Stock Code: 2515

BES Engineering Corporation and Its Subsidiaries

Consolidated Financial Statements and Independent Auditors' Review Report

For the Six Months Ended June 30, 2024 and 2023

Address: 6th Floor, No. 12, Dongxing Road, Songshan District, Taipei City

Tel.: (02) 8787-6687

§Table of Contents§

Independent Auditors' Review Report

To BES Engineering Corporation,

Preface

We have reviewed the consolidated statement of financial position of BES Engineering Corporation and its subsidiaries (collectively, the "Group") as of June 30, 2024 and 2023 and the relevant consolidated statements of comprehensive income for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, the consolidated statements of changes in equity and cash flows for the six months then ended, and relevant notes, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). It is the management's responsibility to prepare financial statements that fairly present the Group's consolidated financial position in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard (IAS) 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission (FSC). Our responsibility is to draw conclusions on the consolidated financial statements as per the review results.

Scope

Except as stated in the Basis for Qualified Conclusion paragraph, we conducted the review in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". The procedures to be carried out in reviewing the consolidated financial statements include inquiry (mainly with the person in charge of financial and accounting affairs), analytical procedures, and other review procedures. The scope of a review is substantially smaller than that of an audit and therefore does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As mentioned in Note XIII to the consolidated financial statements, we did not review the financial statements of the same period non-material subsidiaries included in the above consolidated financial statements, and their total assets by June 30, 2024 and 2023 were NTD 6,016,660 thousand and NTD 5,181,759 thousand, respectively, accounting for 10.02% and 10.50% of the total consolidated assets, respectively; total liabilities were NTD 291,656 thousand and NTD 527,909 thousand, respectively, representing 0.79% and 1.94% of the total consolidated liabilities, respectively; total consolidated comprehensive income for the three months and six months ended June 30, 2024 and 2023 was NTD (26,414) thousand, NTD (26,229) thousand, NTD (45,897) thousand and NTD (36,915) thousand, respectively, accounting for (5.56%), (14.51%), (7.91%) and (13.72%) of the total consolidated comprehensive income, respectively. As described in Note XIV to the consolidated financial statements, the balances of investments accounted for using the equity method as of June 30, 2024 and 2023 were NTD 1,555,915 thousand and NTD 1,553,513 thousand, respectively, and the shares of comprehensive income (loss) of associates accounted for using the equity method for the three months and six months ended June 30, 2024 and 2023 were NTD (939) thousand, NTD (34,656) thousand, NTD 26,335 thousand and NTD (38,072) thousand, respectively, which were recognized based on the unaudited financial statements of the investees for the same periods.

Qualified Conclusion

According to our review results, except that the financial statements of non-material subsidiaries described in the Basis for Qualified Conclusion paragraph may result in adjustment to the consolidated financial statements if reviewed by us, we have determined that the foregoing consolidated financial statements have been prepared in all material respects in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC, with a fair presentation of the Company’s consolidated financial position by June 30, 2024 and 2023 as well as the consolidated financial performance for the three months ended June 30, 2024 and 2023 and consolidated financial performance and cash flows for the six months ended June 30, 2024 and 2023, respectively.

Deloitte Taiwan

CPA Huang, Yao-Lin

Financial Supervisory Commission
Approval Document No.
Jin-Guan-Zheng-Shen-Zi No. 1060004806

CPA Chou, Shih-Chieh

Financial Supervisory Commission Approval
Document No.
Jin-Guan-Zheng-Shen-Zi No. 1110348898

August 12, 2024

BES Engineering Corporation and Subsidiaries

Consolidated Statement of Financial Position

As of June 30, 2024, December 31, 2023, and June 30, 2023

Unit: NTD in thousands

		June 30, 2024		December 31, 2023		June 30, 2023	
Code	Assets	Amount	%	Amount	%	Amount	%
	Current Assets						
1100	Cash and cash equivalents (Notes VI and XV)	$ 2,124,507	4	$ 3,634,597	7	$ 3,444,339	7
1110	Financial assets at fair value through profit or loss - current (Note VII)	4,437	-	4,248	-	4,181	-
1120	Financial assets at fair value through other comprehensive income - current (Notes VIII and XXXIII)	1,083,101	2	875,959	2	885,969	2
1136	Financial assets at amortized cost - current (Notes IX, XXIV and XXXIII)	6,589,328	11	6,248,734	11	4,208,438	9
1140	Contract assets - current (Notes XXIV and XXVI)	5,414,282	9	4,938,178	9	3,431,556	7
1150	Notes and trade receivables, net (Notes X, XXVI and XXXII)	133,211	-	107,321	-	116,697	-
1180	Construction receivable (Notes X, XV, XXIV, XXVI and XXXII)	5,122,082	9	4,034,845	7	4,283,762	9
1200	Accounts receivable on the development of industrial districts (Notes XI and XXIV)	2,703,577	4	2,811,621	5	2,744,021	6
1310	Inventories (Note XXIV)	205,416	-	214,169	-	241,693	-
1321	Buildings and land held for sale, net (Notes XII, XXIV and XXXIII)	11,748,395	20	11,780,785	21	11,756,597	24
1324	Construction in progress (Notes XII, XXIV and XXXIII)	12,783,381	21	10,630,431	19	7,603,254	15
1478	Refundable deposits on construction contracts (Note XXIV)	65,163	-	54,775	-	164,284	-
1479	Other current assets (Notes XV and XXXII)	2,999,390	5	2,334,644	4	1,400,396	3
11XX	Total current assets	50,976,270	85	47,670,307	85	40,285,187	82
	Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current (Notes VIII and XXXIII)	2,026,592	3	1,901,439	3	1,916,893	4
1535	Financial assets at amortized cost - non-current (Notes IX, XXXII and XXXIII)	604,763	1	6,301	-	611,914	1
1550	Investments accounted for using equity method (Note XIV)	1,555,915	3	1,529,580	3	1,553,513	3
1600	Property, plant and equipment, net (Notes XVI, XXXII and XXXIII)	3,240,774	5	3,209,812	6	3,144,206	6
1755	Right-of-use assets (Notes XVII and XXXII)	125,546	-	206,279	-	213,115	1
1760	Investment properties, net (Notes XVIII and XXXIII)	1,074,000	2	1,077,287	2	1,097,556	2
1840	Deferred tax assets (Note IV)	330,404	1	347,054	1	400,422	1
1920	Refundable deposits (Notes XV and XXXII)	53,095	-	59,477	-	55,045	-
1975	Defined benefit asset, net (Notes IV and XXIII)	28,864	-	16,970	-	23,801	-
1990	Other non-current assets	27,636	-	24,715	-	30,808	-
15XX	Total non-current assets	9,067,589	15	8,378,914	15	9,047,273	18
1XXX	Total assets	$ 60,043,859	100	$ 56,049,221	100	$ 49,332,460	100
Code	Liabilities and Equity						
	Current liabilities						
2100	Short-term borrowings (Notes XIX and XXXIII)	$ 5,329,000	9	$ 5,891,500	11	$ 4,908,300	10
2110	Short-term notes and bills payable (Notes XIX and XXXIII)	2,587,354	4	1,461,960	3	1,500,153	3
2130	Contract liabilities - current (Notes XV, XXIV, XXVI and XXXII)	4,301,138	7	3,558,584	6	2,678,341	5
2150	Notes payable (Note XXIV)	31,090	-	13,725	-	2,743	-
2170	Accounts payable (Notes XV, XX and XXIV)	6,155,725	10	6,371,331	11	5,800,936	12
2209	Accrued expenses (Notes XV and XXXII)	650,598	1	676,888	1	531,934	1
2216	Dividend payable (Note XXV)	796,068	1	-	-	805,254	2
2219	Accounts payable for the development of industrial districts (Notes XXI and XXIV)	18,076	-	19,058	-	17,813	-
2230	Current tax liabilities (Note IV)	62,532	-	28,292	-	15,222	-
2250	Provisions - current (Notes XXII and XXIV)	500,591	1	505,734	1	488,776	1
2280	Lease liabilities - current (Notes XVII and XXXII)	60,368	-	77,121	-	75,604	-
2322	Long-term borrowings - current portion (Notes XIX and XXXIII)	2,488,995	4	631,181	1	69,031	-
2330	Guarantee deposits on construction contracts (Note XXIV)	830,343	2	761,530	1	674,014	1
2399	Other current liabilities (Notes XV and XXXII)	294,281	1	216,074	1	273,243	1
21XX	Total current liabilities	24,106,159	40	20,212,978	36	17,841,364	36
	Non-current liabilities						
2540	Long-term borrowings (Notes XIX and XXXIII)	10,394,113	17	9,971,322	18	7,059,972	15
2550	Provisions - non-current (Note XXII)	900,764	2	930,278	1	971,846	2
2570	Deferred tax liabilities (Note IV)	1,080,650	2	1,084,015	2	1,087,472	2
2580	Lease liabilities - non-current (Notes XVII and XXXII)	67,575	-	139,962	-	148,461	-
2645	Guarantee deposits received (Notes XXXII and XXXV)	411,751	1	411,945	1	34,475	-
25XX	Total non-current liabilities	12,854,853	22	12,537,522	22	9,302,226	19
2XXX	Total liabilities	36,961,012	62	32,750,500	58	27,143,590	55
	Equity attributable to owners of the Corporation						
3110	Ordinary share capital	15,308,998	26	15,308,998	27	15,308,998	31
3200	Capital reserve	96,521	-	96,521	-	84,005	-
	Retained earnings						
3310	Legal reserve	1,285,732	2	1,200,927	2	1,200,927	2
3320	Special reserve	2,475,958	4	2,475,958	5	2,475,958	5
3350	Undistributed earnings	3,443,542	6	4,064,226	7	3,718,752	8
3300	Total retained earnings	7,205,232	12	7,741,111	14	7,395,637	15
3490	Other equity	(327,553)	(1)	(685,775)	(1)	(709,409)	(1)
31XX	Total equity attributable to owners of the Corporation	22,283,198	37	22,460,855	40	22,079,231	45
36XX	Non-controlling equity	799,649	1	837,866	2	109,639	-
3XXX	Total equity	23,082,847	38	23,298,721	42	22,188,870	45
	Total liabilities and equity	$ 60,043,859	100	$ 56,049,221	100	$ 49,332,460	100

The notes attached are part of the consolidated financial statements.

(Please refer to the review report by Deloitte Taiwan dated August 12, 2024)

Chairman: Chou, Chih-Ming　　Manager: Chou, Chih-Ming　　Chief Accounting Officer: Su, Yu-Min

