, and ability. After the resolution of the Board of Directors is passed, it shall be submitted to the shareholders' meeting for election.

According to the Company's "Corporate Governance Best-Practice Principles", the composition of the Company's Board of Directors should consider the Company's

operating structure, business development direction, and future development trends and make diversified arrangements for the basic composition, professional experience, knowledge and skills of Directors. In addition, the Board of Directors should have the capabilities of industry knowledge, operational judgment, accounting and financial analysis, business management, crisis management, global market outlook, leadership, decision-making, and risk management.

The successors of the Company's Directors should possess the aforementioned knowledge, skills, and accomplishments, and agree with the Company's core values of "integrity, responsibility, and innovation". In order to strengthen the diversity of the Board of Directors, and consider the Company's needs for diversification and business expansion, we recruit outsiders with management background and experience to join the Board of Directors.

In addition, in order to continuously strengthen the functions of Directors and improve the effectiveness of the Board of Directors, the Company considers external corporate governance trends, the Company's business development direction, and various requirements of competent authorities, based on the capabilities required to perform the duties of Directors, including finance and accounting, risk management, compliance with laws and regulations, information security, corporate governance, corporate sustainable development, etc., to provide relevant course arrangements according to the individual conditions and needs of Directors to assist Board members in their continuous education and improve the overall operational efficiency of the Board of Directors.

#### Key management personnel:

Facing the challenges of the rapidly changing business environment, the Company expects every colleague and supervisor to be equipped with learning ability, agility, communication ability and professional ability. Through the promotion of the cultivation and development journey, the ability development of managers at all levels is driven closer to the organizational development goals, and the momentum of sustainable career development is continuously strengthened. Based on this, various professional and management training courses are planned.

In order to ensure the depth of the important management and provide the manpower needs for the sustainable operation of the Company, the evaluation of the successor candidates not only considers their own professional qualifications and experience, but also considers the degree of adaptation to the Company's corporate culture, familiarity with business control and understanding of subsidiary management and other aspects. Through the vertical (promotion) and horizontal (rotation) flow of internal talents, the business vision and strategic structure of the leadership team are

enhanced, thereby enriching the successor talent pool of important management levels.

Implementation Status:

1. Details of the continuing education of the Board members are as shown on page 94-95 of the Annual Report.
2. In order to strengthen the leadership and management skills of supervisors, enhance the succession team across all levels, and fully grasp the business of departments and subsidiaries, the Chairman, President, and head of departments, totaling to approximately 15 people, jointly participate in monthly management meetings.
3. To strengthen fundamental management functions, the Company implemented a mentoring system aligned with new employee probation periods. At the end of the probation period, specialized reports are presented on learning progress and development results, with feedback provided by senior managers including the Chairman and President. In 2024, a total of 42 colleagues participated in this program, and several have since been promoted to team supervisor roles. Additionally, to establish career roadmaps for different job categories, department-level and higher-level managers have participated in multiple training seminars with international management companies. Besides establishing job classification frameworks, they have also learned about talent identification and career development planning for personnel at various levels. In 2024, approximately 150 people completed 322 hours of relevant management competency training.

## (VIII) Implementation of the Internal Control System

### 1. Statement on Internal Control

Cathay Real Estate Development Co., Ltd.

Statement on Internal Control

Date: March 13, 2025

The internal control system of the Company in 2024, based on the results of self-assessment, is hereby stated as follows:

- I. The Company acknowledges that it is the responsibility of the Board of Directors and managerial officers to establish, implement, and maintain the established internal control system. Its purpose is to reasonably ensure that operational effectiveness and efficiency (including income, performance, and asset safety) and reporting are reliable, timely, and transparent, as well as to ensure compliance with relevant regulations and laws.
- II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its 3 stated objectives above. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond control. Nevertheless, the internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.
- III. The Company evaluates the design and operating effectiveness of the internal control system based on the criteria provided in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (herein below, the "Regulations"). The criteria adopted by the Regulations identify 5 components of internal control based on the process of management control: 1. control environment; 2. risk assessment; 3. control activities; 4. information and communication; and 5. monitoring operations. Each key component includes several items. Please refer to the Regulations for the aforementioned items.
- IV. The Company has adopted the items for determining internal control systems in order to evaluate the effectiveness of its internal control system design and implementation.
- V. Based on the results of the determination in the preceding paragraph, the Company is of the opinion that, as of December 31, 2024, the internal control system (including the supervision and management of subsidiaries), including the design and implementation of the internal control system relating to the effectiveness and efficiency of the operations, reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations, is effective and can reasonably assure the achievement of the foregoing goals.
- VI. This statement is an integral part of the Company's annual report and prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This statement has been approved by the Board of Directors of the Company on March 12, 2025. Among the 9 Directors present, 0 of them disagreed. The rest all agreed to the contents of this statement.

Cathay Real Estate Development Co., Ltd.

Chairman: Chang, Ching-Kuei

President: Lee, Hung-Ming



2. Any CPA commissioned to conduct a project review of the ICS shall disclose the CPA's audit report: None.

(IX) Key resolutions adopted by the Shareholders' Meeting and the Board of Directors in the most recent fiscal year up to the publication date of this annual report:

Shareholders' meetings/Board of Directors	Date	Important resolutions:
The 5th Session of the 20th Board of Directors Meeting	2024.1.24	<ol style="list-style-type: none"> <li>1. Authorize the Chairman to obtain credit facilities within the limit of NT\$60 billion from various financial institutions.</li> <li>2. Approval of the business targets for 2024.</li> <li>3. Approval of the distribution of year-end bonuses and special bonuses to the directors and managers who participated in business operations in 2023.</li> <li>4. Approval of the remuneration assessment for independent directors and directors who participated in business operations in 2023.</li> <li>5. Approval of the remuneration assessment for managers in 2023.</li> <li>6. Approval of the amendments to the "Performance Evaluation Rules for the Board of Directors" of the Company.</li> </ol> <p>Note: The above important resolutions have been implemented.</p>
The 6th Session of the 20th Board of Directors Meeting	2024.3.14	<ol style="list-style-type: none"> <li>1. Approval of the "Statement on Internal Control System for the Year 2023" to be submitted to the Securities and Futures Bureau, Financial Supervisory Commission.</li> <li>2. Approval of the Corporate Sustainability Development Strategy Plan for 2024.</li> <li>3. Approval of the 2023 Business Report.</li> <li>4. Approval of the distribution of employee and director compensation for 2023.</li> <li>5. Approval of the 2023 Parent Company Only Financial Statements and Consolidated Financial Statements.</li> <li>6. Approval of the appointment of Deloitte &amp; Touche as the new certified public accountants for the Company starting from 2024 to provide financial, tax, and other attestation services.</li> <li>7. Approval of the pre-approval policy for non-audit services provided by the certified public accountants for the Company and its subsidiaries.</li> <li>8. Approval of the matters related to the 2024 Annual Shareholders' Meeting, including the date, venue, and acceptance of shareholders' proposals.</li> <li>9. Approval of the amendments to the Company's "Internal Control System" and "Internal Audit Implementation Rules".</li> </ol> <p>Note: The above important resolutions have been implemented.</p>
The 7th Session of the 20th Board of Directors Meeting	2024.4.29	<ol style="list-style-type: none"> <li>1. Approval of the distribution of surplus for 2023.</li> <li>2. Approval of the consolidated financial statements for the first quarters of 2024.</li> <li>3. Approval of endorsement guarantee for invested subsidiary Bannan Realty Co., Ltd.</li> <li>4. Approval of the amendments to the Company's "Articles of Incorporation".</li> <li>5. Approval of the lifting the restrictions on competition prohibition for directors of the Company.</li> </ol>

Shareholders' meetings/Board of Directors	Date	Important resolutions:
		6. Approval of the agenda for the Company's 2024 Annual Shareholders' Meeting. 7. Approval of the amendments to the Company's "Internal Control System and Internal Audit Implementation Rules for the Share Administration Unit". 8. Approval of the appointment of the subsidiary "San-Ching Engineering Co., Ltd." as the contractor for the new construction project of the Company's "Cathay Yang Huei" in Beitun District, Taichung City. 9. Approval of the appointment of the subsidiary "San-Ching Engineering Co., Ltd." as the contractor for the new construction project of the Company's "Cathay Yang Mu" in Yongkang District, Tainan City. Note: The above important resolutions have been implemented.
2024 Shareholders' Meeting	2024.6.14	1. Approval of the 2023 business report and financial statements (including consolidated financial statements). 2. Approval of the distribution of surplus for 2023. 3. Approval of the amendments to the Company's "Articles of Incorporation". 4. Approval of the lifting the restrictions on competition prohibition for directors of the Company. Note: The above matters have been resolved at the Shareholders' Meeting. Please refer to the Implementation of Resolutions of the Shareholders' Meeting on page 117-118 for details.
The 8th Session of the 20th Board of Directors Meeting	2024.6.14	1. Approval of the ex-dividend of the company for the year 2024. 2. Approval of the amendments to the Company's "Internal Control System" and "Operational Items Related to Computerized Information Processing" in the "Internal Audit Implementation Rules". 3. Approval of the amendments to the Company's "Remuneration Payment Standards for Directors" and "Remuneration Payment Standards for Managers". 4. Approval of the salary adjustments to the directors and managers who participated in business operations in 2024. 5. Approval of the Personnel case of the Company's new financial and accounting executives. 6. Approval of the Personnel case of the Company's new Corporate Governance Officer. 7. Approval of the amendments to the Company's organizational rules and organizational system table. 8. Approval of the appointment of the subsidiary "San-Ching Engineering Co., Ltd." Undertake the Demolition contract of land located in Zhongshan District, Taipei City. Note: The above important resolutions have been implemented.
The 9th Session of the 20th Board of Directors Meeting	2024.8.7	1. Approval of the consolidated financial statements for the first half of 2024. 2. Approval of the sustainability report for the year 2023. 3. Approval of the amendments to the Company's "Internal Control System". 4. Approval of the amendments to the Company's "Audit Committee Charter".

Shareholders' meetings/Board of Directors	Date	Important resolutions:
		5. Approval of the amendments to the Company's "Rules of Procedure for the Board of Directors". 6. Approval of the amendments to the Company's "Rules Governing the Scope of Powers of Independent Directors". 7. Approval of the amendments to the Company's "Corporate Governance Best-Practice Principles". 8. Approval of the amendments of the Company's "operational procedures for applications for halt and resumption of trading" and "Standard Operating Procedures for Handling Requests from Directors". 9. Approval of the appointment of the subsidiary "San-Ching Engineering Co., Ltd." as the contractor for the new construction project of the Company's "Cathay You Ran" in Wenshan District, Taipei City. 10. Approval of the appointment to the subsidiary "San-Ching Engineering Co., Ltd." as the contractor for the new construction project of the Company's "Cathay Sen Lin Huei" in Nantun District, Taichung City. Note: The above important resolutions have been implemented.
The 10th Session of the 20th Board of Directors Meeting	2024.11.6	1. Authorize the Chairman to obtain credit facilities within the limit of NT\$70 billion from various financial institutions. 2. Approval of the consolidated financial statements for the first three quarters of 2024. 3. Approval of the appointment and service fee review for accountants and implementation of IFRS Sustainability Disclosure Standards. 4. Approval of the Company's "2025 Audit Plan" to be submitted to the Securities and Futures Bureau of the Financial Supervisory Commission. 5. Approval of the amendments to the Company's "Internal Control System" and "Internal Audit Implementation Rules". 6. Approval of the amendments to the Company's "Performance Evaluation Standards for Directors" and "Performance Evaluation Standards for Managers". 7. Approval of the removal of non-compete restrictions for the Company's managers. 8. Approval of the sale of presale housing units and parking spaces to related parties. Note: The above important resolutions have been implemented.
The 11th Session of the 20th Board of Directors Meeting	2025.1.23	1. Authorize the Chairman to obtain credit facilities within the limit of NT\$70 billion from various financial institutions. 2. Approval of the business targets for 2025. 3. Approval of the amendments to the Company's "Remuneration Payment Standards for Managers". 4. Approval of the distribution of year-end bonuses and special bonuses to the directors and managers who participated in business operations in 2024. 5. Approval of the Company's "Corporate Sustainability Committee Charter". 6. Approval of the establishment of Corporate Sustainability Committee and the appointment of committee members. 7. Approval of the amendments to the Company's "Procedures for the Review of Acquisition or Disposal of Significant Assets".