BES Engineering Corporation and Subsidiaries

Consolidated Statement of Comprehensive Income

Three Months and Six Months Ended June 30, 2024 and 2023

Unit: In NTD thousands except for earnings per share which is in NTD 1

Code		Three Months Ended June 30, 2024		Three Months Ended June 30, 2023		Six Months Ended June 30, 2024		Six Months Ended June 30, 2023	
		Amount	%	Amount	%	Amount	%	Amount	%
	Operating revenue (Notes XV, XXVI and XXXII)								
4520	Income from construction	$ 4,782,680	92	$ 4,285,900	88	$ 9,369,848	93	$ 7,880,023	89
4800	Business and other operating revenue	424,475	8	561,094	12	758,449	7	947,021	11
4000	Total operating revenue	5,207,155	100	4,846,994	100	10,128,297	100	8,827,044	100
	Operating cost (Notes XII, XV, XXVII and XXXII)								
5520	Construction costs	4,443,545	85	3,969,605	82	8,718,106	86	7,323,903	83
5800	Business and other operating costs	349,099	7	449,571	9	670,944	6	799,705	9
5000	Total operating costs	4,792,644	92	4,419,176	91	9,389,050	92	8,123,608	92
5950	Gross profit	414,511	8	427,818	9	739,247	8	703,436	8
	Operating expenses (Notes XXVII and XXXII)								
6100	Selling expenses	34,861	1	23,590	-	57,808	1	57,657	1
6200	Management expenses	127,045	2	123,286	3	217,440	2	206,538	2
6300	Research and development expenses	6,196	-	8,850	-	13,025	-	14,213	-
6000	Total operating expenses	168,102	3	155,726	3	288,273	3	278,408	3
6900	Net operating income	246,409	5	272,092	6	450,974	5	425,028	5
	Non-operating income and expenses								
7100	Interest revenue (Notes XV, XXVII and XXXII)	36,034	1	19,368	-	46,624	-	29,172	-
7010	Other income (Notes XXVII and XXXII)	30,984	-	30,105	1	53,708	-	51,775	-
7020	Other gains and losses (Note XXVII)	(23,372)	(1)	(23,209)	(1)	(43,888)	-	(25,464)	-
7050	Financial costs (Notes XII, XXVII and XXXII)	(70,008)	(1)	(57,154)	(1)	(138,863)	(1)	(106,998)	(1)
7060	Share of losses of associates using the equity method (Note XIV)	(16,809)	-	(11,564)	-	(26,326)	-	(13,279)	-
7000	Total non-operating income and expenses	(43,171)	(1)	(42,454)	(1)	(108,745)	(1)	(64,794)	(1)
7900	Net income before tax	203,238	4	229,638	5	342,229	4	360,234	4
7950	Income tax expense (Notes IV and XXVIII)	50,606	1	62,510	1	82,623	1	90,494	1
8200	Net income in this period	152,632	3	167,128	4	259,606	3	269,740	3
	Other comprehensive income (Notes XIV and XXV)								
8310	Items not reclassified to profit or loss:								
8316	Unrealized gains or losses on investment in equity instruments at fair value through other comprehensive income	309,761	6	50,868	1	332,295	3	87,528	1
8360	Items that may subsequently be reclassified to profit or loss:								
8361	Exchange differences on translation of the financial statements of foreign operations	(3,318)	-	(14,110)	-	(64,368)	(1)	(63,401)	(1)
8370	Share of other comprehensive income of associates using the equity method	15,870	-	(23,092)	(1)	52,661	1	(24,793)	-
		12,552	-	(37,202)	(1)	(11,707)	-	(88,194)	(1)
8300	Other comprehensive income for the current period (net of tax)	322,313	6	13,666	-	320,588	3	(666)	-
8500	Total comprehensive income in this period	$ 474,945	9	$ 180,794	4	$ 580,194	6	$ 269,074	3
	Net income attributable to:								
8610	Owners of the Corporation	$ 150,457	3	$ 168,136	4	$ 260,189	3	$ 272,861	3
8620	Non-controlling equity	2,175	-	(1,008)	-	(583)	-	(3,121)	-
8600		$ 152,632	3	$ 167,128	4	$ 259,606	3	$ 269,740	3
	Total comprehensive income attributable to:								
8710	Owners of the Corporation	$ 478,280	9	$ 181,819	4	$ 618,411	6	$ 272,209	3
8720	Non-controlling equity	(3,335)	-	(1,025)	-	(38,217)	-	(3,135)	-
8700		$ 474,945	9	$ 180,794	4	$ 580,194	6	$ 269,074	3
	Earnings per share (Note XXIX)								
9710	Basic	$ 0.10		$ 0.11		$ 0.17		$ 0.18	
9810	Diluted	$ 0.10		$ 0.11		$ 0.17		$ 0.18	

The notes attached are part of the consolidated financial statements.

(Please refer to the review report by Deloitte Taiwan dated August 12, 2024)

Chairman: Chou, Chih-Ming   Manager: Chou, Chih-Ming   Chief Accounting Officer: Su, Yu-Min

BES Engineering Corporation and Subsidiaries

Consolidated Statement of Changes in Equity

Six Months Ended June 30, 2024 and 2023

Unit: NTD in thousands

		Equity attributable to owners of the Corporation (Note XXV)												
		Share capital			Retained earnings				Other equity items					
Code		Number of shares (in thousands)	Amount	Capital reserve	Legal reserve	Special reserve	Undistributed earnings	Total	Exchange differences on translation of foreign operations	Unrealized gains or losses on financial assets at fair value through other comprehensive income	Total	Total	Non-controlling equity (Notes XXV and XXX)	Total equity
A1	Balance on January 1, 2023	1,530,899	$ 15,308,998	$ 74,648	$ 1,116,990	$ 2,475,958	$ 4,105,362	$ 7,698,310	($ 180,793)	($ 296,350)	($ 477,143)	$ 22,604,813	$ 71,411	$ 22,676,224
	Earnings appropriation and distribution for 2022													
B1	Appropriation of legal reserve	-	-	-	83,937	-	(83,937)	-	-	-	-	-	-	-
B5	Cash dividend to ordinary shareholders	-	-	-	-	-	(805,254)	(805,254)	-	-	-	(805,254)	-	(805,254)
	Subtotal	-	-	-	83,937	-	(889,191)	(805,254)	-	-	-	(805,254)	-	(805,254)
M5	Part of the equity of subsidiaries acquired	-	-	9,357	-	-	-	-	(1,205)	(689)	(1,894)	7,463	(7,463)	-
O1	Cash dividend distributed by shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(174)	(174)
D1	Net income (loss) for six months ended June 30, 2023	-	-	-	-	-	272,861	272,861	-	-	-	272,861	(3,121)	269,740
D3	Other comprehensive income, net of taxes, for six months ended June 30, 2023	-	-	-	-	-	-	-	(88,180)	87,528	(652)	(652)	(14)	(666)
D5	Total comprehensive income for six months ended June 30, 2023	-	-	-	-	-	272,861	272,861	(88,180)	87,528	(652)	272,209	(3,135)	269,074
O1	Increase in non-controlling equity	-	-	-	-	-	-	-	-	-	-	-	49,000	49,000
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	229,720	229,720	-	(229,720)	(229,720)	-	-	-
Z1	Balance on June 30, 2023	1,530,899	$ 15,308,998	$ 84,005	$ 1,200,927	$ 2,475,958	$ 3,718,752	$ 7,395,637	($ 270,178)	($ 439,231)	($ 709,409)	$ 22,079,231	$ 109,639	$ 22,188,870
A1	Balance on January 1, 2024	1,530,899	$ 15,308,998	$ 96,521	$ 1,200,927	$ 2,475,958	$ 4,064,226	$ 7,741,111	($ 220,686)	($ 465,089)	($ 685,775)	$ 22,460,855	$ 837,866	$ 23,298,721
	Earnings appropriation and distribution for 2023													
B1	Appropriation of legal reserve	-	-	-	84,805	-	(84,805)	-	-	-	-	-	-	-
B5	Cash dividend to ordinary shareholders	-	-	-	-	-	(796,068)	(796,068)	-	-	-	(796,068)	-	(796,068)
	Subtotal	-	-	-	84,805	-	(880,873)	(796,068)	-	-	-	(796,068)	-	(796,068)
D1	Net income (loss) for six months ended June 30, 2024	-	-	-	-	-	260,189	260,189	-	-	-	260,189	(583)	259,606
D3	Other comprehensive income, net of taxes, for six months ended June 30, 2024	-	-	-	-	-	-	-	25,939	332,283	358,222	358,222	(37,634)	320,588
D5	Total comprehensive income for six months ended June 30, 2024	-	-	-	-	-	260,189	260,189	25,939	332,283	358,222	618,411	(38,217)	580,194
Z1	Balance on June 30, 2024	1,530,899	$ 15,308,998	$ 96,521	$ 1,285,732	$ 2,475,958	$ 3,443,542	$ 7,205,232	($ 194,747)	($ 132,806)	($ 327,553)	$ 22,283,198	$ 799,649	$ 23,082,847

The notes attached are part of the consolidated financial statements.

(Please refer to the review report by Deloitte Taiwan dated August 12, 2024)

Chairman: Chou, Chih-Ming　　Manager: Chou, Chih-Ming　　Chief Accounting Officer: Su, Yu-Min

BES Engineering Corporation and Subsidiaries

Consolidated Statement of Cash Flows

Six Months Ended June 30, 2024 and 2023

Unit: NTD in thousands

Code		Six months ended June 30, 2024	Six months ended June 30, 2023
	Cash flow of operating activities		
A10000	Net income before tax	$ 342,229	$ 360,234
A20010	Income and expenses		
A20100	Depreciation expense	87,102	78,027
A20400	Losses (gains) on financial assets at fair value through profit or loss	(189)	(43)
A20900	Financial costs	138,863	106,998
A21200	Interest income	(46,624)	(29,172)
A21300	Dividend income	(9,995)	(9,889)
A22300	Share of profit or loss of associates accounted for using the equity method	26,326	13,279
A22500	Losses (gains) on disposal of property, plant and equipment	20,004	(10,946)
A23800	Gain from buildings and land held for sale	(33,510)	-
A23900	Gain from lease modification	(7,783)	-
A29900	Compensation loss	3,234	287
A30000	Net change in operating assets and liabilities		
A31125	Contract assets	(476,104)	(933,015)
A31150	Notes and trade receivables	(25,890)	(21,213)
A31160	Construction receivables	(1,087,237)	(1,680,597)
A31180	Accounts receivable on the development of industrial districts	108,044	154,026
A31200	Inventories	8,753	13,529
A31120	Construction in progress	(2,054,198)	(2,709,891)
A31990	Buildings and land held for sale	101,165	201,212
A31240	Other current assets	(663,666)	(45,602)
A32125	Contract liabilities	742,554	496,867
A32130	Notes payable	17,365	(611)
A32150	Accounts payable	(215,606)	1,508,267
A32180	Accounts payable for the development of industrial districts	(982)	(550)
A32190	Accrued expenses	(27,589)	(101,698)
A32200	Provision	(37,891)	(4,052)
A32240	Net defined benefit liabilities	(11,894)	(18,541)
A32230	Other current liabilities	78,207	(10,276)

(Continued on next page)

(Continued from previous page)

Code		Six months ended June 30, 2024	Six months ended June 30, 2023
A33000	Cash used in operations	($ 3,025,312)	($ 2,643,370)
A33100	Interest received	45,526	28,082
A33300	Interest paid	(270,676)	(161,876)
A33500	Income tax paid	(35,880)	(88,801)
AAAA	Net cash used in operating activities	(3,286,342)	(2,865,965)
	Cash flow of investing activities		
B00020	Disposal of financial assets at fair value through other comprehensive income	-	412,311
B00040	Increase in financial assets at amortized cost	(939,056)	(247,193)
B00100	Financial assets at fair value through profit or loss acquired	-	(32)
B00200	Disposal of financial assets at fair value through profit or loss	-	36
B02700	Property, plant and equipment acquired	(94,496)	(84,438)
B02800	Proceeds from the disposal of property, plant and equipment	7,851	12,345
B03700	Increase in refundable deposits	(4,006)	(34,183)
B06800	Decrease (increase) in other assets	(2,921)	26,892
B07600	Dividends received	9,995	9,889
BBBB	Net cash inflows (outflows) from investing activities	(1,022,633)	95,627
	Cash flow of financing activities		
C00200	Decrease in short-term borrowings	(562,500)	(100,700)
C00500	Increase in short-term notes payable	1,125,394	450,102
C01600	Borrowing of long-term loans	2,280,605	1,327,786
C03000	Increase in guarantee deposits received	68,619	101,548
C04020	Repayment of principal portion of lease liability	(42,580)	(41,244)
C05800	Increase in non-controlling equity	-	49,000
C05800	Dividends paid to non-controlling equity in cash	-	(174)
CCCC	Net cash generated from financing activities	2,869,538	1,786,318
DDDD	Effect of exchange rate changes on cash and cash equivalents	(70,653)	(56,184)
EEEE	Net decrease in cash and cash equivalents	(1,510,090)	(1,040,204)
E00100	Opening balance of cash and cash equivalents	3,634,597	4,189,543
E00200	Ending balance of cash and cash equivalents	$ 2,124,507	$ 3,149,339

(Continued on next page)

(Continued from previous page)

Reconciliation of ending balance of cash and cash equivalents

Code		June 30, 2024	June 30, 2023
E00210	Cash and cash equivalents in the consolidated balance sheet	$ 2,124,507	$ 3,444,339
E00240	Bank overdraft	-	(295,000)
E00200	Balance of cash and cash equivalents	$ 2,124,507	$ 3,149,339

The notes attached are part of the consolidated financial statements.

(Please refer to the review report by Deloitte Taiwan dated August 12, 2024)

Chairman: Chou, Chih-Ming Manager: Chou, Chih-Ming Chief Accounting Officer: Su, Yu-Min

BES Engineering Corporation and Subsidiaries

Notes to Consolidated Financial Statements

Six Months Ended June 30, 2024 and 2023

(In NTD thousands, unless specified otherwise)

I. History of the Corporation

BES Engineering Corporation (hereinafter referred to as "the Corporation") was originally a state-owned enterprise until June 22, 1994. The Corporation mainly engages in civil engineering, building construction, real estate transaction and the development of industrial districts for the government.