Shareholders' meetings/Board of Directors	Date	Important resolutions:
		<p>8. Approval of the appointment to the subsidiary "San-Ching Engineering Co., Ltd." as the contractor for the new construction project of the Company's "Cathay Real Estate Building Urban Renewal Project" in Zhongshan District, Taipei City.</p> <p>Note: The above important resolutions have been implemented.</p>
The 12th Session of the 20th Board of Directors Meeting	2025.3.12	<p>1. Approval of the "Statement on Internal Control System for the Year 2024" to be submitted to the Securities and Futures Bureau, Financial Supervisory Commission.</p> <p>2. Approval of the Corporate Sustainability Development Strategy Plan for 2025.</p> <p>3. Approval of the 2024 Business Report.</p> <p>4. Approval of the 2024 Parent Company Only Financial Statements and Consolidated Financial Statements.</p> <p>5. Approval of the proposal on 2025 CPA Appointment and Remuneration Review.</p> <p>6. Approval of the matters related to the 2025 Annual Shareholders' Meeting, including the date, venue, and acceptance of shareholders' proposals.</p> <p>7. Approval of the review of the implementation result of corporate sustainable development and integrity management in 2024.</p> <p>8. Approval of the amendments to "the Corporate Sustainable Development Best Practice Principles" and "the Ethical Corporate Management Best Practice Principles".</p> <p>9. Approval of the Personnel case of the Company's new Chief sustainability officer.</p> <p>10. Approval of the Company's Plan for Long-Term Fundraising.</p> <p>Note: The above important resolutions have been implemented.</p>

- (X) Major contents of any dissenting opinions on record or stated in a written statement made by Directors (including Independent Directors) or Supervisors regarding key resolutions of the Directors' Meeting in the most recent year up to the publication date of this report: None.

### III. Information Regarding Audit Fee

#### CPA Fee Information

Unit: NT\$ thousands

Name of CPA Firm	Name of CPA	CPA Audit Period (Note 1)	Audit Fees	Non-audit Fees	Total	Remark
Ernst & Young	Hsu, Jung-Huang	2023.1.1-2023.12.31	\$2,950	\$1,407. The service content include consolidated business report, relationship report, computer-controlled environmental assessment.	\$4,357	-
	Ma, Chun-Ting					
Deloitte & Touche	Lin, Shu-Wan	2024.1.1-2024.12.31	\$2,900	\$1,257. The service content include consolidated business report, relationship report, computer-controlled environmental assessment.	\$4,157	-
	Shao, Chih-Ming					

Note: If the Company has replaced the CPAs or accounting firm in the current fiscal year, the audit period should be listed separately, and the reason for replacement should be stated in the "Remark(s)" column. Information regarding the audit and non-audit fees paid should also be disclosed in order. Non-audit fees should be annotated to explain the service content.

- (I) Changing an accounting firm and the audit fees paid in the year of the change are less than those in the year preceding the change: The main difference lies in the assurance fee of the Sustainability Report.
- (II) Whether the audit fees were reduced by more than 10 percent compared to the previous fiscal year: None.

#### IV. Information on Change of CPAs:

##### (I) Regarding the former CPA

Replacement Date	Reported to and approved by the Board of Directors on March 14, 2024, to change the accounting firm and CPA starting from the fiscal year 2024.		
Replacement reasons and explanations	In line with the development of the Group's strategy, internal management requirements, and the international trend of strengthening corporate governance, the accounting firm and CPAs have been replaced.		
Describe whether the Company terminated or the CPA did not accept the appointment	<div>Parties</div> <div>Status</div>	CPA	The Company
	Termination of appointment		
	No longer accepted (continued) appointment		Upon the expiration of the appointment term, the Company will no longer continue the appointment.
Other issues (except for unqualified issues) in the audit reports within the last two years	None		
Differences with the company	Yes		Accounting principles or practices
			Disclosure of financial statements
			Audit scope or steps
			Others
	None	✓	
	Remarks/specify details:		
Other Revealed Matters (where Item 1-4 to Item 1-7, Paragraph 6, Article 10 of this Criterion shall be disclosed)	None		

##### (II) Regarding the successor CPA

Name of Accounting Firm	Deloitte Touche Tohmatsu Limited
Name of CPA	Lin, Shu-Wan, Shao, Chih-Ming
Date of Appointment	Approved by the Board of Directors on March 14, 2024, the Company will change its accounting firm and certified public accountant starting from the fiscal year 2024.

Name of Accounting Firm	Deloitte Touche Tohmatsu Limited
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement.	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None

(III) Reply of the former CPA to Item 1 and Item 2-3, Paragraph 6, Article 10 of this Criterion: None.

**V. The Chairman, President, or Any Managerial Officer in Charge of Finance or Accounting Matters in the Most Recent Fiscal Year Holding a Position at the CPAs' Accounting Firm or an Affiliate of the Accounting Firm:** None.

**VI. Status of Share Transfer and Changes in Equity Pledge by the Directors, Supervisors, Managers, and Shareholders with Over 10% Shareholdings in the Most Recent Year until the Publication Date of the Annual Report**

(I) Changes in shareholdings of Directors, Supervisors, managerial officers and substantial shareholders

Title	Name	2024		Current fiscal year up to March 30, 2025	
		Increase (Decrease) in Shareholdings	Increase (Decrease) in Shareholdings Pledged	Increase (Decrease) in Shareholdings	Increase (Decrease) in Shareholdings Pledged
Chairman	He Xin Industrial Co., Ltd. Representative: Chang, Ching-Kuei	0	0	0	0
Director	He Xin Industrial Co., Ltd. Representative: Tsai, Chung-Yan	0	0	0	0
Director	He Xin Industrial Co., Ltd. Representative: Lee, Hung-Ming	0	0	0	0
Director	Cathay Real Estate Culture & Education Foundation Representative: Chu, Chung-Chang	0	0	0	0
Director	Employee Welfare Committee of Cathay Real Estate Development Co., Ltd. Representative: Lin, Chin-Liang	0	0	0	0
Director	Cathay Life Charity Foundation Representative: Chuang, Wan-Hua	0	0	0	0

Title	Name	2024		Current fiscal year up to March 30, 2025	
		Increase (Decrease) in Shareholdings	Increase (Decrease) in Shareholdings Pledged	Increase (Decrease) in Shareholdings	Increase (Decrease) in Shareholdings Pledged
Independent Director	Chang, Yuan-Hsiao	0	0	0	0
Independent Director	Yu, Tsu-Kang	0	0	0	0
Independent Director	Lee, Li-Kun	0	0	0	0
10% Major Shareholder	Employee Pension Fund Management Committee of Cathay Life Insurance Co., Ltd.	0	0	0	0
10% Major Shareholder	Wan Pao Development Co., Ltd.	0	0	0	0
President	Lee, Hung-Ming	0	0	0	0
Senior Executive Vice President	Tsai, Chung-Yan	0	0	0	0
Senior Executive Vice President	Lin, Chin-Liang	0	0	0	0
Executive Vice President	Liao, Li-Chi	0	0	0	0
Executive Vice President	Ku, Shang-Chieh	0	0	0	0
Executive Vice President	Guo, Jun-Her	0	0	0	0
Senior Vice President of Administration Management Department & Corporate Governance Officer	Chen, Chia-Yen (Corporate Governance Officer Took office on 2024.07.01)	0	0	0	0
Senior Vice President of Development Department	Liu, Pang-Ho	0	0	0	0
Senior Vice President of Technology Department	Chang, Chih-Chiang (Took office on 2024.02.01)	0	0	0	0
Senior Vice President of Project Department I	Hsiao, Chia-Ming	0	0	0	0



Title	Name	2024		Current fiscal year up to March 30, 2025	
		Increase (Decrease) in Shareholdings	Increase (Decrease) in Shareholdings Pledged	Increase (Decrease) in Shareholdings	Increase (Decrease) in Shareholdings Pledged
Senior Vice President of Project Department II	Peng, Fei-I	0	0	0	0
Senior Vice President of Project Department III	Chang, Chia-Lun	0	0	0	0
Senior Vice President of Finance Management Department.	Chang, Yi-Chun (Took office on 2024.07.01)	0	0	0	0

- (II) Counterparties involved in equity transfer or pledging of equity are related parties:  
None.

## VII. Relationship Among the Company's Top Ten Shareholders

Deadline: April 15, 2025; Unit: Shares; %

Name (Note 1)	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Title or name and relationship of top 10 shareholders who are related parties or each other's spouses and relatives within the second degree of kinship (Note 3)		Remark
	Number of Shares	Proportion of shareholdings (%)	Number of Shares	%	Number of Shares	%	Name	Relationship	
Employee Pension Fund Management Committee of Cathay Life Insurance Co., Ltd. Representative: Wang, Li-Chiu	288,067,626	24.84%	0	0	0	0	Cathay Life Insurance Co., Ltd.	Is the sponsor of the fund	
	0	0%							
Wan Pao Development Co., Ltd. Representative: Lin, Weng-Chuan	204,114,882	17.60%	0	0	0	0	Lin Yuan Investment Co., Ltd. Wan-Da Investment Co., Ltd.	Share the same Chairman	
	0	0%							
Lin Yuan Investment Co., Ltd. Representative: Lin, Weng-Chuan	56,241,814	4.85%	0	0	0	0	Wan Pao Development Co., Ltd.	Share the same Chairman	

Name (Note 1)	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Title or name and relationship of top 10 shareholders who are related parties or each other's spouses and relatives within the second degree of kinship (Note 3)		Remark
	Number of Shares	Proportion of shareholdings (%)	Number of Shares	%	Number of Shares	%	Name	Relationship	
	0	0%					Wan-Da Investment Co., Ltd.		
Cathay Life Insurance Co., Ltd. Representative: Xiong, Ming-He	55,146,584	4.76%	0	0	0	0	Employee Pension Fund Management Committee of Cathay Life Insurance Co., Ltd.	Is an allottee of the Company	
	0	0%							
Qiu, Nian-Bang	22,015,000	1.90%	0	0	0	0	None	None	
He Xin Industrial Co., Ltd. Representative: Huang, Zhong-You	22,000,000	1.90%	0	0	0	0	None	None	
	0	0%							
Taiwan Life Insurance Co., Ltd. Representative: Hsu, Shu-Po	18,835,000	1.62%	0	0	0	0	None	None	
	0	0%							
Wan-Da Investment Co., Ltd. Representative: Lin, Weng-Chuan	18,701,652	1.61%	0	0	0	0	Wan Pao Development Co., Ltd. Lin Yuan Investment Co., Ltd.	Share the same Chairman	
	0	0%							
Zhensheng Industrial Co., Ltd. Representative: Chen, Cheng-Chih	17,500,000	1.51%	0	0	0	0	None	None	
	0	0%							
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	8,921,505	0.77%	0	0	0	0	None	None	

Note 1. All the top 10 shareholders shall be listed. For juristic person shareholders, their names and the name of their representatives shall be listed separately.

Note 2. Shareholding percentage is calculated separately based on the number of shares held in the name of the person, his/her spouse and minors, and others.

Note 3. Relationships between the aforementioned shareholders, including juristic person shareholders and natural person shareholders shall be disclosed based on the financial reporting standards used by the issuer.

**VIII. Investment of the Company, the Company's subsidiary, the Company's Directors, Supervisors, Managers and Subsidiaries Directly or Indirectly Controlled by the Company on the Re-investment business, and Total Shareholding Ratio**

Mar. 30, 2025; Units: share; %

Re-investment Business (Note)	Investment by the Company		Investment by Directors/Managerial Officers and Companies Directly or Indirectly Controlled by the Company		Total Investments	
	Number of Shares	Proportion of shareholdings Percentage	Number of Shares	Proportion of shareholdings Percentage	Number of Shares	Proportion of shareholdings Percentage
Cathay Real Estate Management Co., Ltd.	5,000,000	100%	0	0	5,000,000	100%
San-Ching Engineering Co., Ltd.	120,000,000	100%	0	0	120,000,000	100%
Lin Yuan Property Management Co. Ltd.	1,530,000	51%	0	0	1,530,000	51%
Cathay Hospitality Management Co., Ltd.	25,000,000	100%	0	0	25,000,000	100%
Cathay Hospitality Consulting Co., Ltd.	60,000,000	100%	0	0	60,000,000	100%
Cathay Food & Beverage Group Co., Ltd.	0	0	16,700,000	100%	16,700,000	100%
Cathay Healthcare Management Co., Ltd.	46,750,000	85%	0	0	46,750,000	85%
Cymbal Medical Network Co., Ltd.	35,000,000	100%	0	0	35,000,000	100%
Cymder Co., Ltd.	0	0	12,000,000	100%	12,000,000	100%
Cymlin Co., Ltd.	0	0	14,000,000	100%	14,000,000	100%
Jinhua Realty Co., Ltd.	40,800,000	51%	0	0	40,800,000	51%
Bannan Realty Co., Ltd.	58,650,000	51%	0	0	58,650,000	51%
Sanchong Realty Co., Ltd.	183,480,000	66%	0	0	183,480,000	66%
Zhulun Realty Co., Ltd.	33,150,000	51%	0	0	33,150,000	51%

Note: Invested by the Company using the equity method

### Chapter 3. Funding Status

#### I. Capital and Shares

##### (I) Source of Capital

Year/Month	Offering Price	Authorized Capital		Paid-in Capital		Remarks		
		Number of Shares	Amount (NT\$)	Number of Shares	Amount (NT\$)	Source of Capital	Capital Increase by Assets Other than Cash	Others
1964.12	10	10,000,000	100,000,000	10,000,000	100,000,000	Establishment in Cash	None	September 14, 1964 J.X.Z. No. 0731
1969.08	10	11,500,000	115,000,000	11,500,000	115,000,000	Capital increase from retained earnings 1,500,000 new shares issued	None	May 28, 1969 Z.G. (58) F.Z. No. 0559
1970.12	10	11,960,000	119,600,000	11,960,000	119,600,000	Capital increased by surplus and capital surplus 460,000 new shares issued	None	September 29, 1970 Z.G. (59) F.Z. No. 0920
1971.10	10	20,000,000	200,000,000	20,000,000	200,000,000	Capital increased by cash 8,040,000 new shares issued	None	June 4, 1971 Z.G. (60) F.Z. No. 0467
1972.08	10	25,000,000	250,000,000	25,000,000	250,000,000	Capital increased by cash and capital increased by surplus 5,000,000 new shares issued	None	June 20, 1972 Z.G. (61) F.Z. No. 0480
1973.09	10	50,000,000	500,000,000	50,000,000	500,000,000	Capital increased by cash and capital increased by surplus and capital surplus 25,000,000 new shares issued	None	June 2, 1973 Z.G. (62) F.Z. No. 0656
1974.09	10	55,250,000	552,500,000	55,250,000	552,500,000	Capital increased by surplus and capital surplus 5,250,000 new shares issued	None	August 17, 1974 Z.G. (63) Y.Z. No. 1371
1976.11	10	70,000,000	700,000,000	70,000,000	700,000,000	Capital increased by cash and capital increased by surplus	None	August 9, 1976 Z.G. (65) Y.Z. No. 0991

Year/Month	Offering Price	Authorized Capital		Paid-in Capital		Remarks		
		Number of Shares	Amount (NT\$)	Number of Shares	Amount (NT\$)	Source of Capital	Capital Increase by Assets Other than Cash	Others
						14,750,000 new shares issued		
1978.09	10	110,000,000	1,100,000,000	110,000,000	1,100,000,000	Capital increased by cash and capital increased by surplus 40,000,000 new shares issued	None	June 20, 1978 Z.G. (67) Y.Z. No. 0671
1979.10	10	126,200,000	1,262,000,000	126,200,000	1,262,000,000	Capital increase from retained earnings 16,200,000 new shares issued	None	September 6, 1979 Z.G. (68) Y.Z. No. 28893
1980.09	10	140,000,000	1,400,000,000	140,000,000	1,400,000,000	Capital increase from retained earnings 13,800,000 new shares issued	None	July 7, 1980 Z.G. (69) Y.Z. No. 0822
1981.10	10	161,000,000	1,610,000,000	161,000,000	1,610,000,000	Capital increase from retained earnings 21,000,000 new shares issued	None	August 10, 1981 Z.G. (70) Y.Z. No. 0256
1983.12	10	165,830,000	1,658,300,000	165,830,000	1,658,300,000	Capital increased by capital surplus 4,830,000 new shares issued	None	November 16, 1983 (72) T.C.Z. (Y.) No. 2538
1984.10	10	170,804,900	1,708,049,000	170,804,900	1,708,049,000	Capital increased by capital surplus 4,974,900 new shares issued	None	October 1, 1984 (73) T.C.Z. (Y.) No. 2778
1985.10	10	191,301,488	1,913,014,880	191,301,488	1,913,014,880	Capital increase from retained earnings 20,496,588 new shares issued	None	October 8, 1985 (74) T.C.Z. (Y.) No. 14836
1986.12	10	210,431,636	2,104,316,360	210,431,636	2,104,316,360	Capital increased by surplus and capital surplus 19,130,148 new shares issued	None	October 16, 1986 (75) T.C.Z. (Y.) No. 14881

Year/Month	Offering Price	Authorized Capital		Paid-in Capital		Remarks		
		Number of Shares	Amount (NT\$)	Number of Shares	Amount (NT\$)	Source of Capital	Capital Increase by Assets Other than Cash	Others
1987.10	10	231,474,799	2,314,747,990	231,474,799	2,314,747,990	Capital increase from retained earnings 21,043,163 new shares issued	None	July 8, 1987 (76) T.C.Z. (Y.) No. 00641
1988.09	10	266,196,018	2,661,960,180	266,196,018	2,661,960,180	Capital increase from retained earnings 34,721,219 new shares issued	None	June 30, 1988 (77) T.C.Z. (Y.) No. 08548
1989.10	10	306,125,420	3,061,254,200	306,125,420	3,061,254,200	Capital increase from retained earnings 39,929,402 new shares issued	None	July 20, 1989 (78) T.C.Z. (Y.) No. 25500
1991.03	10	413,025,480	4,130,254,800	413,025,480	4,130,254,800	Capital increased by cash and capital increased by surplus 106,900,060 new shares issued	None	October 19, 1990 (79) T.C.Z. (Y.) No. 02712
1991.09	10	578,235,672	5,782,356,720	578,235,672	5,782,356,720	Capital increase from retained earnings 165,210,192 new shares issued	None	June 29, 1991 (80) T.C.Z. (Y.) No. 01346
1992.09	10	722,794,590	7,227,945,900	722,794,590	7,227,945,900	Capital increased by surplus and capital surplus 144,558,918 new shares issued	None	June 30, 1992 (81) T.C.Z. (Y.) No. 01463
1993.09	10	867,353,507	8,673,535,070	867,353,507	8,673,535,070	Capital increased by surplus and capital surplus 144,558,917 new shares issued	None	June 18, 1993 (82) T.C.Z. (Y.) No. 01468
1994.09	10	1,085,918,347	10,859,183,470	1,085,918,347	10,859,183,470	Capital increased by surplus and capital surplus 218,564,840 new shares issued	None	June 24, 1994 (83) T.C.Z. (Y.) No. 28893
1995.09	10	1,303,102,016	13,031,020,160	1,303,102,016	13,031,020,160	Capital increased by surplus and capital surplus 217,183,669 new shares issued	None	June 13, 1995 (84) T.C.Z. (Y.) No. 35033

Year/Month	Offering Price	Authorized Capital		Paid-in Capital		Remarks		
		Number of Shares	Amount (NT\$)	Number of Shares	Amount (NT\$)	Source of Capital	Capital Increase by Assets Other than Cash	Others
1996.05	10	1,433,412,217	14,334,122,170	1,433,412,217	14,334,122,170	Capital increase from retained earnings 130,310,201 new shares issued	None	June 8, 1996 (85) T.C.Z. (Y.) No. 36644
1997.08	10	1,519,416,950	15,194,169,500	1,519,416,950	15,194,169,500	Capital increase from retained earnings 86,004,733 new shares issued	None	June 11, 1997 (86) T.C.Z. (Y.) No. 46297
1998.08	10	1,595,387,797	15,953,877,970	1,595,387,797	15,953,877,970	Capital increased by capital surplus 75,970,847 new shares issued	None	June 15, 1998 (87) T.C.Z. (Y.) No. 51500
1999.08	10	1,675,157,186	16,751,571,860	1,675,157,186	16,751,571,860	Capital increased by surplus and capital surplus 79,769,389 new shares issued	None	June 19, 1999 (88) T.C.Z. (Y.) No. 53897
2001.04	10	1,675,157,186	16,751,571,860	1,619,823,186	16,198,231,860	The first capital decrease in treasury stock 55,334,000 share	None	February 8, 2001 (90) T.C.Z. (S.) No. 105264
2001.11	10	1,619,823,186	16,198,231,860	1,606,107,186	16,061,071,860	The second capital decrease in treasury stock 13,716,000 share	None	October 9, 2001 (90) T.C.Z. (S.) No. 159903
2002.01	10	1,606,107,186	16,061,071,860	1,570,971,186	15,709,711,860	The third capital decrease in treasury stock 35,136,000 share	None	Oct. 29, 2001 (90) T.C.Z. (S.) No. 172262
2002.12	10	1,570,971,186	15,709,711,860	1,567,186,186	15,671,861,860	The fourth capital decrease in treasury stock 3,785,000 share	None	Feb. 11, 2002 (91) T.C.Z. (S.) No. 0910164510
2003.09	10	1,656,515,798	16,565,157,980	1,656,515,798	16,565,157,980	Capital increased by surplus and capital surplus 89,329,612 new shares issued	None	July 17, 2003 (92) T.C.Z. (Y.) No. 0920132017
2016.10	10	2,000,000,000	20,000,000,000	1,159,561,059	11,595,610,590	Capital decreased by 496,954,739 shares in cash	None	July 28, 2016 J.G.Z.F.Z. No. 1050028001

Share Type	Authorized Capital (Shares)			Remarks
	Issued Shares Outstanding Shares (stocks listed on Taiwan Stock Exchange)	Unissued Shares	Total	
Common stock	1,159,561,059	840,438,941	2,000,000,000	-

Information on the shelf registration system: None.

## (II) List of Major Shareholders

April 15, 2025

Name of Major Shareholders	Share	Number of Shares Held (In Shares)	Shareholding Ratio
Employee Pension Fund Management Committee of Cathay Life Insurance Co., Ltd.		288,067,626	24.84%
Wan Pao Development Co., Ltd.		204,114,882	17.60%

Note 1. Shareholders who hold more than 5% of the shares are disclosed.

Note 2. Please refer to pages 109-110 for the list of top 10 shareholders with the largest shareholdings, as well as the number of shares held and shareholding ratios.

## (III) Implementation of Resolutions of the Shareholders' Meeting

1. In response to economic and market environmental changes, the company is moving toward diversified investments to increase profitability. Considering long-term financial planning and future capital requirements, our dividend policy adopts a residual dividend approach to ensure stable growth and sustainable operations.
2. If the Company earns profit for the year, 0.1% to 1% of it shall be distributed as employee compensation, and no more than 1% as Director and Supervisor compensation. However, the Company's accumulated losses, if any, shall first be covered.
3. If the Company makes a profit in a year, after paying taxes in accordance with the law, it should offset any losses from previous years, and then allocate a legal reserve and a special reserve, pursuant to law. The remaining balance (hereinafter referred to as current year's earnings) plus unappropriated retained earnings from the beginning of the period and the legally reversed special reserve will serve as the distributable profit. The Board of Directors shall prepare a profit distribution proposal based on the Company's operational strategy and submit it to the shareholders' meeting for resolution to distribute dividends or retain earnings.
4. Based on the Company's operational planning and capital investment, as well as taking into account shareholders' cash inflow requirements and avoiding over expansion of share capital, profit is to be first distributed in a form of cash dividend,



followed by stock dividend. However, the total amount of dividend distribution shall not be less than 20% of surplus of the year, and cash dividend distribution ratio shall not be less than 50% of total dividend.

5. When the aforementioned special surplus reserve is present, the net amount of other equity deductions for the current period should be deducted from the amount of the current net profit after tax plus the amount of items other than the current net profit after tax included in the current unappropriated earnings, and the same amount of special surplus reserve should be provided. If there is still a shortfall, it will be withdrawn from the previous unappropriated earnings. However, if the net amount of other equity deductions accumulated in previous periods is still insufficient, the same amount of special surplus reserve should be provided from the current net profit after tax plus the amount of items other than the current net profit after tax included in the current unappropriated earnings.