The Corporation's stock has been listed on the Taiwan Stock Exchange since March 1993.

The consolidated financial statements are presented in New Taiwan dollars, which is the Corporation's functional currency.

II. Date and Procedure for Approval of Financial Statements

These consolidated financial statements were approved by the board of directors on August 12, 2024.

III. Application of New, Amended and Revised Standards and Interpretations

(I) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

The application of the amendments to the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

(II) The IFRS Accounting Standards endorsed by the FSC and applicable to 2025

New, Amended and Revised Standards and Interpretations	Effective date announced by the International Accounting Standards Board (IASB)
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note)

Note: Applicable to annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, no restatement of comparatives is required. Instead, the cumulative effects should be recognized in retained earnings or other components of equity, as appropriate, such as the cumulative translation adjustments of foreign operations, on the initial application date, with corresponding adjustments to the related assets and liabilities.

As of the date the consolidated financial statements were authorized for issue, the Group had continued to evaluate the effect of the amendments to other standards and interpretations on its financial position and financial performance, and the relevant effects will be disclosed when the evaluation is completed.

(III) IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) but not yet endorsed by the FSC

New, Amended and Revised Standards and Interpretations	Effective date announced by IASB (Note)
"Annual improvements to IFRS Accounting Standards - Volume 11"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosures of Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note: Unless otherwise noted, the above new, amended and revised standards and interpretations are effective in their respective annual reporting period beginning on or after their respective dates.

IFRS 18 "Presentation and Disclosures of Financial Statements"

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

- The income and loss items should be divided into business, investment, financing, income tax, and discontinued operations.
- The income statement should present operating profit or loss, profit or loss before financing and income tax, as well as subtotal and total profit and loss.
- Guidance is provided to reinforce the principles of aggregation and disaggregation: The Group should identify assets, liabilities, equity, income, expenses, and cash flows from individual transactions or other events, and

aggregate and disaggregate them based on shared characteristics. At a minimum, each line item presented in the primary financial statements should share one common characteristic. Items with different characteristics should be broken down in the main financial statements and notes. The Group only marks such items as “others” when no more informative name can be found.

- Disclosure of management performance measures is added: When the Group publicly communicates outside of the financial statements, or communicates with users of its financial statements regarding management's view of an aspect of the consolidated entity's financial performance, it should disclose information about any management performance measures in a single note to the financial statements. This includes a description of the measure, how it is calculated, a reconciliation to the most directly comparable IFRS Accounting Standards-specified total or subtotal, and the income tax and non-controlling equity effects of the reconciling items.

In addition to the above effects, as of the date of approving the consolidated financial statements for release, the Group had continued to evaluate the effect of the amendments to other standards and interpretations on its financial position and financial performance, and the relevant effects will be disclosed when the evaluation is completed.

IV. Summary of Significant Accounting Policies

(I) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. The consolidated financial statements do not contain all the information that needs to be disclosed in the annual financial statements as required by IFRS Accounting Standards.

(II) Basis of preparation

Except for the financial instruments which are measured at fair value and the defined benefit obligations deducting the net defined benefit plan recognized as plan assets at fair value, the consolidated financial statement has been prepared in accordance with the principle of historical cost.

The fair value measurement is classified into three levels based on the observability and significance of relevant inputs:

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

(III) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities (subsidiaries) controlled by the Corporation. The consolidated statement of comprehensive income has included the operating income or loss of the subsidiaries acquired or disposed of from the acquisition date or to the disposal date during the period. Subsidiaries' financial statements have been adjusted to ensure consistency between their accounting policies and the Group. All intra-company transactions, account balances, income, and expenses are eliminated in full upon consolidation. Subsidiaries' total comprehensive income is attributable to the owners of the Corporation and to the non-controlling interests even if this results in a deficit balance for the non-controlling interests.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests have been adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributable to the owners of the Corporation.

Please refer to Note XIII and Tables 5 and 6 for the details, shareholding, and scope of services of subsidiaries.

(IV) Other significant accounting policies

In addition to the information below, please refer to the summary of significant accounting policies in the consolidated financial statements for the year ended December 31, 2023.

1. Criteria for classifying assets and liabilities into current and non-current

Current assets include:

(1) Assets held primarily for the purpose of trading;

(2) Assets expected to be realized within 12 months after the balance sheet date; and

(3) Cash and cash equivalents (excluding those restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date).

Current liabilities include:

(1) Liabilities held primarily for the purpose of trading;

(2) Liabilities due to be settled within 12 months after the balance sheet date (regardless of whether refinancing or rearrangement of payment terms has been completed on a long-term basis after the balance sheet date but before the approval of the financial statements), and

(3) At the balance sheet date, the Group has no substantive right to defer settlement of liabilities for at least 12 months after the balance sheet date.

Assets or liabilities that are not classified as current are classified as non-current.

The Group is engaged in construction projects, and its operating cycle is longer than one year. Therefore, the assets and liabilities related to the construction business are classified as current or non-current based on the normal operating cycle.

2. Retirement benefits

The pension cost in the interim period is calculated at actuarially determined pension cost rate at the end of the prior year, from the beginning of the year to the end of this period and adjusted as per major market fluctuations in this period, revisions of major plans, settlement, or other major one-off events.

3. Income tax expense

Income tax expense is the sum of tax currently payable and deferred tax. Income tax for the interim period is assessed on an annual basis and is calculated as per the interim pre-tax income at the tax rate applicable to the estimated total annual earnings.

V. <u>Key Sources of Uncertainty over Critical Accounting Judgments, Assumptions, and Estimation</u>

Please refer to the description of Key Sources of Uncertainty over Critical Accounting Judgments, Assumptions, and Estimation in the consolidated financial statements for the year ended December 31, 2023.

VI. Cash and cash equivalents

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand	$ 7,827	$ 7,151	$ 7,013
Bank checks and demand deposits	1,859,569	2,974,858	3,430,924
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	257,111	652,588	6,402
	$ 2,124,507	$ 3,634,597	$ 3,444,339

VII. Financial instruments at fair value through profit or loss - current

	June 30, 2024	December 31, 2023	June 30, 2023
Financial asset			
Mandatorily at fair value through profit or loss			
Non-derivative financial assets			
- Mutual funds	$ 4,437	$ 4,248	$ 4,181

VIII. Financial assets at fair value through other comprehensive income

	June 30, 2024	December 31, 2023	June 30, 2023
Current			
Domestic investment			
Listed stocks	$ 1,083,101	$ 875,959	$ 885,969
Non-current			
Domestic investment			
Listed stocks	$ 1,894,438	$ 1,788,277	$ 1,793,768
Unlisted stocks	132,154	113,162	123,125
	$ 2,026,592	$ 1,901,439	$ 1,916,893

The Group invests in common stocks of Taiwan Business Bank, China Petrochemical Development Corporation (the "China Petrochemical Development"), Century Development Corporation, and Overseas Investment & Development Corporation for the medium- to long-term strategic purposes and expects to earn profits through long-term investments. The Group's management team believes that if the short-term fair value fluctuations of such investments are included in profit or loss, it would be inconsistent with the above-mentioned long-term investment plan, so it elected to designate these investments in equity instruments as at fair value through other comprehensive income.

Please refer to Note XXXIII for the information on investments in equity instruments at fair value through other comprehensive income pledged as security.

IX. Financial assets at amortized cost

	June 30, 2024	December 31, 2023	June 30, 2023
Current			
Domestic investment			
Time deposits with original maturities of more than 3 months	$ 3,765,446	$ 3,407,264	$ 2,104,758
Others (Note 2)	2,823,882	2,841,470	2,103,680
	$ 6,589,328	$ 6,248,734	$ 4,208,438
Non-current			
Domestic investment			
Corporate bonds of Agora Garden Co., Ltd. (Note 1)	$ 600,000	$ -	$ -
Time deposits with original maturities of more than 3 months	3,339	3,566	3,070
Others (Note 2)	1,424	2,735	608,844
	$ 604,763	$ 6,301	$ 611,914

Note 1: The Group purchased 5-year corporate bonds from Agora Garden Co., Ltd. at a par value of NTD 600,000 thousand in June 2024, with a maturity date of June 2029. The coupon rate and effective interest rate were both 5.5%.

Note 2: Others are restricted assets, such as reserve accounts for cash in banks and trust accounts.

Please refer to Note XXXIII for information on financial assets at amortized cost pledged as security.

X. Notes, trade, and construction receivable

	June 30, 2024	December 31, 2023	June 30, 2023
Notes receivable	$ 196	$ 329	$ -
Trade receivables			
Measured at amortized cost			
Total carrying amount	133,353	107,330	117,062
Less: Allowance for impairment losses	(338)	(338)	(365)
	133,015	106,992	116,697
Notes and trade receivables, net	$ 133,211	$ 107,321	$ 116,697
Construction receivables	$ 5,122,082	$ 4,034,845	$ 4,283,762

Trade and construction receivable

The Group's average credit period for sales is 90 days. The impairment assessment of receivables is carried out individually as per the aging analysis results, historical experience, and clients' current financial position to estimate the uncollectable amounts.

When determining the collectability of trade receivables, the Group considers the changes in the credit quality of trade receivables from the grant date to the balance sheet date. As per the historical experience, unless a transaction counterparty is a government agency due to its excellent credit quality without the need to set aside an allowance for doubtful accounts, an appropriate allowance for doubtful accounts shall be recognized for the amount of trade receivables beyond the credit period that is estimated to be uncollectable in the future.

Except for individually recognizing appropriate allowance for doubtful accounts, which is based on objective evidence showing that trade receivables of specific trader are uncollectable, recognizing allowance for doubtful accounts is based on past experience of collective evaluation. Clients are divided into different risks groups and recognizes allowance loss by expected loss ratio.

If there is evidence that a counterparty is facing serious financial difficulties and the Group cannot reasonably estimate a recoverable amount, the Group will directly write off the relevant trade receivable but will continue to collect the overdue receivables. The receivable recovered is recognized in profit or loss.

Aging analysis of trade and construction receivable was as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Not past due	$ 5,254,340	$ 4,141,030	$ 4,399,115
60 days or fewer	756	807	1,344
61-90 days	1	-	-
Total	$ 5,255,097	$ 4,141,837	$ 4,400,459

The information on the movement in the allowances for losses on trade receivables was as follows:

	Six months ended June 30, 2024	Six months ended June 30, 2023
Balance at the beginning of the period	$ 338	$ 400
Less: Actual write-off during the period	-	(35)
Ending balance	$ 338	$ 365

XI. Accounts receivable on the development of industrial districts

	June 30, 2024	December 31, 2023	June 30, 2023
Chung Hua Coastal Industrial Park	$ 796,228	$ 897,375	$ 821,832
Yunlin Technology-Based Industrial Park	10,590	7,390	5,189
Other Industrial Districts	1,896,759	1,906,856	1,917,000
	$ 2,703,577	$ 2,811,621	$ 2,744,021

For the six months ended June 30, 2024 and 2023, the Group continued to invest in the development (including interest accrued) in the amounts of NTD 950,548 thousand and NTD 637,737 thousand, respectively; the amounts recovered for the six months ended June 30, 2024 and 2023 were NTD 1,058,592 thousand and NTD 791,763 thousand, respectively.

The Group's accounts receivable on the development of industrial districts are mainly funded by advanced cash and interest from the Bureau of Industrial Parks, Ministry of Economic Affairs. After the following factors are evaluated, it is not necessary to set aside an allowance for doubtful accounts for now:

(I) The price of land in an industrial zone is determined at the estimated total development cost, and there is a monthly adjustment mechanism to add interest accrued to the selling prices to respond to the interest accrued after the record date for the determination of the development cost as the basis for the real prices of the industrial zones in real time. The price paid by the vendors are included in interest incurred after said record date for the determination of the development cost. The development costs borne by the entity entrusted for development of the industrial zones for a land lease project carried out by the Bureau of Industrial Parks, Ministry of Economic Affairs are also calculated based on the prices in the month when a business signed a lease agreement. Income from land leases and sales is only one of the prioritized methods for repaying the advance payments for the development, and such advance payments can also be repaid through budgeting or other relevant alternative measures.