The principles above have been approved by the Board meeting and shareholders' meeting and set out in the Articles of Incorporation. The future dividends shall be allocated in accordance with the dividend policy set out in the Articles of Incorporation.

6. Distribution of dividends proposed at the most recent shareholders' meeting

The Company's 2024 earnings distribution proposal has not yet been resolved by the Board of Directors of the Company.

7. Expected significant changes in the dividend policy: None.

#### (IV) Status of Resolutions Made by Shareholders' Meetings

1. The following matters have been approved at the shareholders' meeting on June 14, 2024 and hence implemented:

- (1) 2023 Business Report and Financial Statements.

- (2) 2023 Earnings Distribution Proposal.

Implementation Status: For the allocation of earnings for 2023, July 22, 2024 was the ex-dividend base date, and a cash dividend of NT\$1,159,561,059 was distributed (NT\$1 per share) at the payment date of August 12, 2024. The Company had completed the payment.

- (3) Approval of the amendments to the Company's "Articles of Incorporation".

- (4) Approval of the lifting the restrictions on competition prohibition for directors of the Company.

Status of implementation: It is agreed to release Independent Director Chang, Yuan-Hsiao, Independent Director Yu Tsu-Kang from the non-competition restrictions for the positions they hold in the listed companies, this was announced on the Open Information Observation Station on June 14, 2024.

(V) The impacts of issuing stock grants in this shareholder's meeting on the Company's operational performance and earnings per share: None

(VI) Compensation of employees, directors, and supervisors

1. The percentage or scope of compensation of employees, Directors and Supervisors as set out in the Articles of Association: Please refer to the dividend policy in Article (III) above.
2. Accounting treatment for any discrepancy between the estimate foundation of current compensation of employees, Directors and Supervisors, calculation foundation of the number of shares in the compensation of employees allocated in stocks and the actual amount allocated and the number estimated: the estimation shall be made by the after-tax net profit as of 2024 in consideration of legal reserve and other factors on the basis of the percentage set out in the Articles of Association. However, if there is a discrepancy between the actual allocated amount proposed by the shareholders' meeting and the estimated number afterward, it will be listed as the profit and loss in 2025.
3. Status of compensation distribution as approved by the Board of Directors (2025.3.12):
  - (1) Compensation of employees, Directors and supervisors allocated in cash or stock: Employees were paid with NT\$1,976 thousand and Directors NT\$2,400 thousand both in cash.
  - (2) Ratio of employee compensation allocated in stock to the total of after-tax net profit in the current parent company only or individual financial report and the employee compensation: None
4. The distribution of employee bonuses and compensation of Directors and supervisors in 2024:

The employee bonus of NT\$2,245 thousand and the compensation of Directors of NT\$2,400 thousand were distributed in cash in line with the resolution of the Board of Directors.

(VII) Buyback of Treasury Stock: None.

**II. Issuance of Corporate Bonds: None.**

- III. Issuance of Preferred Shares:** None.
- IV. Issuance of Overseas Depositary Receipts:** None
- V. Issuance of Employee Stock Options:** None.
- VI. Issuance of New Restricted Employee Shares:** None
- VII. Status of New Shares Issuance in Connection with Mergers and Acquisitions:** None.
- VIII. Implementation of Capital Utilization Plan:** None.

## **Chapter 4. Operational Highlights**

### **I. Business Activities**

#### **(I) Scope of Business**

##### **1. Main business operations of the Company**

- (1) Retail Sale of Medical Apparatus
- (2) Department Stores
- (3) Car Rental Business
- (4) Parking area Operators
- (5) Housing and Building Development and Rental
- (6) Industrial Factory Development and Rental
- (7) Specific Area Development
- (8) Investment, Development and Construction in Public Construction
- (9) New Towns, New Community Development
- (10) Process Zone Expropriation and Urban Land Readjustment Agency
- (11) Urban Renewal Reconstruction
- (12) Urban Renewal Renovation or Maintenance
- (13) Construction Manager
- (14) Real Estate Business
- (15) Real Estate Leasing
- (16) Real Estate Consignment Brokerage
- (17) Management Consulting
- (18) Other Consulting Service
- (19) All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

## 2. Proportion of Consolidated Business Activities in 2023

Unit: NT\$ thousands

Item	Amount	Percentage (%)
Sales of buildings and land	12,625,458	52.92%
Construction income	5,661,374	23.73%
Service revenue	4,755,951	19.93%
Rent income	567,265	2.38%
Others	248,641	1.04%
Total	23,858,689	100.00%

## 3. The Company's Current Products and Planned Developments of New Products

The Company's main products currently focus on investing in, the construction and sales of residential buildings with elevators. Six products are planned to be launched in 2025, which are located in Taipei Wenshan, New Taipei Xinzhuang, Taoyuan Zhonglu, Taichung Nantun, Tainan North District, and Kaohsiung Sanmin. These projects will be publicly sold based on the economic conditions and market situations.

## (II) Industry Overview

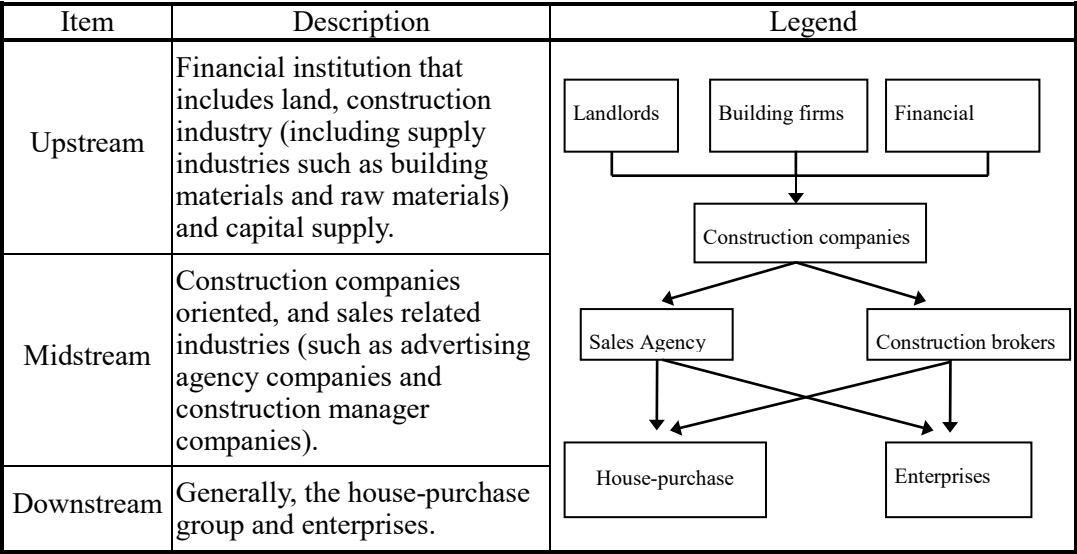
### 1. Current state and development of the industry

Since 2020, benefiting from the long-term low-interest environment, along with the global COVID-19 pandemic which prompted major central banks to implement massive QE policies, domestic liquidity has become abundant, driving a housing market boom. National property transaction volume reached 348,000 units in 2021, hitting an eight-year high, while construction and residential loan balances gradually increased. However, in 2022, rapidly rising housing prices caused public discontent. In response, the government implemented a series of housing market policies (Real Price Registration 2.0, combined housing and land tax, credit controls, and amendments to the Equalization of Land Rights Act), although short-term investors gradually exited the market, it caused home buyers to adopt a wait-and-see attitude. This resulted in a decline in transaction volume to 318,000 units after five consecutive years of increases. The cooling of the market continued into the period following the Lunar New Year in 2023. Following the stock market surge and the easing of negative policies in the second half of 2023, the housing market gradually recovered. In the first half of 2024, with emerging technologies boosting export industries, the Taiwan stock market reached new highs again. Combined with the Preferential Housing Loans for the Youth Policy, the real estate market showed

prosperity. However, in the second half of the year, the Central Bank implemented the seventh wave of credit controls, with decreased loan-to-value ratios and the elimination of grace periods, causing a sharp decline in buying sentiment and returning market sentiment to more rational levels. However, although policies affected buying sentiment in the second half of the year, they could not extinguish the hot bullish housing market driven by the Preferential Housing Loans for the Youth Policy in the first half of the year, resulting in over 350,000 property transactions nationwide in 2024.

In terms of overall housing market supply and demand: In the first half of last year, developers launched a variety of new projects. However, at the end of the third quarter, the seventh wave of credit controls was implemented, causing developers to adjust their project launch schedules, adopting more conservative strategies, with many projects postponed until after this year's Lunar New Year. On the demand side, benefiting from Taiwan's economic recovery, continued stock market growth, and the Preferential Housing Loans for the Youth Policy accelerating first-time homebuyers' entry into the market, housing demand was robust in the first half of last year, driving strong price increases with both prices and volume rising. However, in the second half of the year, due to tight mortgage levels and strong credit control measures, buying sentiment cooled rapidly, affecting home-buying confidence and resulting in a market now primarily dominated by owner-occupiers and first-time homebuyers. Overall, the real estate market in 2025 will be affected by government policy, showing price stability with reduced volume in the short term, while the long-term outlook will depend on economic development and policy adjustments, which remains to be observed.

2. Correlations between upstream, midstream and downstream Industries



### 3. Product Trends

#### (1). Architectural brand leadership

With the improvement of the standard of national lives, customers are requiring a higher standard of building facade, structure planning, construction quality and other details. Therefore, the excellent customer service and brand image catering for consumers will become one of the key points to sell products in the future.

#### (2). Futuristic design

Due to changes in consumer demand patterns, strengthening the product functions such as health, technology, environmental protection, leisure, safety, comfort and high quality, considering the future development, and enhancing the value of construction will become the mainstream trend in the future. Additionally, the Company has established a strong reputation and brand image in the market and places an immense value on sustainable after-sales support.

#### (3). Economical and environment-friendly construction

In the era where the raw materials increase gradually, how to ensure construction quality, protect the environment and save materials will become the focus of high-quality buildings in the future.

#### (4). Integrated community living function

In the future, the integrated living functions will be emphasized in new communities. Baby sitting, fitness, catering, conference, recreation and entertainment will be the necessary living functions in communities.

### 4. Competition

The product design of the real estate market must conform to local characteristics, but there shall be difference between regional projects. With changes in market demand, the product types shall be adjusted rapidly and timely, and market segmentation shall be done based on regional customer characteristics, in order to expand the Company's operating scale with diverse products. In recent years, the Company has been developing projects mainly in the metropolitan areas like Taipei-Keelung metropolitan area, Taoyuan, Hsinchu, Taichung, Tainan and Kaohsiung. The adamant management team, sound financial planning, professional R&D and design, and solid engineering construction are the maximum competitive condition of the Company. In addition, the Company emphasizes permanent after-sales service and has established a good reputation and brand image in the market.

### (III) Technology and R&D Overview

In order to strengthen the transparency of the real estate market information, improve the development of the real estate market, and fulfill the corporate social responsibility, the Company has been preparing the Cathay Real Estate Index with academic institution since the end of 2002 for 23 years in 2025. More than NT\$3.2 million of budget is invested in the preparation every year, and it has become one of the important sources of reference of domestic real estate information. In terms of R&D of product technology, we have invested lots of manpower and funds in the fields of planning, design, building materials and equipment. Therefore, the projects developed by the Company can be favored by customers and sold well in a short period of time. In recent years, with the purpose of breaking through design thinking, we also introduced foreign design teams to enable the Company's products to be more competitive.

#### 1. Industry Trends

- (1) Changes in the real estate business cycle
- (2) Evolution of the real estate market products
- (3) Quarterly Report of Cathay Real Estate Index

#### 2. Architectural technology

- (1) Control of architecture construction cost
- (2) Discussion on the standard construction period
- (3) Discussion on construction laws and building products
- (4) Discussion on building construction specifications
- (5) Discussion on green building design
- (6) Discussion on intelligent construction equipment
- (7) Discussion on earthquake-resistant buildings
- (8) Discussion on energy-saving and carbon-reduced equipment

### (IV) Long-term and Short-term Development

#### 1. Long-term Development

##### (1) Branding

Implement the Company's core values, business philosophy and four guarantees, keep initiative, innovate services, and pursuit of excellence, in order to achieve the philosophy of sustainable development and sustainable service. The



Company continues executing the brand optimization and implement action plan, leverage Cathay's advantages, enhance the comprehensive quality, knowledge management and digital transformation based on the thinking of “Quality Lifetime House”, and maintain and continue the brand value through sustainable services.