(II) As an industrial zone development agreement is civil law appointment contract, an entity entrusted for the development does not have to bear the risk of profit or loss. This is because the fees paid by the appointed firms are legally required and reimbursed from the appointing party which is a government agency and such an agent's credit is unquestionable.

(III) The development agreement only stipulates that the sale price of the land is prioritized to repay the advance payments for the development made by the entrusted entity and does not stipulate that the income from land leases and sales is the only source of repayment. The development of the industrial zones is the government's policy tool to promote industrial development. If the land in an industrial zone is unable to be sold out as the rent or the sale price is higher than the market price, the government needs to adopt countermeasures to solve the problem. The collectability of advance payments made by the entrusted entity is not necessarily related to whether the land can be sold out successfully.

(IV) No bad debt has been incurred for the Group's accounts receivable on the development of industrial districts as per the historical records. In addition, the Bureau of Industrial Parks, Ministry of Economic Affairs has not stated or indicated that it will not repay the advance payments for the development made by the Group, and the funds will be collected successively, and some of the cases have been fully collected.

In summary, there is no significant doubt or uncertainty over the collection of the advance payments made for the industrial zone development, so there is no need to set aside an allowance for doubtful accounts for now.

XII. Buildings and land held for sale-net amount and construction work-in-progress

	Buildings and land held for sale	Construction in progress		
		Land held for construction	Construction costs	Total
June 30, 2024				
Self-construction on self-owned land	$ 412,009	$ 1,244,634	$ 7,216,694	$ 8,461,328
Joint construction	11,336,386	115,830	4,180,987	4,296,817
Unspecified use	-	25,236	-	25,236
	$ 11,748,395	$ 1,385,700	$ 11,397,681	$ 12,783,381
December 31, 2023				
Self-construction on self-owned land	$ 411,904	$ 1,244,634	$ 5,739,619	$ 6,984,253
Joint construction	11,368,881	115,830	3,505,112	3,620,942
Unspecified use	-	25,236	-	25,236
	$ 11,780,785	$ 1,385,700	$ 9,244,731	$ 10,630,431
June 30, 2023				
Self-construction on self-owned land	$ 411,931	$ 1,244,634	$ 3,573,263	$ 4,817,897
Joint construction	11,344,666	115,830	2,644,291	2,760,121
Unspecified use	-	25,236	-	25,236
	$ 11,756,597	$ 1,385,700	$ 6,217,554	$ 7,603,254

The Group’s investments in the above buildings and land are specifically held for sales purposes. The allowance for valuation losses was NTD 5,735 thousand, NTD 39,245 thousand and NTD 39,245 thousand on June 30, 2024, December 31 and June 30, 2023, respectively. The operating costs for 2024 included reversal of write-downs of buildings and land held for sale which amounted to NTD 33,510 thousand. Reversal of write-downs of buildings and land held for sale was due to the sale of these properties.

In November 2009, the Group acquired the lots at land lot 434, Subsection 4, Zhengyi Section, Taipei City, which is still being integrated. The development work will be carried out after the negotiation with the surrounding landlords on joint construction or the urban renewal procedures are completed.

In February 2011, the Group ’s Yan Shou Public Housing Urban Renewal Project located on land numbers 57-13 and 57, Subsection 1, Baoqing Section, Songshan District, Taipei City:

(1) Regarding the site at 57-13, Subsection 1, Baoqing Section, the renewal unit planning was completed in October 2013, and was approved in December 2015, the

rights transformation plan was approved in December 2018, the letter of approval of the rights transformation plan was received on January 23, 2019, the building permit was approved on June 13, 2019, the first government coordination meeting was held on September 26, 2019, the commissioned demolition review committee was passed on December 10, 2019, relocation was completed in March 2020, demolition of the buildings was completed in July 2020, and the beam erection ceremony was held on September 6, 2022. By June 30, 2024, the interior and exterior decorations were still in progress.

(2) Regarding the site at 57, Subsection 1, Baoqing Section, the renewal unit zoning was completed in December 2014, and was approved in June 2017. The rights transformation plan was filed in October 2018, the public hearing was held in February 2019, the hearing meeting was convened on December 23, 2019, the letter of approval was received on April 22, 2020, the construction license was approved on June 21, 2021, the first public coordination meeting was held on August 31, 2021, resident coordination and integration were completed on December 29, 2021, relocation was completed in June 2022. By June 30, 2024, the steel structure construction for the 7th floor above ground was still in progress.

At the end of 2015, the Group engaged in three urban renewal projects at Subsection 3, No. 316 Nangang Section, renewal unit zoning was completed in June 2015, and was approved in October 2020, the right transformation plan was held on November 28, 2020, the house selection was completed in January 2021, the hearing meeting was held on May 20, 2022, and the approval letter was received on July 11, 2023. Demolition of the buildings was completed in April 2024. By June 30, 2024, the household relocation operation was still in progress.

On May 13, 2020, the Group's board of directors approved a land development project of Peibo section, Tucheng. The demolition of buildings was completed in June 2020 and a public hearing was held on April 27, 2021. The review on design change was completed on May 27, 2022, the construction license was approved on June 24, 2023, and the beam erection ceremony was held on August 14, 2023. By June 30, 2024, the structural work was still in progress.

On October 13, 2021, the Group won the contract for the government-led urban renewal project of public and private land around No. 290, Dongsheng Section, Shulin District, New Taipei City, completed contract with the New Taipei City Government on December 24, 2021, and filed an application for the scope of urban renewal to the Finance

Department in December 2022. The house selection was completed on October 25, 2023, and the business plan and rights transformation plan had been submitted for approval on December 22, 2023. A public hearing was held on April 29, 2024. By June 30, 2024, the negotiation was still in progress.

On May 11, 2022, the Group's board of directors approved a land urban renewal project launched by itself at 135-1, Subsection 1, Dunhua Section, Songshan District, Taipei City. On February 24, 2023, the application for the renewal of zoning was approved. The house selection was completed on October 25, 2023, and the seminars of the change of urban renewal area had been completed by March 2, 2024. By June 30, 2024, negotiations and integration were still in progress.

On April 26, 2023, the Group acquired six land urban renewal projects, including land lot 60-19, Fuhe Section Sub-Section 2, Zhongzheng District, Taipei City, and signed a contract with the Taipei Housing and Urban Regeneration Center on August 24, 2023. The house selection was completed on April 3, 2024. The business plan and rights transformation plan had been submitted for approval on May 30, 2024. By June 30, 2024, preparations for the public exhibition were still in progress.

On July 28, 2023, The Group was awarded a tender for the 14 urban renewal plans located on the land in No. 956, Gongguan Section, Banqiao District, New Taipei City. On October 25, 2023, the Group completed the contract signing with the National Housing and Urban Regeneration Center. On March 21, 2024, a public hearing for rights conversion was held. The house selection was completed on April 20, 2024. The business plan and rights transformation plan had been submitted for approval on May 15, 2024. By June 30, 2024, the construction management delegation process was still in progress.

The Group was awarded a tender for the 2 urban renewal plans located on the land in No. 246, Subsection 2, Daan Section, Da'an District, Taipei City in September 2023. In October 2023, the Group had submitted an application for the renewal of zoning. By June 30, 2024, the disaster prevention urban renewal incentive inspection process was being conducted.

The Group was awarded a tender for the 5 urban renewal plans located on the land in No. 461, Peibo Section, Tucheng District, New Taipei City in September 2023. A public hearing on rights conversion was held on June 25, 2024. By June 30, 2024, the house selection process was still in progress.

The Group's interest expenses before capitalization for the three months and six months ended June 30, 2024 and 2023 were NTD 141,373 thousand, NTD 90,407 thousand, NTD 271,975 thousand and NTD 163,875 thousand, respectively, and the capitalized interest on the construction in progress was NTD 71,365 thousand, NTD 33,253 thousand, NTD 133,112 thousand and NTD 56,877 thousand, respectively; the capitalized annual rates of interest were 2.856%-2.875%, 2.664%-2.676%, 2.791%-2.875% and 2.609%-2.625%, respectively.

Please refer to Note XXXIII for information about buildings and land held for sale, net, pledged as security.

XIII. Subsidiaries

Subsidiaries included in the consolidated financial statements

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

Name of investor	Name of subsidiary	Nature of business	% of equity held June 30, 2024	% of equity held December 31, 2023	% of equity held June 30, 2023	Description
BES Engineering Corporation	Core Pacific World Co., Ltd.	Investment	99.95	99.95	99.95	1
	BES Investment Corporation Ltd.	Overseas construction and equipment sale	100.00	100.00	100.00	1 and 5
	BES Logistics International Co., Ltd.	Investment	100.00	100.00	100.00	1
	Core Asia Human Resource Management Corporation	Business management consultancy and investment advices	100.00	100.00	100.00	1
	Chung Kung Safeguarding and Security Corp.	Security business	64.67	64.67	64.67	1
	Cinemark-Core Pacific, Ltd.	Reality technology services, live house	91.76	91.76	91.76	1 and 3
	BES Construction Corporation (U.S.A)	Land development and investment	91.79	91.79	91.79	1 and 2
	BES Global Investment Co.	Overseas construction and equipment sale	100.00	100.00	100.00	1
	BESM Holding Co., Ltd.	Investment holding	100.00	100.00	100.00	1
	Huading Enterprise Co., Ltd.	Urban renewal reconstruction	90.00	90.00	90.00	1 and 4
Core Pacific World Co., Ltd.	Zhong Hua Cheng Development Co., Ltd.	Consultancy	100.00	100.00	100.00	1
	Chinese City International Investment Co., Ltd.	Consultancy	100.00	100.00	100.00	1
Cinemark-Core Pacific, Ltd.	Cinema 7 Theater Co., Ltd.	Movie broadcasting and retail sale of food, grocery, and beverage	100.00	100.00	100.00	1 and 6
Core Asia Human Resource Management Corporation	Elite Human Resources Management Co., Ltd.	Human resource consulting	100.00	100.00	100.00	1
Chung Kung Safeguarding and Security Corp.	Chung Kung Management Consultant Co., Ltd.	Operation of parking lots and business management consultancy	100.00	100.00	100.00	1
	Chung Kung Management and Maintenance of Apartment Co., Ltd.	Management service of apartment buildings	37.00	37.00	37.00	1 and 2
Chung Kung Management Consultant Co., Ltd.	Chung Kung Management and Maintenance of Apartment Co., Ltd.	Management service of apartment buildings	63.00	63.00	63.00	1 and 2
BES Investment Corporation Ltd.	BES Construction Corporation (U.S.A)	Land development and investment	8.21	8.21	8.21	1 and 2
	Global BES Engineering （Myanmar） Co., Ltd	Contracting Construction	100.00	100.00	100.00	1
	BES Engineering Vietnam Company Limited	Contracting Construction	60.00	60.00	100.00	1 and 5
Chinese City International Investment Co., Ltd.	Hua Cheng Consulting (Changshu) Co., Ltd.	Engineering and design consultancy	100.00	100.00	100.00	1
Zhong Hua Cheng Development Co., Ltd.	Core Pacific Consulting (Changshu) Co., Ltd.	Engineering and design consultancy	100.00	100.00	100.00	1

Notes:

1. The financial statements of non-material subsidiaries for the six months ended June 30, 2024 and 2023 were not reviewed by CPAs.
2. The Group holds more than 50% of the total shares with the control over the subsidiary.
3. On March 21, 2023, the Corporation subscribed the shares of Cinemark-Core Pacific, Ltd. through its seasoned equity offerings of 2023 for NTD 200,000 thousand. Due to the percentage different from its existing ownership percentage, the shareholding increased from 78.14% to 91.76%. Please refer to Note XXX for the transaction of non-controlling equity.
4. On May 10, 2023, the Corporation's board of directors approved the establishment of Huading Enterprise Co., Ltd., and the registration of the change had been completed in June 2023. The Corporation held 90% of the total shares with the control over it; therefore, it is included as an entity in the consolidated financial statements. In addition, on July 25, 2023, the Corporation subscribed Huading Enterprise Co., Ltd. for the 2023 cash capital increase for NTD 90 thousand in proportion to the shareholding.
5. On July 27, 2023, the Corporation subscribed to a cash capital increase of its subsidiary, BES Investment Company Ltd., with an amount of USD 10 million. The subsidiary then injected USD 10 million into BES Engineering Vietnam Company Limited as a capital increase, with the relevant procedures having been completed in 2023. Furthermore, since the Corporation did not participate in the cash capital increase of BES Engineering Vietnam Company Limited in proportion to its existing ownership interest, its shareholding percentage decreased from 100.00% to 60.00%. For details on the transaction with non-controlling equity, please refer to Note XXX.
6. On May 10, 2024, Cinemark-Core Pacific, Ltd.’s board of directors approved the fully subscription for a cash capital increase of its subsidiary, Cinema 7 Theater Co., Ltd., with an amount of NTD 100,000 thousand in 2024. The relevant procedures were completed on May 30, 2024.

XIV. Investments accounted for using the equity method

Investment in associates

	June 30, 2024	December 31, 2023	June 30, 2023
Individually non-material associates	$ 1,555,915	$ 1,529,580	$ 1,553,513

Aggregate information on individually non-material associates

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
The Group's share				
Net loss in this period	($ 16,809)	($ 11,564)	($ 26,326)	($ 13,279)
Other comprehensive income and losses	15,870	(23,092)	52,661	(24,793)
Total comprehensive income and losses	($ 939)	($ 34,656)	$ 26,335	($ 38,072)

The investments using the equity method and the share of profit or loss and other comprehensive income of the investments are calculated based on financial statements that have not been reviewed by CPAs.

XV. Joint venture (JV)

Some of the Group's construction projects are joint construction projects, and the Group signed cooperation agreements with participating contractors to form a single operating unit and adopted the operating model of joint contracting and also independently set up accounting records. The joint contractor, construction assets and liabilities and details of the amounts the Group made in proportion to its interest in the joint agreements are as follows:

(I) Yulon Town JV project

The Group and Taiwan Kumagai Co., Ltd. (hereinafter referred to as Kumagai) jointly undertook the main construction project of the Yulon Town Development Project in Xindian launched by Yulon Motor Co., Ltd. (hereinafter referred to as the "Yulon Town JV project"). The JV percentages of both parties are 30% for the Group and 70% for Kumagai, and both parties signed an agreement in December 2018 (hereinafter referred to as "Yulon Town JV"). The Group recognized the assets, liabilities, revenue and expenses amount of the JV project as per its percentage in the JV. The details are as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Assets			
Cash and cash equivalents	$ 12,666	$ 13,941	$ 74,876
Construction receivables	-	-	102,090
Total assets	$ 12,666	$ 13,941	$ 176,966
Liabilities			
Accounts payable	$ 2,442	$ 3,702	$ -
Accrued expenses	-	-	238
Contract liabilities - current	28,780	28,780	84,757
Other current liabilities	3,497	3,708	3,519
Total liabilities	$ 34,719	$ 36,190	$ 88,514

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Income from construction	$ -	$ 17,552	$ -	$ 19,360
Construction costs	$ -	$ 16,147	$ -	$ 17,846
Interest income	$ 38	$ 141	$ 38	$ 141

(II) The Twin Towers JV project

The Group, Taiwan Kumagai Co., Ltd. (hereinafter referred to as “Kumagai”), and Jeou Nien Construction Co., Ltd. (hereinafter referred to as “Jeou Nien”) jointly contracted the main construction of the Taipei City West District Gateway Project, Taipei Station Specific Dedicated Area C1/D1 (East Half Street Profile) land development project (hereinafter referred to as the “Twin Towers JV project”), which was entrusted by Taipei Twin Towers Co., Ltd. The JV percentages of the work contracted were 33% for the Group, 35% for Kumagai, and 32% for Jeou Nien; and all parties signed an agreement (hereinafter referred to as “Twin Towers JV”) in May 2022. The Group recognized the assets and liabilities of the JV project as per its percentage in the JV. The details are as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Assets			
Cash and cash equivalents	$ 57,343	$ 40,699	$ 22,104
Construction receivables	-	3,124	6,969
Refundable deposits	198	721	724
Other current assets	336,937	68,806	6,349
Total assets	$ 394,478	$ 113,350	$ 36,146
Liabilities			
Accounts payable	$ 10,348	$ 3,037	$ 568
Accrued expenses	1	8	-
Contract liabilities - current	351,140	92,783	15,952
Other current liabilities	1,591	8	3,808
Total liabilities	$ 363,080	$ 95,836	$ 20,328

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Income from construction	$ 264,584	$ 25,489	$ 456,928	$ 38,063
Construction costs	$ 247,631	$ 25,004	$ 437,092	$ 37,374
Interest income	$ 182	$ -	$ 182	$ -

(III) Core Pacific Living City Yangzhou CBD business in A6 district

Subsidiaries Core Pacific Consulting (Changshu) Co., Ltd., Hua Cheng Consulting (Changshu) Co., Ltd., and Core Pacific Living City Yangzhou CBD signed a joint operation development of Core Pacific Living City Yangzhou CBD business in A6 district and a residence hotel (referred to as "Core Pacific Living City Yangzhou CBD business in A6 district") in June 2012. According to the percentages in the agreement, 7.5% was for Core Pacific Consulting (Changshu) Co., Ltd., another 7.5% for Hua Cheng Consulting (Changshu) Co., Ltd., and 85% for Core Pacific Living City Yangzhou CBD, and three parties signed an agreement to adopt a joint control and operation model. This project is expected to run for five years. During the joint development period, if a party raises a request, the principal invested will be settled and paid as per the actual investment percentage with the consent of all parties.

The joint operation agreement between subsidiaries Core Pacific Consulting (Changshu) Co., Ltd., Hua Cheng Consulting (Changshu) Co., Ltd., and Core Pacific Living City Yangzhou CBD ended in July 2017. The Group's investment percentage was 22.50% and the collection of the original investment and the estimated profit obtained came to a total of NTD 576,384 thousand in August 2017. The asset appraisal was completed on September 30, 2017. Tax settlement was completed in 2023, and the received interest of NTD 74,803 thousand was recognized in profit and loss in 2023.

(IV) Tainan Seawater Desalination Plant JV Project

The Group and Kuo Toong International Co., Ltd. (hereinafter referred to as "Kuo Toong") jointly contracted the construction of the turnkey project (Phase I) and operation and maintenance project of the Tainan Seawater Desalination Plant, managed by the Southern Region Water Resources Office of the Ministry of Economic Affairs (hereinafter referred to as the "Tainan Seawater Desalination Plant JV Project"). The JV percentages of the work contracted were 43% for the Group and 57% for Kuo Toong. An agreement for the joint operation of the Tainan Seawater Desalination Plant was signed in May 2024. By June 30, 2024, the project was still in the preparation stage.

XVI. Property, Plant and Equipment

	June 30, 2024	December 31, 2023	June 30, 2023
Land and land improvements	$ 2,723,008	$ 2,723,102	$ 2,723,221
Buildings	156,847	161,880	161,564
Machinery and equipment	300,068	269,014	199,563
Other equipment	54,513	51,123	49,542
Unfinished construction	6,338	4,693	10,316
	$ 3,240,774	$ 3,209,812	$ 3,144,206

For the six months ended June 30, 2024 and 2023, as there was no sign of impairment, the Group did not conduct an impairment assessment.

The Group's property, plant and equipment are depreciated in the fixed-percentage-on-declining-balance-method and on a straight-line basis over the useful lives below:

Land improvements	8 to 40 years
Buildings	
Main buildings of factories	60 years
Air-conditioning equipment	3 years
Machinery and equipment	2 to 13 years
Other equipment	2 to 20 years

Please refer to Note XXXIII for the amount of property, plant and equipment that the Group pledged to secure borrowings.

XVII. Lease agreements

(I) Right-of-use assets

	June 30, 2024	December 31, 2023	June 30, 2023
Carrying amount of right-of-use assets			
Land	$ 53,847	$ 40,649	$ 34,953
Buildings	27,250	122,727	146,415
Transportation equipment	44,449	42,903	31,747
	$ 125,546	$ 206,279	$ 213,115

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Additions of right-of-use assets			$ 45,230	$ 20,632
Decrease in right-of-use assets			$ 84,012	$ 533
Depreciation expenses of right-of-use assets				
Land	$ 2,706	$ 1,380	$ 5,671	$ 2,915
Buildings	9,784	13,895	23,291	28,757

Transportation equipment	6,379	4,912	12,994	9,603
	$ 18,869	$ 20,187	$ 41,956	$ 41,275

Except for the additions and depreciation expenses recognized listed above, the Group did not have any significant sublease or impairment of the right-of-use assets for the six months ended June 30, 2024 and 2023.

(II) Lease liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
Carrying amount of lease liabilities			
Current	$ 60,368	$ 77,121	$ 75,604
Non-current	$ 67,575	$ 139,962	$ 148,461

Range of discount rates for lease liabilities is as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Land	2.10%~2.80%	2.10%~2.80%	2.10%~2.80%
Buildings	2.10%~4.75%	2.10%~4.75%	2.10%~4.75%
Transportation equipment	2.10%~3.30%	2.10%~2.74%	2.10%~2.90%

(III) Sublease

The Group subleased the right-of-use assets of buildings under an operating lease over a lease term of 1-3 years.

The total lease payments to be received in the future from the sublease under operating leases are as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
1st year	$ 2,798	$ 1,986	$ 1,867
2nd year	466	994	480
3rd year	-	-	80
	$ 3,264	$ 2,980	$ 2,427

(IV) Other lease information

Please refer to Note XVIII for the Group’s agreements on the lease-out of its investment properties under operating leases.

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Short-term lease expenses	$ 6,036	$ 2,011	$ 10,103	$ 2,873
Low-value asset lease expenses	$ 251	$ 62	$ 458	$ 209
Changes in lease payments not included in the measurement of the lease liabilities	$ 41,293	$ 33,318	$ 73,317	$ 71,537
Total cash (outflow) of leases			($ 128,995)	($ 118,834)

XVIII. Investment property

	June 30, 2024	December 31, 2023	June 30, 2023
Investment property finished	$ 1,074,000	$ 1,077,287	$ 1,097,556

For the six months ended June 30, 2024 and 2023, as there was no sign of impairment, the Group did not conduct an impairment assessment.

The Group's investment properties are depreciated in the fixed-percentage-on-declining-balance-method and on a straight-line basis over the useful lives below:

Land improvements	8 to 40 years
Buildings	
Main buildings of factories	60 years
Air-conditioning equipment	3 years

As of June 30, 2024 and December 31 and June 30, 2023, the total lease payments to be received in the future for investment properties leased out under operating leases are as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Less than 1 year	$ 79,242	$ 92,614	$ 59,407
1 to 5 years	59,457	55,287	130,036
	$ 138,699	$ 147,901	$ 189,443

The fair values of investment properties are evaluated by an independent appraiser, and the fair values are as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Fair value	$ 6,765,760	$ 6,760,559	$ 5,942,899

The fair values of some of the investment properties held by the Group cannot be determined reliably due to the inactive transactions and the inability to obtain reliable alternative fair value estimates.

All the Group's investment properties are self-owned. Please refer to Note XXXIII for the amount of investment properties that the Group pledged to secure borrowings.

XIX. Borrowings

(I) Short-term borrowings

	June 30, 2024	December 31, 2023	June 30, 2023
Secured borrowings			
Bank borrowings	$ 4,329,000	$ 4,891,500	$ 3,913,300
Bank overdraft	-	-	295,000
	4,329,000	4,891,500	4,208,300
Unsecured borrowings			
Borrowings with a line of credit	1,000,000	1,000,000	700,000
	$ 5,329,000	$ 5,891,500	$ 4,908,300

The bank borrowings are secured by part of cash in banks, stocks, certificates of deposit, property held for sale, and self-owned land and buildings pledged by the Group (refer to Note XXXIII). The interest rates on bank revolving loans as of June 30, 2024, and December 31 and June 30, 2023 were 1.780%-3.478%, 1.660%-3.353%, and 1.790%-3.353%, respectively.