## (2) Land Development

After strengthening and stabilizing the core business, we have also introduced our business philosophy and integrated digital technology into the development of real estate and created added value to enhance our competitive edge, expand the business scale, diversify development models, actively participate in the development of commercial and complex buildings, and stride forward toward the vision of becoming a comprehensive developer.

## (3) Product Planning

Through incorporation of the concept of sophisticated practical planning and design, coupled with digital technology, environmental protection, and energy-saving techniques, thoughtful designs were introduced; increasing product added value, and catering to the needs of the target customer group, creating product differentiation and enhancing product competitiveness.

## (4) Marketing

Build and improve the customer database management system using digital integration and big data analysis, in order to keep abreast of the marketing trends, integrate the Group's resources and synergies, diversify the contents of plans, and create a new sales strategy

## (5) Customer Service

Use the customer database and management system to conduct data analysis and feedback, strengthen customer service APP functions, and combine group resources to expand the scope of customer service, so that customers can experience the peace of mind and comfort from residential buildings to healthy living circles, so as to meet customer diversification demand to strengthen the Company's brand value and reputation.

# 2. Short-term Development

## (1) Branding

"Create value, deepen brand", actively differentiate product markets, create brand niches, so as to win customer recognition and avoid price wars of homogenization.

## (2) Project Development

The Company will continue to maintain the basic reserve of projects and develop lands in diversified ways, such as bidding for more public and commercial urban renewal projects, joint venture development with strategic partners, etc. On the other hand, we will prudently operate the existing re-investing business and actively work on efficiency optimization and site expansion to increase the service capacity and expand the territory. In addition, we will actively evaluate the layout of the new blue-sea business in order to move towards diversified operations.

## (3) Product Planning

With sophisticated and practical planning and design concepts, combined with digital technology, environmental protection and energy-saving technologies, we will increase the intimate and added value of products in line with the needs of various target customers to enhance the product competitiveness.

## (4) Marketing

Innovate marketing strategies, and break through market competition by combining the professional resources of architects, designers, sales agents, and relevant fields, diversify the contents of plans, and integrate the Group's synergies.

## (5) Customer Service

The integration of Group resources with the application of digital technology, strengthening customer service repair website and online material selection functions, the Company launched a credit card in 2016, providing discounts to customers who have made purchases the Group's from affiliated companies. The Company also promoted the LINE official account service function to further enhance service quality and efficiency.

# **II. Market, Production, and Sales Overview**

## **(I) Market Analysis**

### **1. Sales (Service) Regions**

The Company has business points in Taipei, Taichung, Tainan and Kaohsiung, and its business area includes the main metropolitan area of Taiwan. The supply and

demand of the major metropolitan areas in Taiwan in the past two years are shown in the table below.

	2023		2024	
	Launched amount (Hundreds of Millions)	30-day sales rate (%)	Launched amount (Hundreds of Millions)	30-day sales rate (%)
Taipei	1,868	8.89	3,658	14.96
New Taipei	3,140	11.41	3,964	13.44
Taoyuan	1,677	10.14	2,762	17.27
Hsinchu	857	10.06	703	17.35
Taichung	3,534	11.91	3,891	13.99
Tainan	1,043	15.74	1,355	23.96
Kaohsiung	2,141	10.85	2,360	26.13
Nationwide	14,260	11.46	18,693	17.63

Data source: Quarterly Report of Cathay Real Estate Index. 30-day sales rate refers to the sales situation in the month of launch, excluding subsequent sales.

## 2. Market Share

There is no statistical data on the rental and sales of houses in Taiwan, and it is impossible to calculate the market share, only an overview of the same industry is listed.

Unit: NT\$ thousands

Company Name	2024 revenue		Company Name	2024 revenue	
	Amount	Rank		Amount	Rank
Highwealth	24,940,798	1	Hwang Chang	11,416,556	11
Bes	22,769,229	2	Huang Hsiang	11,404,733	12
Farglory	22,319,616	3	Da-li co.,Ltd.	11,121,190	13
Rec	19,802,556	4	Ycdc	10,035,475	14
Gbm	18,767,886	5	New Asia	9,622,544	15
Kindom	15,959,122	6	Shin Ruenn	9,115,308	16
Da-cin	14,519,614	7	Ktc	9,042,155	17
Kedge	14,165,581	8	Sakurad	9,018,722	18
Cathay Red	13,081,648	9	Advancetek	8,802,272	19
Fu Hua	12,379,548	10	Run Long	8,761,403	20

Data source: MOPS

### 3. Future supply & demand and growth of the market

According to the Cathay Real Estate Index Quarterly Research Report, through observing the trend of the Cathay Real Estate Index from 2024, Nationwide, the market for newly launched housing projects showed both price and volume increases, mainly influenced by factors such as the warming global economy, Taiwan's strengthened export performance in the first half of the year, and the ongoing momentum of the Preferential Housing Loans for the Youth Policy. The overall housing market performed robustly in 2024. However, the Central Bank implemented the seventh wave of credit control policies at the end of the third quarter, causing the market atmosphere to gradually shift to a more cautious approach. Looking ahead to market trends in 2025, benefiting from the continued development of global AI-related industry opportunities, domestic export performance is expected to maintain steady upward momentum. However, the Central Bank's housing market policies will likely maintain a relatively tight stance in the short term, resulting in a market pattern of stable prices with reduced transaction volume.

In terms of supply and demand in the real estate market, Influenced by the improving international economy, booming domestic exports, and the Preferential Housing Loans for the Youth Policy, developers actively launched projects in 2024, with nationwide new project launch amounts significantly increasing compared to 2023. However, after the Central Bank implemented the seventh wave of credit control policies at the end of the third quarter, funding became tighter for both supply and demand sides. This is expected to reduce developers' willingness to launch new projects. Under the guidance of housing market regulation policies, the market in 2025 is anticipated to be primarily supported by first-time homebuyers and owner-occupiers. With insufficient homebuying confidence due to policy impacts, transaction volumes are expected to slow down.

Overall, although the performance of the real estate market in 2024 was strong, it is expected that, under the continued tightening of housing market policies, the short-term market structure will maintain a pattern of stable prices and reduced transaction volumes. The important factors that will affect the real estate market operations in the new year are summarized as follows:

#### (1) International situation

Major European and American countries have already prompted an orderly decline in inflation while suppressing a high interest rate environment, leading major economies to gradually enter a cycle of interest rate cuts. Additionally, the economic growth of export-oriented countries has recovered from its low point, driving global economic performance. According to IMF estimates, the

global economic growth rate for 2025 will be 3.3%, indicating a moderate expansion pattern. Attention should be paid to the new U.S. administration's tariff protection policies, which will increase global economic uncertainty. Turbulent developments in international affairs will also impact domestic demand for investment properties and high-end residential products.

## (2) Policy

As the government announced the end of the Preferential Housing Loans for the Youth subsidy program and the Central Bank implemented the Seventh Wave of Credit Controls as the main axis of housing market regulation policies, it is foreseeable that these policies will suppress short-term investment buyers, home upgraders, and multiple property owners in the near future. The subsequent market impact remains to be observed, with the housing market in 2025 expected to be primarily driven by rigid demand from first-time homebuyers and owner-occupiers.

## (3) Economic growth rate

With inflation easing in Europe and the U.S., demand will rise. With purchasing power recovering again driven by the AI application wave, Taiwan's export performance is expected to grow steadily in 2025. Although the high base from 2024 presents a challenge, the Directorate-General of Budget, Accounting and Statistics still estimates that the economic growth rate for the new year will reach 3.42%. Domestic economic development momentum remains strong and will maintain a stable expansion pattern.

## (4) Interest rate and price

Benefiting from global price stabilization, a strong U.S. job market, steady economic growth, and a moderate decline in inflation rates have led major international central banks to ease monetary supply in 2024. However, domestic interest rate policies have remained relatively moderate, and real interest rates have remained in a negative state for an extended period. Considering the continued large interest rate differential between Taiwan and the U.S., interest rate policies are expected to remain unchanged in the short term. Additionally, the Directorate-General of Budget, Accounting and Statistics estimates that Taiwan's Consumer Price Index (CPI) annual growth rate for 2025 will be approximately 1.93%, falling below the inflation warning line for the first time in three years.

# 4. Competitive Niches

## (1) Excellent brand image

- (2) Steady financial situation
  - (3) Professional R&D and design
  - (4) Solid engineering construction
  - (5) Sustainable after-sales service
5. Favorable and Unfavorable Factors in the Long Term and Strategies
- (1) Favorable Factors
    - a. At present, the real interest rate in the domestic market remains low. Driven by the concept of "being wealthy with land" and the expectation of rising prices among the people, real estate remains a general investment and value preservation tool for property acquisition.
    - b. The government actively promotes various economic revitalization programs, major construction projects, and investment by returning Taiwanese businesses, resulting in a growth in industrial development, which relatively also provides many construction and employment opportunities, stimulating the prosperity of the real estate market.
  - (2) Unfavorable Factors
    - a. With the decreased land resources and increased land price, the land acquisition costs are increased in Great Taipei Essence Zone.
    - b. The high construction demand arising from the launch of major construction projects and the return of overseas Taiwanese business capital to build factories leads to a rise in prices of raw materials and wages, which increases construction costs.
    - c. International uncertainties prevail, including the subsequent development of the two sides of the strait and the concern over the economic recession in Europe and the United States, which may affect the future trend of the real estate market.
  - (3) Countermeasures
    - a. Evaluate development projects prudently and strengthen product planning to increase added value and to reduce the impact of increasing costs.
    - b. In addition to the downtown essence zone, the potential suburb lands shall be actively evaluated and purchased and the diversified land development methods shall be expanded, such as joint construction or urban renewal business.

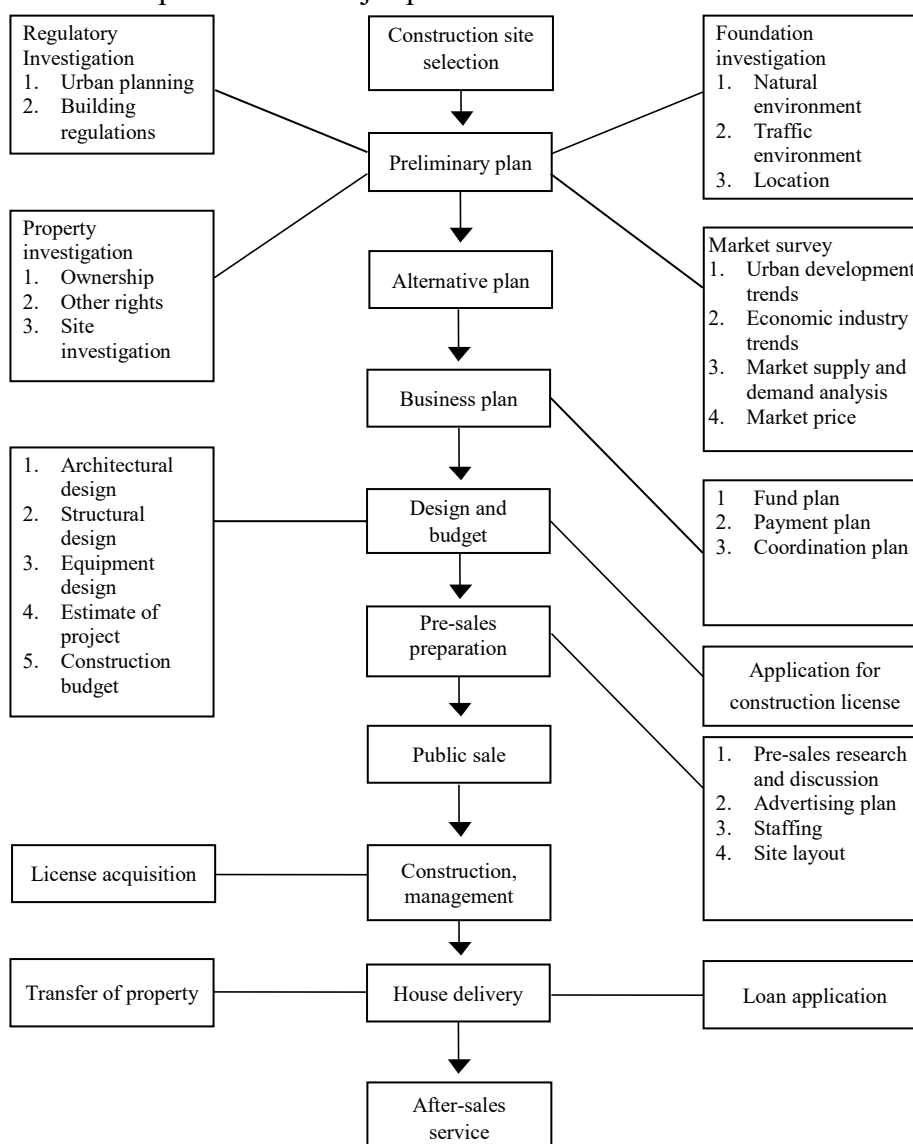
- c. Make effective use of the advantages of the Group's value chain and properly deploy new business investments to strengthen diversified operations and achieve synergy.