(II) Short-term notes payable

	June 30, 2024	December 31, 2023	June 30, 2023
Commercial paper payable	$ 2,593,200	$ 1,462,300	$ 1,501,000
Less: Discount of short-term notes payable	(5,846)	(340)	(847)
	$ 2,587,354	$ 1,461,960	$ 1,500,153

The short-term notes payable that are not yet due are as follows:

June 30, 2024

Guarantee institution	Face value	Discount amount	Carrying amount	Interest rate range	Name of collateral	Book value of collateral
Commercial paper payable						
Mega Bills Finance	$ 714,000	$ 1,617	$ 712,383	2.810%	Land and buildings	$ 1,870,714
China Bills Finance	500,000	-	500,000	2.450%	Securities	655,200
Mega Bills Finance	450,000	1,000	449,000	2.760%	Land and buildings	493,736
International Bills Finance Corporation	420,600	2,087	418,513	3.032%	Note	Note
Taiwan Finance Corporation	298,300	99	298,201	3.000%	Land and buildings	895,076
International Bills Finance Corporation	210,300	1,043	209,257	3.032%	Note	Note
	$ 2,593,200	$ 5,846	$ 2,587,354			

Note: The loan is collateralized by land and buildings in Xinyi Section 3, Xinyi District, Taipei City with a total carrying amount of NTD 6,728,211 thousand.

December 31, 2023

Guarantee institution	Face value	Discount amount	Carrying amount	Interest rate range	Name of collateral	Book value of collateral
Commercial paper payable						
Mega Bills Finance	$ 714,000	$ 107	$ 713,893	2.710%	Land and buildings	$ 1,864,773
Mega Bills Finance	450,000	68	449,932	2.710%	Land and buildings	495,105
Taiwan Finance Corporation	298,300	165	298,135	2.850%	Land and buildings	892,214
	$ 1,462,300	$ 340	$ 1,461,960			

June 30, 2023

Guarantee institution	Face value	Discount amount	Carrying amount	Interest rate range	Name of collateral	Book value of collateral
Commercial paper payable						
Mega Bills Finance	$ 737,000	$ 325	$ 736,675	2.650%	Land and buildings	$ 1,850,162
Mega Bills Finance	450,000	199	449,801	2.650%	Land and buildings	495,309
Taiwan Finance Corporation	314,000	323	313,677	2.850%	Land and buildings	885,242
	$ 1,501,000	$ 847	$ 1,500,153			

The short-term bills payable are secured by the listed stocks, the properties held for sale, and the self-owned land and buildings held by the Group (refer to Note XXXIII).

(III) Long-term borrowings

	June 30, 2024	December 31, 2023	June 30, 2023
Secured borrowings			
Bank borrowings	$ 7,685,058	$ 5,727,564	$ 4,613,304
Unsecured borrowings			
Bank borrowings	5,198,050	4,874,939	2,515,699
Sub-total	12,883,108	10,602,503	7,129,003
Less: Current portion	(2,488,995)	(631,181)	(69,031)
Long-term borrowings	$10,394,113	$ 9,971,322	$ 7,059,972

The bank borrowings are secured by the Group's partial bank deposits, construction in progress, properly held for sale, self-owned land and buildings, and certificates of term deposit (refer to Note XXXIII). As of June 30, 2024 and December 31 and June 30, 2023, the effective interest rates per annum were 2.365%-3.263%, 2.240%-3.132%, and 2.150%-3.097%, respectively.

XX. Accounts payable

	June 30, 2024	December 31, 2023	June 30, 2023
Due to operations	$ 6,155,725	$ 6,371,331	$ 5,800,936

In the accounts payable, the amounts of construction retention payable under construction contracts as of June 30, 2024 and December 31 and June 30, 2023, were NTD 2,598,874 thousand, NTD 2,260,542 thousand, and NTD 1,971,423 thousand, respectively. Construction retentions payable are non-interest bearing and will be paid at the end of the retention period of each construction contract. The warranty period is the Group's normal operating cycle, which is usually more than one year.

XXI. Accounts payable for the development of industrial districts

	June 30, 2024	December 31, 2023	June 30, 2023
Litzer Industrial District	$ 2,113	$ 3,095	$ 1,850
Other Industrial Districts	15,963	15,963	15,963
	$ 18,076	$ 19,058	$ 17,813

For the six months ended June 30, 2023, the amounts of the accounts payable (receivable) for the development of industrial districts were NTD 20 thousand; the costs invested for the six months ended June 30, 2024 and 2023 were NTD 982 thousand and NTD 570 thousand, respectively.

XXII. Provision

	June 30, 2024	December 31, 2023	June 30, 2023
Current			
Warranty	$ 500,591	$ 505,734	$ 488,776
Non-current			
Provision for long-term liabilities pending a final decision in the legal proceedings	$ 900,764	$ 930,278	$ 971,846

The provision for warranty is the present value of the best estimate of the future financial outflows due to the warranty obligations made by the Group's management as per the construction contracts. The estimate has been made on the basis of historical warranty experience.

The provision for long-term liabilities to be decided through the legal proceedings was for the contingent loss listed in advance for lawsuits which were likely to occur in the future due to a dispute between the Group's management and the owner of a construction project regarding the definition of overdue progress.

XXIII. Retirement benefit plans

The pension expenses related to defined benefit plans recognized for the three months and six months ended June 30, 2024 and 2023 were calculated at the pension cost rate actuarially determined on December 31, 2023 and 2022, respectively, and the amounts were NTD 893 thousand, NTD 1,219 thousand, NTD 1,786 thousand and NTD 2,795 thousand, respectively.

XXIV. Maturity analysis of assets and liabilities

The Group's assets and liabilities related to the construction project contracting, housing construction, and industrial zone development business for other entities are classified as current or non-current as per the operating cycle. The relevant amounts accounted for as per the expected amounts to be collected or paid less than one year and over one year after the balance sheet date are listed as follows:

	June 30, 2024		
	Less than 1 year	Over 1 year	Total
Assets			
Financial assets at amortized cost - current	$ 1,048,433	$ 570,968	$ 1,619,401
Construction receivables	4,897,646	224,436	5,122,082
Contract assets - current	543,396	4,870,886	5,414,282
Accounts receivable on the development of industrial districts	-	2,703,577	2,703,577
Inventories	205,416	-	205,416
Buildings and land held for sale, net	944,699	10,803,696	11,748,395
Construction in progress	-	12,783,381	12,783,381
Refundable deposits on construction contracts	32,819	32,344	65,163
	$ 7,672,409	$ 31,989,288	$ 39,661,697
Liabilities			
Notes payable	$ 30,738	$ -	$ 30,738
Accounts payable	5,451,548	687,732	6,139,280
Contract liabilities - current	2,285,168	2,000,985	4,286,153
Accounts payable for the development of industrial districts	-	18,076	18,076
Provision - current	59,847	440,744	500,591
Guarantee deposits on construction contracts	614,454	215,889	830,343
	$ 8,441,755	$ 3,363,426	$ 11,805,181

	December 31, 2023		
	Less than 1 year	Over 1 year	Total
Assets			
Financial assets at amortized cost - current	$ 921,028	$ 565,887	$ 1,486,915
Construction receivables	3,573,648	461,197	4,034,845
Contract assets - current	757,396	4,180,782	4,938,178
Accounts receivable on the development of industrial districts	-	2,811,621	2,811,621
Inventories	213,921	-	213,921
Buildings and land held for sale, net	1,009,424	10,771,361	11,780,785
Construction in progress	-	10,630,431	10,630,431
Refundable deposits on construction contracts	22,371	32,404	54,775
	$ 6,497,788	$ 29,453,683	$ 35,951,471
Liabilities			
Notes payable	$ 13,367	$ -	$ 13,367
Accounts payable	5,435,089	913,583	6,348,672
Contract liabilities - current	2,341,917	1,200,044	3,541,961
Accounts payable for the development of industrial districts	-	19,058	19,058
Provision - current	61,719	444,015	505,734
Guarantee deposits on construction contracts	456,918	304,612	761,530
	$ 8,309,010	$ 2,881,312	$ 11,190,322

	June 30, 2023		
	Less than 1 year	Over 1 year	Total
Assets			
Financial assets at amortized cost - current	$ 1,257,511	$ 418,448	$ 1,675,959
Construction receivables	3,953,721	330,041	4,283,762
Contract assets - current	477,897	2,953,659	3,431,556
Accounts receivable on the development of industrial districts	-	2,744,021	2,744,021
Inventories	241,399	-	241,399
Buildings and land held for sale, net	1,998,356	9,758,241	11,756,597
Construction in progress	-	7,603,254	7,603,254
Refundable deposits on construction contracts	145,113	19,171	164,284
	$ 8,073,997	$ 23,826,835	$ 31,900,832
Liabilities			
Notes payable	$ 2,378	$ -	$ 2,378
Accounts payable	5,241,339	541,141	5,782,480
Contract liabilities - current	1,774,399	885,730	2,660,129
Accounts payable for the development of industrial districts	-	17,813	17,813
Provision - current	84,022	404,754	488,776
Guarantee deposits on construction contracts	492,030	181,984	674,014
	$ 7,594,168	$ 2,031,422	$ 9,625,590

XXV. Equity

(I) Share capital

	June 30, 2024	December 31, 2023	June 30, 2023
Authorized shares (in thousands)	3,000,000	3,000,000	3,000,000
Authorized share capital	$ 30,000,000	$ 30,000,000	$ 30,000,000
Issued and fully paid shares (in thousands)	1,530,899	1,530,899	1,530,899
Issued shares	$ 15,308,998	$ 15,308,998	$ 15,308,998

(II) Capital reserve

	June 30, 2024	December 31, 2023	June 30, 2023
May be used to compensate deficit, distributed as cash dividends, or transferred to share capital (1)			
Share premium	$ 11,501	$ 11,501	$ 11,501
Treasury shares traded	1,757	1,757	1,757
The difference between the price of subsidiary's equity acquired or disposed of and the book value	10,115	10,115	10,115
Changes in net amount of equity of associates recognized using the equity method	4,094	4,094	4,094
Donated assets received	89	89	89
May only be used to compensate deficit (2)			
Changes in ownership interests in subsidiaries recognized	12,535	12,535	19
Others	56,430	56,430	56,430
	$ 96,521	$ 96,521	$ 84,005

1. Such capital reserve can be used to compensate the deficit and may also be used to distribute as cash dividends or transfer to the capital when the Corporation has no deficit. However, when transferring to the capital, it is limited to a certain percentage of the paid-in capital each year.
2. The capital reserve arising from the stock options that expired can only be used to compensate the deficit.

(III) Retained earnings and dividend policy

As per the Corporation's Articles of Incorporation, with the future business, fund demands, and long-term financial plan considered, the dividends can be paid out in both cash and shares. If there is any earning after the annual settlement, the earnings, after used to compensate the cumulative deficit over the years, may be distributed in the order below:

1. Paying for taxes in accordance with the laws and regulations.
2. Compensating the cumulative deficit over the years.

3. Setting aside 10% as the legal reserve unless it has reached the amount of the Corporation's paid-in capital.
4. Setting aside a special reserve for the amount of the deduction of shareholders' equity that occurs during the year.
5. Adding the cumulative undistributed earnings in the prior year, if there are still earnings, allocating at least 20% as shareholders' dividends.
6. The percentage of the aforementioned earnings to distribution and the percentage of cash to be distributed may depend on the profit and capital for the year. The board of directors shall formulate a proposal and submit it to the shareholders' meeting for a resolution. The cash dividends to be paid out shall not be less than 10% of the total dividends to be distributed. If the cash dividend per share is lower than NTD 0.1, the dividends will be paid in stock.

Please refer to Note XXVII (VII) employee benefits expense for the policy on the distribution of employees, directors and supervisors of the Articles.

An amount shall be set aside for the legal reserve until its balance reaches the amount of the Corporation's total paid-in capital. The legal reserve may be used to compensate the deficit. When the Corporation has no deficit and the legal reserve has exceeded 25% of the total paid-in capital, the excess may be used to transfer to the capital and distribute in cash.

The Corporation held the shareholders' meetings on May 31, 2024 and June 7, 2023, and resolved to approve the 2023 and 2022 annual earnings distribution proposals with details as follows:

	2023	2022
Legal reserve	$ 84,805	$ 83,937
Cash dividends	$ 796,068	$ 805,254
Cash dividend per share (NTD)	$ 0.520	$ 0.526

(IV) Special reserve

When the Corporation first adopted IFRS Accounting Standards, the amount of unrealized revaluation increment reclassified to retained earnings was NTD 2,466,834 thousand, and the same amount was set aside as a special reserve.

When IFRS Accounting Standards are first adopted, the special reserve for investment properties other than land may be reversed continuously over the period of use. The special reserve for land may be reversed upon disposal or reclassification.

(V) Other equity items

1. Exchange differences on translation of the financial statements of foreign operations

	Six months ended June 30, 2024	Six months ended June 30, 2023
Balance at the beginning of the Period	($ 220,686)	($ 180,793)
Incurred in the current period		
Exchange differences on translation of the financial statements of foreign operations	(26,722)	(63,387)
Share of associates using the equity method	52,661	(24,793)
Part of the equity of subsidiaries actually acquired (Note XXX)	-	(1,205)
Ending balance	($ 194,747)	($ 270,178)

2. Unrealized gains or losses on financial assets at fair value through other comprehensive income

	Six months ended June 30, 2024	Six months ended June 30, 2023
Balance at the beginning of the period	($ 465,089)	($ 296,350)
Incurred in the current period		
Unrealized gains and losses on equity instruments	332,283	87,528
Transfer the accumulated gains and losses from the disposal of equity instruments to retained earnings	-	(229,720)
Part of the equity of subsidiaries actually acquired (Note XXX)	-	(689)
Ending balance	($ 132,806)	($ 439,231)

(VI) Non-controlling equity

	Six months ended June 30, 2024	Six months ended June 30, 2023
Balance at the beginning of the period	$ 837,866	$ 71,411
Net loss in this period	(583)	(3,121)
Other comprehensive income of the period		
Exchange differences on translation of the financial statements of foreign operations	(37,646)	(14)
Unrealized gains or losses on financial assets at fair value through other comprehensive income	12	-
Increase in non-controlling equity from subsidiaries acquired	-	49,000
Part of the equity of subsidiaries actually acquired (Note XXX)	-	(7,463)
Cash dividends distributed by subsidiaries	-	(174)
Ending balance	$ 799,649	$ 109,639

XXVI. Revenue

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Revenue from customer contracts				
Income from construction	$ 4,782,680	$ 4,285,900	$ 9,369,848	$ 7,880,023
Service income	314,265	313,386	609,386	610,000
Income from property sales	81,814	221,800	81,814	269,371
Other operating income	28,396	25,908	67,249	67,650
	$ 5,207,155	$ 4,846,994	$10,128,297	$ 8,827,044

Balance of contracts

	June 30, 2024	December 31, 2023	June 30, 2023	January 1, 2023
Trade receivables (Note X)	$ 133,015	$ 106,992	$ 116,697	$ 95,423
Construction receivable (Note X)	$ 5,122,082	$ 4,034,845	$ 4,283,762	$ 2,603,165
Contract assets				
Construction contracts receivable	$ 3,175,438	$ 2,770,617	$ 1,535,410	$ 733,340
Construction retention receivable	2,238,844	2,167,561	1,896,146	1,765,201
	$ 5,414,282	$ 4,938,178	$ 3,431,556	$ 2,498,541

Contract liabilities

	June 30, 2024	December 31, 2023	June 30, 2023	January 1, 2023
Construction contracts payable	$ 3,895,953	$ 3,339,726	$ 2,533,474	$ 2,065,899
Property sales	390,200	202,235	126,655	94,363
Sales of service	14,985	16,623	18,212	21,212
	$ 4,301,138	$ 3,558,584	$ 2,678,341	$ 2,181,474

The credit risk management of contract assets adopted by the Group is the same as trade receivables. Please refer to Note X.

XXVIII. Net profit

(I) Interest income

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Cash in banks	$ 22,171	$ 6,260	$ 26,783	$ 8,666
Financial assets at amortized cost	12,755	7,257	16,060	8,973
Others	1,108	5,851	3,781	11,533
	$ 36,034	$ 19,368	$ 46,624	$ 29,172

(II) Other income

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Rent income	$ 20,823	$ 19,833	$ 43,547	$ 41,503
Dividend income	9,995	9,889	9,995	9,889
Other income	166	383	166	383
	$ 30,984	$ 30,105	$ 53,708	$ 51,775

(III) Other gains and losses

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Processing fee expenses	($ 20,385)	($ 22,534)	($ 44,517)	($ 44,822)
Gains on reversal of compensation (losses on compensation)	913	(535)	(3,234)	(287)
Gains (losses) on financial assets and financial liabilities - Gain on valuation of financial assets mandatorily at fair value through profit or loss	64	65	189	43
Gains (losses) on disposal of property, plant and equipment	(19,275)	27	(20,004)	10,946
Gain from lease modification	7,783	-	7,783	-
Others	7,528	(232)	15,895	8,656
	($ 23,372)	($ 23,209)	($ 43,888)	($ 25,464)

(IV) Financial costs

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Bank overdraft and interest on bank borrowings	$ 67,867	$ 55,984	$ 134,855	$ 104,616
Interest on lease liabilities	1,003	1,094	2,537	2,270
Interest expense of customer contracts	1,138	76	1,471	112
	$ 70,008	$ 57,154	$ 138,863	$ 106,998

Please refer to Note XII for information on interest capitalization.

(V) Depreciation

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Depreciation expenses by function				
Operating costs	$ 26,666	$ 17,540	$ 52,165	$ 34,483
Operating expenses	10,895	17,548	26,681	35,285
	$ 37,561	$ 35,088	$ 78,846	$ 69,768

The depreciation expenses of investment properties for three months and six months ended June 30, 2024 and 2023 amounting to NTD 4,157 thousand, NTD 4,177 thousand, NTD 8,256 thousand and NTD 8,259 thousand, respectively, were recognized in other income - rental income.

(VI) Employee benefit expenses

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Short-term employee benefits	$ 567,437	$ 524,904	$ 1,149,071	$ 1,047,955
Post-employment benefits				
Defined contribution plan	25,926	23,974	51,501	46,877
Defined benefit plan	893	1,219	1,786	2,795
	26,819	25,193	53,287	49,672
Other employee benefits	63,280	56,601	123,559	110,723
Total employee benefit expenses	$ 657,536	$ 606,698	$ 1,325,917	$ 1,208,350
By function				
Operating costs	$ 586,862	$ 541,451	$ 1,185,490	$ 1,080,339
Operating expenses	70,674	65,247	140,427	128,011
	$ 657,536	$ 606,698	$ 1,325,917	$ 1,208,350

(VII) Remuneration to employees, directors and supervisors

As per the Articles of Corporation, the Corporation shall allocate no less than 2% of the net income before tax before the remuneration to employees, directors, and supervisors is deducted for the year as remuneration to employees and no more than 2% as the remuneration to directors and supervisors, respectively.

The estimated remuneration to employees, directors and supervisors for the six months ended June 30, 2024 and 2023 was as follows:

Percentage for estimation

	Six months ended June 30, 2024	Six months ended June 30, 2023
Employee remuneration	2%	2%
Remuneration to directors and supervisors	2%	2%

Amount

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Employee remuneration	$ 4,167	$ 4,796	$ 7,094	$ 7,546
Remuneration to directors and supervisors	$ 4,642	$ 4,796	$ 7,094	$ 7,546

If there is a change in an amount after the release date of the annual consolidated financial statements is approved, it will be treated as a change in accounting estimates and adjusted and accounted for in the following year.

Remuneration to employees, directors and supervisors for 2023 and 2022 were resolved by the board of directors on March 13, 2024 and March 13, 2023, respectively. The details were as follows:

Amount

	2023	2022
	Cash	Cash
Employee remuneration	$ 15,703	$ 20,959
Remuneration to directors and supervisors	$ 15,703	$ 20,959

There is no difference between the actual amount of remuneration of employees, directors and supervisors paid and the amount recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

For information on remuneration to employees, directors and supervisors resolved by the board of directors, please visit the Market Observation Post System of Taiwan Stock Exchange.

XXVIII. Taxation

(I) Income tax recognized in profit or loss

The main components of income tax expenses were as follows:

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Current income tax				
Incurred in this period	$ 37,057	$ 14,355	$ 61,971	$ 14,874
Land value increment tax	335	3,534	335	4,261
Adjustment for the prior year	7,055	4,391	7,055	4,391
	44,447	22,280	69,361	23,526
Deferred tax				
Change in this period	3,490	40,594	10,593	67,332
Adjustment for the prior year	2,669	(364)	2,669	(364)
	6,159	40,230	13,262	66,968
Income tax expense recognized in profit or loss	$ 50,606	$ 62,510	$ 82,623	$ 90,494

(II) Income tax approval

	Income Tax Approval Year
BES Engineering Corporation	2022
Core Pacific World Co., Ltd.	2022
Cinemark-Core Pacific, Ltd.	2022
Chung Kung Safeguarding and Security Corporation	2022
Chung Kung Management Consultant Corporation	2022
Chung Kung Management and Maintenance of Apartment Co., Ltd.	2022
Core Asia Human Resources Management Co., Ltd.	2022
Elite Human Resources Management Co., Ltd.	2022
Cinema 7 Theater Co., Ltd.	2022

XXIX. Earnings per share

The earnings and weighted average number of ordinary shares outstanding used to calculate the earnings per share from continuing operations were as follows:

Net income in this period

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Net income used to calculate basic earnings per share	$ 150,457	$ 168,136	$ 260,189	$ 272,861

Number of shares

Unit: Thousand shares

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Weighted average number of ordinary shares used to calculate basic earnings per share	1,530,899	1,530,899	1,530,899	1,530,899
Effect of potentially dilutive ordinary shares:				
Employee remuneration	480	680	978	1,629
Weighted average number of ordinary shares used to calculate diluted earnings per share	1,531,379	1,531,579	1,531,877	1,532,528

If the Group may elect to pay employee remuneration in stock or cash, when diluted earnings per share are calculated, it is assumed that employee remuneration will be paid out in stock, and when the ordinary shares are potentially dilutive, they will be included in the weighted average number of outstanding shares to calculate diluted earnings per share. The effect of such dilutive potential ordinary shares will also be considered when the diluted earnings per share are calculated before the shareholders' meeting in the following year resolves the number of shares to be distributed for employee remuneration.

XXX. Equity transaction with non-controlling equity

On March 21, 2023, the Group failed to subscribe for cash capital increase of subsidiary Cinemark-Core Pacific, Ltd. pro rata to the shares held, raising the shareholding from 78.14% to 91.76%.

As the above transaction did not change the Group's control over the subsidiary, the Group treated the transaction as an equity transaction.

	Cinemark-Core Pacific, Ltd.
Cash consideration paid	$ -
Amount to be transferred out of non-controlling equity calculated as per changes in relative equity for the carrying amount of the subsidiary's net asset	7,463
Other equity items adjusted to be attributable to the owners of the Corporation	
- Exchange differences on translation of financial statements of foreign operations	1,205
- Unrealized gains or losses on financial assets at fair value through other comprehensive income	689
Equity transaction difference	$ 9,357
Equity transaction difference adjustment account	
Capital reserve - the difference between the price of subsidiary's equity acquired or disposed of and the book value	$ 9,357

On October 24, 2023, the Group subscribed for additional new shares of BES Engineering Vietnam Company Limited at a percentage different from its existing ownership percentage, resulting in a decrease in its shareholding from 100.00% to 60.00%.

As the above transaction did not change the Group's control over the subsidiary, the Group treated the transaction as an equity transaction.

	BES Engineering Vietnam Company Limited
Cash consideration received	$ 737,885
Amount to be transferred into non-controlling interests calculated as per changes in relative equity for the carrying amount of the subsidiary's net asset	(727,295)
Other equity items adjusted to be attributable to the owners of the Corporation	
- Exchange differences on translation of financial statements of foreign operations	1,926
Equity transaction difference	$ 12,516
Equity transaction difference adjustment account	
Capital reserve - changes in ownership interests in subsidiaries recognized	$ 12,516

XXXI. Financial instruments

(I) Fair value information - financial instruments not measured at fair value

As of June 30, 2024, and December 31 and June 30, 2023, the carrying amount and fair value of financial instruments not measured at fair value of the Group showed no significant differences.