## (II) Production Procedures of Main Products

### 1. Major Products and Their Main Uses

The Company invests in and constructs various types of products in the major metropolitan areas of North, Central and South Taiwan based on the different demands of customers in each region. The main products can, depending on their functions, be divided into two categories, residential buildings and commercial buildings. The residential buildings are residence-purposed, including open-air villas and high-quality residential buildings with elevator; and the commercial buildings are commerce-purposed, such as shopping malls, high-end office buildings and integrated commercial buildings.

### 2. Production processes of major products



### (III) Supply Status of Main Materials

The main raw materials of the Company are land. In addition to obtaining land through the public auction and open investment promotion of National Property Administration or county/city governments, the raw materials of land are mainly obtained through the introduction of land intermediators or through joint construction with landlords. In addition, project evaluations are carried out for relevant development methods, such as urban renewal, joint development with MRT systems, state-owned land superficies right setting, and BOT, to increase the scale of the Company's development sources.

At present, in consideration of acquisition of raw materials of land, the Company mainly purchases the urban high-quality sections and the land in rezoning areas, supplemented by the land with complete living functions in the suburbs and land currently undergoing land readjustment and district expropriation. In addition to actively participating in the public auction of land by government units and public urban renewal projects through open investment promotion, the Company learns about the location, property rights and quantity of relevant land materials in specific areas through the open space survey method, and actively requests the land intermediators for broking to obtain raw materials of land in due course for the Company's operations.

### (IV) Major Suppliers Commanding 10%-plus Share of Annual Order Volume in the Most Recent Two Years

Information of major suppliers in the last 2 years

Unit: NT\$ thousands

Item	2023				2024			
	Name	Amount	Percentage to the total annual net purchases (%)	Relationship with the Issuer	Name	Amount	Percentage to the total annual net purchases (%)	Relationship with the Issuer
1	San-Ching Engineering Co., Ltd.	3,517,878	35.38	Affiliate	San-Ching Engineering Co., Ltd.	4,305,093	34.57	Affiliate
	Others	6,425,085	64.62		Others	8,148,370	65.43	
	Net purchase	9,942,963	100.00		Net purchase	12,453,463	100.00	
Reasons for the change	Fund of project under construction, etc.				Fund of project under construction, etc.			



### Information of major customers for the last 2 years

Unit: NT\$ thousands

Item	2023				2024			
	Name	Amount	Percentage to the total annual net sales (%)	Relationship with the Issuer	Name	Amount	Percentage to the total annual net sales (%)	Relationship with the Issuer
1	None				None			
	Others	6,829,160	100.00		Others	13,081,648	100.00	
	Net sales	6,829,160	100.00		Net sales	13,081,648	100.00	
Reasons for the change	None				None			

### III. Information Regarding Employees in the Most Recent Two Years and as of the Date of Publication of Annual Report

Year		2023	2024	Current fiscal year up to March 30, 2025 (Note)
Number Of Employees	Staff	156	172	172
	Total	156	172	172
Average Age		42.27	41.4	41.5
Average Service Year		11.57	11.0	10.8
Education	PhD	0%	0%	0%
	Masters	35.9%	32.6%	32.6%
	Bachelor's degree	59.6%	64.5%	64.5%
	Senior high school	4.5%	2.9%	2.9%
	Below high school	0%	0%	0%

Note. The data for Current fiscal year up to the date of the annual report's publication should be provided.

### IV. Environmental Protection Expenditures

- (I) The Company is in the construction investment industry. We entrust the professional engineering companies in the building industry to be responsible for the building and construction of the houses. The construction industry is prone to producing dust, waste soil and noise which only impact the environment near the construction site during the construction period, and does not cause material pollution to the ecology like the manufacturing industry. Nonetheless, the Company still attaches great importance to environmental protection, and strongly urges the contractors (including subsidiaries) to pay more attention to the waste soil dumping according to the management method of the building management unit of the government and manages various matters such as waste disposal, construction time and volume control and strictly takes site safety and health measures to meet standards.

- (II) The Company adheres to the care of environmental protection work and implements the goal of environment beautifying and prosperity promotion. In terms of specific actions, the Company establishes the dedicated service units to assist in beautifying and managing the community environment. In the face of the increasing public attention to environmental protection issues, the Company will continue to strengthen its efforts in this direction.
- (III) The Company has adopted the design of green building and energy saving and carbon reduction in the architectural design as much as possible to make efforts to the environmental protection of the earth and also to give building vitality.

## V. Labor Relations

### (I) Employee Welfare

The Company has always attached great importance to harmonious labor-management relations. In terms of care to the employees, in addition to reasonable treatments and various on-the-job educations, the Company has established the Employees' Welfare Committee to promote employee benefits including subsidies for marriage, childbirth, children, education, birthday, language training, leisure and entertainment, as well as hiking activities, health examination and family day so as to ensure the physical and mental protection of employees. In 2024, the accumulated expenditure on employees' welfare was NT\$39,852 thousand. Each year, the Company actively sponsors cultural and artistic activities. For 2024, All U people theatre and Godot Theatre Company was sponsored with NT\$1,334 thousand for our employees to enjoy. Employees are widely encouraged to participate in cultural and artistic events, aiming for support and contribution to local theater companies from the general public.

### (II) Advanced studies and training of employees

The implementation of Company's education and training:

In 2024, besides continuing to intensifying the core and management functions such as accountability and cultivation, the Company held the general courses such as real estate overview, etc. to comprehensively increase the basic professional knowledge of colleagues. The total training hours were 4,684 and the total cost was NT\$20,276 thousand.

Course	Course enrollments	Total hours
Professional training	703	2,515
General training	435	1,219
Function development	360	950
Total	1,498	4,684

### (III) Retirement System and Implementation

After the implementation of the Labor Pension Act, the regulations of pension in the Labor Standard Law applicable to the employees who are employed before July 1, 2005, or the pension system applicable to this Act shall be selected, and the working seniority before the applicable Act shall be retained. For the employees who are employed after July 1, 2005, the pension system of the Labor Pension Act is applicable. After the implementation of the Labor Pension Act, the Labor Retirement Reserves Supervision Committee established by the Company in accordance with the law still operates as usual, and 2% of the total salary of employees is drawn as the retirement reserves according to the regulations of the Labor Standard Law, until the Labor Standard Law is applicable to no employee. For the employees who the Labor Pension Act is applicable to, the funded rate of pension borne by the Company for the employees monthly shall not be lower than 6% of the monthly salary of the employees.

### (IV) Labor management agreements and employee rights/interests maintenance

In respect of the maintenance of employee rights/interests, the Company provides retirement allowance, severance pay, and pension for employee pension in addition to various perfect benefit measures, and other measures are clearly stated in the Articles of Incorporation and there are preferential measures for employees to buy house, so as to stabilize and care for the lives of employees.

Important labor agreement: None.

### (V) Employee behavior or ethics code

In order to standardize employees to follow the same codes of conduct, the Company makes the Personnel Management Rules in the Articles of Incorporations to define the service codes for employees. It is stipulated that the employees shall follow the laws and regulations, strictly abide by the discipline, and be devoted to their duties and they shall not engage in improper acquisition or transaction, or make a profit for themselves or others using official post convenience.

The management rules also specify incentives and disincentives to encourage outstanding employees or those who are meritorious to prevent wrongdoing; and to punish those who violate discipline and neglect their duties.

Accordingly, the communication between management and employees is based on consensus, which is beneficial to the promotion of the Company's business and the management of the organization.

### (VI) Protective measures for the working environment and personal safety of employees

The Company's office space is designed in accordance with relevant building regulations and labor health and safety regulations. The relevant measures are as follows:

1. According to Article 34 of Occupational Health and Safety Act, the Code of Practice of Health and Safety of the Company is formulated to prevent occupational disasters and ensure the safety and health of employees.
2. Set up key points for emergency relief for employees affected by natural disasters, and assist employees who encounter natural disasters to solve difficulties and overcome difficulties.
3. Formulate the contingency plan for material accidents of the Company, set up a contingency team and take urgent and necessary measures for casualties and material accidents to minimize the injury. The daily safety maintenance and building management are all handled by the building management company in accordance with the management standard specifications formulated by itself. Except for connecting with the police security units, it allocates the security personnel to guard the office space.

In order to protect the work rights and interests of employees, and to ensure the physical and mental health of female colleagues after pregnancy, childbirth and breastfeeding, as well as to prevent employees against unlawful infringements from the behaviors of others due to the performance of their duties, the Company has established “Sexual Harassment Prevention Measures”, “Appeal and Punishment, Executive Measures for Maternal Health Protection of Women Workers”, “Plan on Prevention of Unlawful Infringement during Performance of Duties”, “Plan on Prevention of Sexual Damages Due to Human Factors” and “Plan on Prevention of Diseases caused by Abnormal Workload” to eliminate sexual discrimination and maintain the equal job opportunities for both men and women, prevent the employees from sexual harassment, workplace violence and achieve the purpose of maternal health protection and avoid the work environment in which the employees will be attacked by illness due to abnormal workload or repetitive operations.

In addition, the Company implements chartered workplace health care services since 2020, based on the concept of protecting labor rights and enhancing labor competitiveness. The services provide professional consultation for employees to promote physical and mental health maintenance, and also identify and evaluate the hazardous factors within the working environment, operations, and organizations that affect the physical and mental health of employees, and put forward plans and recommendations for the improvement of operating environment and sanitation facilities.

## (VII) Corporate responsibility and ethical behavior

Society is the land on which enterprises can grow. The success of an enterprise depends on a stable society. Enterprises should take care of society with practical actions to fulfill social functions and responsibilities. Therefore, since the establishment of the Company, we have adhered to the concept of taking it from the society and using it in society and operating the enterprise for giving back to the society, so that the value of the Company is doubled.

Over the years, the Company has often sponsored various public benefit activities, made donation for disaster relief, and undertaken the social responsibility of corporate citizens. In 1982, we established Cathay Cultural Foundation which has long held cultural and educational activities, passed on local culture, and subsidized the disadvantaged. We also set up 9 libraries in Taiwan to hold cultural activities. Foundation has sponsored the Cathay Excellence Awards Plan, Teach For Taiwan and other activities and hopes to continue to sponsor education and learning to cultivate young people for the future. We support the public benefit in the long term and assist in holding new resident care activities, summer blood donation, children's growth camp, Christmas warming and other activities to give back to the society with action.

### 1. Lin Yuan Libraries

Cathay Cultural Foundation has set up 9 libraries in Taiwan. The internal open area is more than 500 M<sup>3</sup>, and each library has more than 2,000 books. Various newspapers and magazines can be subscribed and free teaching activities are held regularly to provide a good reading environment for the public to freely learn and live in deep culture and promote neighborhood friendship and community harmony.

### 2. Joint activities of public benefit group

#### (1) After-school Care Program

Cathay Charity Group sponsors four after-school care programs: Chungwen Women's Association of Yunlin County - Oyster Village After-School Care Class, Hualien Love Fly Association - Hualien Love Fly Tutoring Class, Penghu Foundation of Pescadores Citizens - Sunlit Book Classroom, and Taipei City Taiwan Child and Youth Play Education Association - Twilight Box in order to strengthen the social safety net, with an emphasis on vulnerable children and families. The principal beneficiaries are single-parent families, new immigrant families, skip-generation families, and indigenous families. Through diverse learning experiences, children encouraged to discover their self-worth, foster self-confidence, and embrace a hopeful future, embarking on a path towards a brilliant life.

(2) Summer Blood Donation Activities

From the beginning of May to the end of September, Cathay Charity Group held hundreds of blood donation events across Taiwan and donated a total of 64,315 bags of blood with 42,118 people participated. Over the 25 consecutive years, 694,659 bags of blood have been collected. We aim to lead the prevailing blood donation benevolences.

(3) The Cathay Children's Dream Project

Cathay Charity Group established the Cathay Children's Dream Project, sponsoring children in rural schools to bravely pursue their dreams. The Children's Dream Project encompasses a wide array of categories and focuses on setting goals and brave challenges. It aims to cultivate in children the belief that they should not fear setbacks or challenges and foster lifelong abilities. We hope that by deeply rooting educational values and cultivating talent for the future, we can help build a society of shared prosperity and mutual benefit.

(4) Christmas Warming

Cathay Charity Group has long been caring for the children, the elder and the next generation of indigenous peoples and collected love supplies from December to January and sent them to the by-places, continuously providing warmth and support in every corner in winter.

3. Activities related to talent teaching

Hold indoor teaching activities to provide people with the opportunities to learn various talents and skills, discover pleasure in new life, and harmonize neighborhoods by learning and interacting. Teach through lively activities, cultivate second expertise, and enrich daily life.

4. Sponsorship Activities

(1) Cathay Excellence Awards Plan

Cathay Excellence Awards Plan rewards two types of outstanding students: the first type, "Characteristic Grant" is for the youth who are keen on public welfare action, and the second type, "Outstanding Student" is for the high school students from poor families with excellent performance.

(2) Teach For Taiwan (TFT) Cooperation Scheme

"Caring for children in rural areas" is one of the Cathay Charity Group's strategies. In order to effectively extend the influence of public welfare, the group supports TFT to recruit and train teachers for rural areas and encourages

young talents to step into the classroom to create an equal and high-quality educational environment for children in rural areas, flip education, and improve the quality of education in rural areas.

#### 5. Supporting the Cultural Development in Taiwan through Investing Resources

The Company actively participates in cultural and creative investments, seeking to drive the overall development of the sector while also fulfilling corporate social responsibility. With a total of approximately NT\$3,390 thousand invested in 2024 to support the development of local artists, domestic publishing, and cultural and creative industries, resources were invested in outdoor public artworks for construction projects, art installations in public spaces, books and journals, and so on. For example, public space installations “Water Dance: The Art of Taiji” by artist Chiang Hsien-Ming in Cathay MOST+, “The Encounter at the Corner” is a collaborative creation by artists Chen Yuquan and Xiao Mingyu.", and the collaboration with Chengbang "Bookworm" to provide communities with abundance of books and publications. Through actively cooperating with government policies, the Company aims to promote Taiwan's cultural and creative industries globally.

To commemorate the historical building Kikumoto Department Store which symbolized an important transformation in commercial patterns during Taipei City's urban development, and to highlight the development process and important milestones of the region, the Company invested approximately NT\$8,250 thousand in 2024 to organize the Protecting the City Center, Reviving Kikumoto exhibition and invited the Light and Shadow Sun Son Theatre to perform.

(VIII)The current and future possible estimate amount for the losses caused by labor management disputes as of the date of publication of the annual report and the corresponding measures:

In the most recent two years, the Company has not suffered losses due to labor management disputes. Based on the concept that employees and employers are coexisting, the Company will work harder to maintain the harmony of labor management relations and hope to promote the unity and harmony of the whole society to create a glorious future.

## VI. Information Security Management

(I) Describe the information security risk management framework, the information security policy, the specific management plan and the resources invested in the information security management, etc.:

1. Information security framework and policy:

- (1) Target: All employees of the Company and other partners and outsourced companies who have access to the Company's business-related information.
- (2) Scope: All information assets of the Company, or other information assets that are not actually owned by the Company, but can be used by the Company based on the obligations under contracts, laws and regulations.

2. Information security risk framework

The company has set up an information security officer to comprehensively manage information security policy promotion and resource scheduling. The dedicated security unit is responsible for information security-related work, including regularly amending the "Information Security Policy" and an "Information Security Management Review Committee" meeting is convened annually when deemed necessary according to the situation each year, to ensure that the Company and customers' confidential information is not leaked and the Company's business operates in a sustainable manner.

The audit department will include the "Information Security Inspection Operation" in the annual audit plan to conduct audit operations. The audited units are required to make improvements and follow up on the deficiencies identified during the inspection in order to ensure that the Company's information security policy is adequately implemented.

The company regularly conduct information asset inventories, information risk assessments, and handling procedures to reduce cybersecurity risks.

3. The goals of information security policy

The goals include establishing a secure and reliable information operating environment, ensuring the confidentiality, integrity and availability of information assets, and enhancing employees' awareness of information security in order to safeguard the interests of employees, customers and the Company.

4. Specific management plan:

Item	Specific actions
Computer room security management	Perform host and external website vulnerability scanning from time to time and make improvement.
Device security management	1. Employees are required to change passwords periodically. 2. Install anti-virus software on personal computers and check for virus code updates regularly. 3. Import IT resource management system, including software security management, peripheral device security management and file directory monitoring and



Item	Specific actions
	management, transfer USB file list every day, and check whether the Company's computers have installed high-risk software on a monthly basis. 4. APT continuous penetration attack protection software is introduced to detect abnormal host usage and block it. 5. Use protective software to filter websites that users visit to reduce the chance of browsing ransomware, Trojan viruses or other web pages with malicious programs. 6. Procure the Mail APT module to reduce the likelihood of social engineering attacks.
Continuous improvement	1. Conduct social engineering drills and information security trainings for all employees on a regular basis to enhance their awareness of information security. 2. Join TWCERT to understand recent important domestic cybersecurity issues and enhance cybersecurity protection capabilities.
System disaster drill	Conduct regular core system disaster simulation drills and reviews.
Internal and external audit	The Company performs internal audit twice a year and engage with accounting firm for external audit at least once a year on information security policy, organization and responsibilities, asset classification control, personnel management and education and training, physical and security environment management, computer system security management, internet security management, system access control, etc.

5. Implementation status of information security promotion in 2024

- (1) The Company completed the ISO 27001 re-certification in 2024, with the certificate validity until October 2025.
  - (2) This year, the Company conducted off-site business continuity exercises for our systems and two social engineering drills. The Company also provided a one-hour information security awareness training session on social engineering, to strengthen employees' responsiveness and vigilance regarding information security risks.
  - (3) The company completed the cybersecurity joint defense and review for the Cathay real estate, ongoing improvements in progress.
- (II) List the losses suffered due to major information security incidents in the most recent fiscal year up to the publication date of the annual report, and the possible impact and countermeasures. If the amount cannot be reasonably estimated, facts of which estimation cannot be made shall be explained: None.

## VII. Important Contracts

Type of Contract	Party	Contract Duration	Contract Content	Restrictions
Engineering Contract	Jioushun Construction co.,ltd.	2024.02.07-2027.06.30	No. 61 Sec. 5. Tanmei Section, Neihsu District Taipei City, a total of 1 lot.	None
	Chien Kuo Construction Co. Ltd.	2024.03.20-2029.07.31	No. 621 and 622, Ban-Nan Section, Zhonghe District, New Taipei City, a total of 2 lots.	None
	San-Ching Engineering Co., Ltd.	2024.04.29-2028.10.15	No. 330, Chongde Section, Beitun District, Taichung City, a total of 1 lot.	None
	San-Ching Engineering Co., Ltd.	2024.04.29-2028.05.15	No. 342, Pingdao Section, Yongkang District, Tainan City, a total of 1 lots.	None
	San-Ching Engineering Co., Ltd.	2024.06.14-2025.08.31	No. 657 Sec. 6. Rongxing Section, Zhongshan District, Taipei City, demolition construction, a total of 1 lot.	None
	San-Ching Engineering Co., Ltd.	2024.08.07-2030.05.08	No. 0412-0001 Sec. 3, Muzha Section, Wenshan District, Taipei City, a total of 9 lots.	None
	San-Ching Engineering Co., Ltd.	2023.08.07-2028.05.30	No.70, Huili Section, Nantun District, Taichung City.	None
	San-Ching Engineering Co., Ltd.	2025.01.14-2030.03.15	No. 657 Sec. 6. Rongxing Section, Zhongshan District, Taipei City, a total of 1 lot.	None
Real estate Trading	Xie Cheng International Co., Ltd. and 5 natural persons	2024.02.17	Obtained the construction contract for DonFung Section, Beitun District, Taichung City.	None
	Kindom Construction Corp.& 10 natural persons	2024.03.29	Obtained a construction contract for 1th subsection of sub-city center in Xinzhuang District, New Taipei City.	None
	Yiding Department Store Co., Ltd., & 3 Natural persons	2024.04.24	To obtain a joint construction contract for the land in the second subsection, Taishan District, New Taipei City.	None
	2 Natural persons	2024.06.07	Obtain the construction land contract for the Yong-Feng Section in Nantun District, Taichung City.	None
	F.L. Investment Co., Ltd.	2024.07.25	Obtain the construction land contract for the Shih-tou Section in Sanmin District, Kaohsiung City (included Land Reserved for Public Facilities.)	None
	Public Works Department, Department of New Construction, Taipei City Government	2024.06.05-2024.08.27	Disposing of 20 plots of public facility reserved land in 7 administrative districts including Zhongshan District, Taipei City.	None

## Chapter 5. Review of Financial Conditions, Operating Results, and Risk Evaluation

### I. Comparison and Analysis of Financial Status

Unit: NT\$ thousands

Item \ Year	2023	2024	Difference	
			Amount	%
Current Assets	\$59,607,009	\$64,158,868	\$4,551,859	7.64%
Property, Plant, and Equipment	4,559,240	4,358,546	(200,694)	(4.40%)
Intangible Assets	51,271	54,158	2,887	5.63%
Other Assets	17,804,236	20,837,391	3,033,155	17.04%
Total Assets	82,021,756	89,408,963	7,387,207	9.01%
Current Liabilities	32,209,240	40,970,617	8,761,377	27.20%
Non-current Liabilities	21,280,266	17,930,897	(3,349,369)	(15.74%)
Total Liabilities	53,489,506	58,901,514	5,412,008	10.12%
Capital Stock	11,595,611	11,595,611	-	0.00%
Capital reserve	118,406	182,880	64,474	54.45%
Retained Earnings	14,159,997	14,739,089	579,092	4.09%
Other Equity	435,331	1,746,045	1,310,714	301.08%
Non-controlling Interests	2,222,905	2,243,824	20,919	0.94%
Total Equity	28,532,250	30,507,449	1,975,199	6.92%
<p>(I) The main reasons for the significant changes of more than 20% in assets, liabilities and shareholders' equities in the most recent two years:</p> <p>Current Liabilities: Increase due to changes in short-term loans, contract liabilities and current portion of long-term loans payable.</p> <p>Capital Surplus: Increase due to changes in associates and joint ventures accounted for using the equity method.</p> <p>Other Equity: Arising from unrealized gains on financial assets at fair value through other comprehensive income.</p> <p>(II) Effect of the aforesaid changes: No material impact.</p> <p>(III) Future response actions: None.</p>				

## II. Comparison and Analysis of Operation Results

Unit: NT\$ thousands

Item \ Year	2023	2024	Difference	
			Amount	%
Operating Revenue	\$15,480,974	\$23,858,689	\$8,377,715	54.12%
Operating Costs	(11,120,260)	(18,728,117)	(7,607,857)	68.41%
Gross Profit	4,360,714	5,130,572	769,858	17.65%
Operating Expenses	(1,788,152)	(2,696,784)	(908,632)	50.81%
Operating Income	2,572,562	2,433,788	(138,774)	(5.39%)
Non-operating income and expense	(97,342)	(361,609)	(264,267)	271.48%
Income before Tax	2,475,220	2,072,179	(403,041)	(16.28%)
Income tax (expenses) incomes	(255,235)	(539,949)	(284,714)	111.55%
Net profit for the period	2,219,985	1,532,230	(687,755)	(30.98%)
Other Comprehensive Income (after Tax)	213,236	1,473,617	1,260,381	591.07%
Total Comprehensive Income	2,433,221	3,005,847	572,626	23.53%
<p>(I) The main reasons for the significant changes of more than 20% in operating revenue, net operating profit and income before tax in the most recent two years:</p> <p>Operating Revenue: Mainly due to an increase in construction revenue.</p> <p>Operating Costs: Mainly due to an increase in construction cost.</p> <p>Operating Expenses: This is due to an increase in operating expenses (advertisement expense etc.)</p> <p>Non-operating income and expense: Mainly due to a decrease in share of income (loss) of joint ventures and associates accounted for using equity method.</p> <p>Income tax (expenses) incomes: Mainly due to an increase in land value increment tax for the current period.</p> <p>Net profit for the period: Mainly due to an increase in income tax (expenses) incomes.</p> <p>Other Comprehensive Income (after Tax): Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income evaluation of benefits arises.</p> <p>Total Comprehensive Income: Mainly due to the occurrence of other comprehensive income for the period.</p> <p>(II) Effect of the aforesaid changes: No material impact.</p> <p>(III) Future response actions: None.</p>				

### III. Analysis and Explanation of Changes in Cash Flow in the Most Recent Year

- (I) Cash inflow from operating activities (NT\$3,526,592 thousands): Mainly due to contract liabilities.
- (II) Cash inflow from investing activities (NT\$367,579 thousands): Mainly due to the disposition of financial assets at fair value through other comprehensive profit or loss.
- (III) Cash outflow from financing activities (NT\$2,816,375 thousands): Mainly due to the increase in distribution in cash dividends and Interest paid.
- (IV) Improvement plan for the lack of liquidity: Accelerating business development and increasing cash inflow.
- (V) Liquidity analysis for the coming year:

Unit: NT\$ thousands

Beginning cash balance	Annual net cash flow from operating activities	Annual cash outflow	Cash surplus (deficit)	Remedy for cash inadequacy	
				Investment plan	Financing plan
6,775,388	15,195,739	(13,969,830)	8,001,297	-	-
Analysis of current year's cash flow changes					
1. Product sales and rental income in 2025 are expected to result in cash inflows from operating activities.					
2. Expenditures for construction in progress, reinvestments, land purchase, dividend and sales advertisements in 2025 are expected to result in cash outflows.					

### IV. Impact of Major Capital Expenditures on Financial Business in the Most Recent Year

In order to expand the brand value and business scope, the Company set up a joint venture Jinhua Realty Co., Ltd., Bannan Realty Co., Ltd., Sanchong Realty Co., Ltd. and Zhulun Realty Co., Ltd. with Mitsui Fudosan Taiwan Co., Ltd. to jointly develop projects through the bilateral architectural planning and design and construction quality related technical exchanges. By acquiring the shares of San Hsiung Fongshan LaLaport Co., Ltd., we have joined forces to build a pure Japanese leisure shopping center in Kaohsiung and strengthened our experience in operating commercial facilities. At the same time, in response to the impact of labor and material shortages, green economy and carbon neutrality, we have acquired San-Ching Engineering Co., Ltd. and integrated the upstream and downstream industry chains to reduce costs, enhance competitiveness, and move towards achieving the goal of transforming into a comprehensive developer. In the year 2024, the Company increased its stake in Zhulun Realty Co., Ltd., with investment value of approximately NT\$128 million, accounting for approximately 0.45% of the Company's net worth, which has no significant impact. It is expected to increase the Company's return on investment through diversified development of investment.

## **V. Investment Policy in the Most Recent Year, Main Causes for the Profits or Losses, Improvement Plans and Investment Plans for the Coming Year**

### **(I) Re-investment policy:**

The Company upholds business beliefs, implements its core values, makes use of the group advantages and resources to create a diversified business! In addition to the investment in real estate related construction projects, construction management, building management, urban redevelopment and establishing residential and commercial development joint venture with internationally renowned real estate company, the Company also expands to life industries such as healthcare management, hotel and restaurant management and e-commerce, and integrates medical clinic system to create diversified income for the Company. It regularly reviews the investment performance and adjust investment positions to achieve profits and minimize losses.

### **(II) Main Causes for Profits or Losses and Improvement Plans**

The investment loss recognized under the equity method in 2024 was NT\$ 280 million, mainly for recognition of operating profits of subsidiaries. In addition, the full-year dividend income from financial assets at fair value through other comprehensive income was NT\$ 1.32 million. After being tested by the pandemic, the Company's invested businesses have become more flexible and diversified in their operations, with revenue showing significant growth following the reopening of borders and the resumption of international travel.

### **(III) Investment Plans for the Coming Year**

Global inflationary pressure continues to cool down, and Taiwan's inflation maintains a gradual downward trend, which helps stable economic development. However, uncertainties such as climate change, labor shortages, geopolitical risks, and rapid changes in AI and new technologies still exist. The Company will maintain a steady and solid pace, while making good use of digital tools, strengthening technological innovation and industry cooperation, and carefully evaluating potential quality investment opportunities for each business entity, preserving gains while seeking progress with stability.

#### **1. Health management business**

The health management business will continue with four major strategic focuses: business model transformation, service process reengineering, internal and external resource integration, and infrastructure and logistics strengthening. Through these, we will broaden our service scope by transitioning from health examinations to health promotion, from postpartum inpatient services to after-discharge care, providing more comfortable and professional facilities, and creating a differentiated service experience.

## 2. Clinic channel business

In the future, in line with the health trend of preventive medicine, we will focus on rehabilitation and early childhood therapy for development, leveraging group resources to develop specialized clinics and building a national health insurance clinic channel system. Through the integration of external medical and patient resources, we will expand a comprehensive range of healthcare industry services and provide well-rounded health care, enabling the public to obtain convenient, and reliable localized services.

## 3. Hotel and restaurant business

Keep Enhancing the brand value and recognition of the Minsheng Branch, Taipei, Zhongxiao Branch, Taipei, Ximen Branch, Tainan, Zhongshan Branch, Kaohsiung, of Hotel Cozzi; Courtyard by Marriott Taipei Downtown, and Cozzi Blu in Taoyuan, while combining with the restaurant business to provide diverse channel platforms and customized services, and create the most comfortable leisure space for international business travelers and domestic tourists.

# **VI. Assessment of Risk Items in the Most Recent Years and as of the Date of Publication of Annual Report**

## **(I) Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures:**

1. Interest rates: Due to quantitative easing measures implemented by major countries during the pandemic period, which resulted in persistently overheated inflation, central banks of several countries began raising interest rates in 2022 to withdraw excessive market funds, thereby affecting economic and trade performance. Observing this year, with the gradual easing of inflation in major global economies, there is a consensus on ending tight monetary policies. The interest rate hiking cycle is coming to an end and, since mid-2024, the transition into a rate-cutting cycle has begun. However, given the narrowing interest rate differential between Taiwan and the U.S., Taiwan's policy interest rate in 2025 will be influenced by changes in the trade policies of the new U.S. administration and the spillover effects of China's economic slowdown. Taiwan's interest rate policy is expected to remain unchanged for some time, though domestic real interest rates currently fluctuate between negative and zero, which still provides stimulus for the real estate market.
2. Exchange rate: In 2024, the New Taiwan Dollar continued to depreciate against the US Dollar as a result of the persistent outflow of hot money. At the beginning of 2025, Taiwan was affected by the inauguration of the new U.S. President, with investment momentum returning to the U.S. This caused the New Taiwan Dollar to depreciate sharply and hit its lowest level in recent years. Subsequently,

considering that monetary tightening policies in Europe and the U.S. are entering their final stages, domestic capital outflows are expected to be controlled. Coupled with stable domestic demand and moderate growth in foreign trade performance providing positive factors, the New Taiwan Dollar is expected to rebound. Additionally, since real estate is primarily a domestic demand-driven industry, exchange rate fluctuations have a relatively minor direct impact on the real estate sector.

3. Inflation: In 2024, the annual increase rate of the price index is estimated to be 2.18%, and global Price Index exceeds the 2% warning threshold which has remained high in recent years. Fortunately, as the supply chain gradually recovers, domestic inflation control remains effective, and the Company has fully collected information related to land and raw material prices, so the impact on the company is minimal.
4. Raw materials: Although the number of new housing starts has decreased significantly in 2024 as a result of major Commercial building and technology companies' significant increase in capital expenditure in recent years and the successive commencement of public construction projects in various locations, high demand has driven up wages and raw material costs. Construction expenses are anticipated to remain at a higher level than in prior years. Considering the global economic recovery, there is a prospect of further increasing the demand for raw materials.
5. Countermeasures: The Company pays close attention to the development of the economic indicators above, continues to analyze their impact on the real estate market, and evaluates and adjusts its business strategy. In terms of raw materials, the Company also strictly controls the construction cost, while taking into account the quality as well as managing the completion schedule in response to the changes in the overall situation in order to create maximum profit for the Company.

(II) Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions:

None.

(III) Future Research & Development Projects and Corresponding Budget

1. Research Plans:

Continue the research work of the Cathay Real Estate Index and publish relevant research information at the beginning of each quarter. In addition, in response to the rapid changes in the market, make more efforts in employee training, and strengthen



professional education and training, to continue the Company's core values, and enhance the Company's brand and corporate competitive advantage.

2. Expected Research Expenditure:

A budget of NT\$30 million is determined for the professional training of employees and the research of Cathay Real Estate Index.

- (IV) Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales: In addition to complying with government laws and regulations, the Company also collects, organizes and analyzes the changes in important policies and laws at home and abroad to grasp opportunities and take response measures. Meanwhile, the Company also adheres to the principle of prudent operation, and creates the largest niche for sustainable development.
- (V) Effects of and Response to Changes in Technology and the Industry Relating to Corporate Finance and Sales: The Company explores and adopts the application of technology in the Company's products in face of the customer demands and ever-changing technology, to continuously enhance the Company's competitiveness. Meanwhile, the Company invests a lot of manpower and financial resources in research on the changes in the industry to improve the Company's operating performance and profitability.
- (VI) The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures: Since its establishment, the Company has been upholding the tenet of serving the society, benefiting the people, beautifying the environment, and promoting prosperity, and deeply developed the society and established a good corporate image, winning various social honors and affirmations. In addition, the Company has also established a cultural and educational foundation for social welfare activities, enhancing the corporate image.
- (VII) Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans: The Company has no ongoing merger and acquisition activities, so there is no possible risk and response measure.
- (VIII) Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans: The Company has no factory expansion plans, so there is no possible risk and response measure.
- (IX) Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration: The Company is a good builder that can keep abreast of various purchase costs, reduce the operational impact brought by rising costs, and prudently appraise, select and audit each project constructor and deliberate the price; the Company also specializes in marketing research, so it can keep abreast of market trends,

create the best sales results against most individual customers; there is no centralized risk in purchase and sales.

- (X) Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%: the above-mentioned personnel and shareholders all hold the stock equity of the Company for a long term, and they support the Company's operations, so they do not have the intention of transferring a large number of equities and there is no risk generated.
- (XI) Effects of, Risks Relating to and Response to the Changes in Management Rights: The Company's equity structure is stable for a long time, and is managed steadily by professional managers, and there is no risk of change in management rights.
- (XII) List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: None.
- (XIII) Other Major Risks and Response Measures: The Company is free of other risks upon evaluation, and will remain flexible in response to unexpected situations to ensure the sustainable operation of the Company's business.

**VII. Other Important Matters: None.**

## **Chapter 6. Special Notes**

### **I. Information on Affiliated Companies**

In accordance with the regulations of Financial Supervisory Commission Securities Approval No. 1130382569, our company has submitted relevant information regarding affiliated companies to MOPS. The index URL are as follows:

[https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co\\_id=2501&year=&mtype=K&isnew=true](https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co_id=2501&year=&mtype=K&isnew=true)

### **II. Private Placement Securities in the Most Recent Years and as of the Date of Publication of the Annual Report: None.**

### **III. Other Necessary Supplementary Explanations: None.**

### **IV. Events That Have Significant Influence on Shareholders' Equity or on the Price of Securities as Specified in Subparagraph 2, paragraph 2, Article 36 of Securities and Exchange Act in the Most Recent Year as of the Date of Publication of the Annual Report: None.**