(II) Fair value information - financial instruments at fair value on a recurring basis

1. Fair value hierarchy

June 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Mutual Funds	$ 4,437	$ -	$ -	$ 4,437
Financial assets at fair value through other comprehensive income				
Investment in equity instruments				
- Domestic listed stocks	$ 2,977,539	$ -	$ -	$ 2,977,539
- Domestic unlisted stocks	-	132,154	-	132,154
Total	$ 2,977,539	$ 132,154	$ -	$ 3,109,693

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Mutual Funds	$ 4,248	$ -	$ -	$ 4,248
Financial assets at fair value through other comprehensive income				
Investment in equity instruments				
- Domestic listed stocks	$ 2,664,236	$ -	$ -	$ 2,664,236
- Domestic unlisted stocks	-	113,162	-	113,162
Total	$ 2,664,236	$ 113,162	$ -	$ 2,777,398

June 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Mutual Funds	$ 4,181	$ -	$ -	$ 4,181
Financial assets at fair value through other comprehensive income				
Investment in equity instruments				
- Domestic listed stocks	$ 2,679,737	$ -	$ -	$ 2,679,737
- Domestic unlisted stocks	-	123,125	-	123,125
Total	$ 2,679,737	$ 123,125	$ -	$ 2,802,862

There were no transfers between Level 1 and Level 2 fair value measurements for the six months ended June 30, 2024 and 2023.

2. Valuation techniques and inputs applied for Level 2 fair value measurement

Category of financial instruments	Valuation techniques and inputs
Domestic unlisted stocks	Valuation is conducted using the market approach based on comparable listed corporations, and is determined according to the average historical volatility and risk-free interest rate on the valuation record date.
Others	Discounted cash flow method: Discounting at a discount rate that reflects the present implicit interest rate on income at the end of the period.

3. Valuation techniques and inputs applied for Level 3 fair value measurement

Domestic unlisted equity investments are valued using the asset-based approach, which reflects the overall value of the investment target by considering the total fair value of each asset and liability.

(III) Types of financial instruments

	June 30, 2024	December 31, 2023	June 30, 2023
Financial asset			
Financial assets at fair value through profit or loss			
Mandatorily at fair value through profit or loss	$ 4,437	$ 4,248	$ 4,181
Financial assets at amortized cost (Note 1)	14,750,108	14,202,425	12,921,514
Financial assets at fair value through other comprehensive income			
Investment in equity instruments	3,109,693	2,777,398	2,802,862
Financial liabilities			
Measured at amortized cost (Note 2)	29,629,726	26,950,506	21,510,246

Note 1: The balance includes cash and cash equivalents, financial assets at amortized cost, notes and trade receivables, construction receivables, refundable deposits on construction contracts, other receivables (included in other current assets) and refundable deposits.

Note 2: The balance includes short-term borrowings, short-term notes payable, accounts payable, guarantee deposits on construction contracts, long-term borrowings (including the current portion), provision and guarantee deposits received.

(IV) Financial risk management objective and policy

The Group's main financial instruments include equity and debt investments, notes receivable, trade receivables, construction receivables, accounts receivable and payable on the development of industrial districts, notes payable, accounts payable, borrowings, and lease liabilities. The Group's financial management department provides services to each business unit, coordinates the operations of investments in the domestic and international financial markets, and supervises and manages the financial risks related to the Group's operations by analyzing the internal risk reports on the exposure as per the breadth and depth of risks. Such risks include market risk (including exchange rate risk, interest rate risk, and other price risks), credit risk, and liquidity risk.

1. Market risk

The main financial risks to the Group's operating activities are the risk of foreign exchange rate fluctuations (see (1) below) and the risk of changes in interest rates (see (2) below).

(1) Foreign exchange rate risk

Refer to Note XXXIV for the carrying amounts of the Group's denominated monetary assets and monetary liabilities in non-functional currencies on the balance sheet date.

Sensitivity analysis

The Group is mainly affected by the fluctuations in the exchange rates of CNY and HKD.

The table below details the Group's sensitivity analysis when the NTD (functional currency) increases and decreases by 5% against each relevant foreign currency. Five percent is the sensitivity rate used in reporting the exchange rate risk to the key management team within the Group and represents the management's assessment of the reasonable range of potential changes in foreign-currency exchange rates. The positive numbers in the table below indicate the amount by which the net income before tax will be reduced when the NTD appreciates by 5% against the relevant currencies; when the NTD depreciates by 5% against the relevant foreign currencies, the net income before tax will be the negative number of the same amount.

	CNY		HKD	
	Six months ended June 30, 2024	Six months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Equity	$ 54,328	$ 54,153	$ 23,468	$ 23,523

(2) Interest rate risk

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rate risk on the balance sheet date were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Fair value interest rate risk			
- Financial assets	$ 4,557,894	$ 3,995,419	$ 2,654,079
- Financial liabilities	2,715,297	1,679,043	1,727,198
Cash flow interest rate risk			
- Financial assets	4,413,540	5,804,551	5,540,674
- Financial liabilities	18,212,108	16,494,003	12,034,323

As the Group held fixed-rate certificates of deposit, short-term notes payable and lease liabilities, it was exposed to the fair value interest rate risk.

As the Group held bank borrowings at floating interest rates, it was exposed to the cash flow interest rate risk. The Group’s cash flow interest rate risk was mainly due to the fluctuations of the benchmark interest rates on the loans denominated in NTD.

Sensitivity analysis

The sensitivity analysis below was performed based on the interest rate exposure of non-derivatives on the balance sheet date. For liabilities at floating rates, the analysis was based on the assumption that the amounts of the liabilities outstanding at the balance sheet date were all outstanding throughout the reporting period. An increase/decrease by 1% was the sensitivity rate used in reporting the interest rate to the key management team within the Group and represents the management's assessment of the reasonable range of potential changes in interest rates.

If the interest rate had increased by 1%, with all other variables unchanged, the Group’s profit before tax for six months ended June 30, 2024 and 2023 would decrease by NTD 68,993 thousand and NTD 32,468 thousand, respectively, mainly due to the Group ’s exposure to floating interest rates of borrowings.

(3) Other price risks

The Group was exposed to the equity price risk due to its investment in equity securities and mutual funds.

Sensitivity analysis

The sensitivity analysis below was performed based on the equity price exposure on the balance sheet date.

If the equity price had increased by 5%, the other comprehensive income before tax for the six months ended June 30, 2024 and 2023 would increase by NTD 155,485 thousand and NTD 140,143 thousand, respectively.

2. Credit risk

Credit risk refers to the risk that a counterparty defaults on its contractual obligations, resulting in a financial loss to the Group. As of the balance sheet date, the Group 's maximum exposure to the credit risk, which might cause financial losses due to a counterparty's failure to perform its obligations and the Group 's provision of financial guarantee, was mainly from:

(1) The carrying amount of financial assets recognized in the consolidated balance sheet.

(2) The amount of contingent liabilities arising from financial guarantees provided by the Group.

The Group adopted a policy to only engage in transactions with counterparties with outstanding reputation. The Group continuously monitors the credit risk exposure and counterparties' credit ratings and distributes the total transaction amounts to clients with qualified credit ratings to control the credit risk exposure

3. Liquidity risk

The Group manages and maintains a sufficient position of cash and cash equivalents to support its operations and alleviate the impact of fluctuations in cash flows. The Group's management team supervises the use of banks' financing facilities and ensures compliance with the terms of loan contracts.

Bank borrowings and short-term notes and bills payable are important sources of liquidity for the Group. Please refer to the description of the financing facilities below for the Group 's bank financing facilities undrawn by June 30, 2024 and December 31 and June 30, 2023.

	June 30, 2024	December 31, 2023	June 30, 2023
Unsecured bank financing facilities (reviewed annually)			
-Amount drawn	$ 6,198,050	$ 5,874,939	$ 3,215,699
-Amount undrawn	5,765,923	6,280,809	3,456,040
	$ 11,963,973	$ 12,155,748	$ 6,671,739
Secured bank financing facilities			
-Amount drawn	$ 14,601,412	$ 12,081,024	$ 10,321,757
-Amount undrawn	11,350,294	11,917,144	13,199,055
	$ 25,951,706	$ 23,998,168	$ 23,520,812

Table of liquidity and interest rate risks for non-derivative financial liabilities

The analysis of the remaining contractual maturity of the Group's non-derivative financial liabilities is based on the earliest date on which it may be required to repay and is prepared based on the undiscounted cash flow of financial liabilities (including principal and estimated interest). Therefore, the Group may be required to repay the bank borrowings on demand. Within the earliest period in the table below, the probability of a bank's immediate execution of the right is not considered; the maturity analysis of other non-derivative financial liabilities is prepared according to the agreed repayment date.

For interest cash flows paid at floating rates, the undiscounted interest amount is calculated based on the yield curve on the balance sheet date.

June 30, 2024

	Interest rate range (%)	Pay on demand or less than 1 month	1-3 months	3 months–1 year	1-5 years	Over 5 years
Non-derivative financial liabilities						
Non-interest bearing liabilities		$ 1,742,105	$ 3,147,330	$ 600,284	$ 553,603	$ 143,493
Lease liabilities	2.100～4.750	5,908	11,547	43,055	56,771	18,253
Instruments at floating interest rates	1.780～3.478	51,663	4,331,067	3,848,888	10,738,445	37,270
Instruments at fixed interest rates	2.450～3.032	1,962,300	630,900	-	-	-
		$ 3,761,976	$ 8,120,844	$ 4,492,227	$11,348,819	$ 199,016

December 31, 2023

	Interest rate range (%)	Pay on demand or less than 1 month	1-3 months	3 months–1 year	1-5 years	Over 5 years
Non-derivative financial liabilities						
Non-interest bearing liabilities		$ 1,729,840	$ 2,998,282	$ 734,448	$ 799,795	$ 122,691
Lease liabilities	2.100～4.750	6,941	13,742	58,715	130,631	19,546
Instruments at floating interest rates	1.660～3.353	2,272,704	1,485,456	3,122,476	10,341,170	46,786
Instruments at fixed interest rates	2.710～2.850	1,462,300	-	-	-	-
		$ 5,471,785	$ 4,497,480	$ 3,915,639	$11,271,596	$ 189,023

June 30, 2023

	Interest rate range (%)	Pay on demand or less than 1 month	1-3 months	3 months–1 year	1-5 years	Over 5 years
Non-derivative financial liabilities						
Non-interest bearing liabilities		$ 1,793,621	$ 2,703,050	$ 756,882	$ 443,108	$ 107,018
Lease liabilities	2.100～4.750	6,837	13,496	55,337	145,121	16,834
Instruments at floating interest rates	1.790～3.353	523,926	1,930,700	2,774,629	7,314,083	56,465
Instruments at fixed interest rates	2.150～2.850	1,502,496	1,493	-	-	-
		$ 3,826,880	$ 4,648,739	$ 3,586,848	$ 7,902,312	$ 180,317

XXXII. Related Party Transactions

Transactions, account balances, income and expenses between the Corporation and its subsidiaries (which are the Corporation’s related parties) were all eliminated upon consolidation, so they were not disclosed in this note. Transactions between the Group and other related parties were as follows.

(I) Name of related party and relations

Name of related party	Relations with the Corporation
China Petrochemical Development Corporation	An institutional director at the Corporation’s and its subsidiary
Sheen Chuen-Chi Culture & Educational Foundation	Substantive related party
Yunheyue Agriculture Co., Ltd.	Substantive related party
Appoint CORE PACIFIC Marketing Corporation	Substantive related party
HRDD Logistics Co., Ltd.	Associate
Core Pacific City Co., Ltd.	The Corporation’s affiliate
Glory Construction Co., Ltd	The Corporation’s affiliate
Cheng Yao Enterprise Co., Ltd.	The Corporation’s affiliate
Golden Wheel Co., Ltd.	The Corporation’s affiliate

(Continued on next page)

(Continued from previous page)

Name of related party	Relations with the Corporation
Agora Garden Co., Ltd.	The Corporation's affiliate
Tsou Seen Chemical Industries Corporation	Subsidiary of the Corporation's institutional director
BES Twin Towers Development Co., Ltd.	Subsidiary of the Corporation's institutional director
Ding Yue Development Co., Ltd.	Subsidiary of the Corporation's institutional director
Taivex Therapeutics Corporation	Subsidiary of the Corporation's institutional director
Core Pacific Twin Star (Vietnam) Investment Co., Ltd.	Subsidiary of the Corporation's institutional director

(II) Business transactions

Account	Category of related party	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Operating revenue	The Corporation's institutional director	$ 5,983	$ 43,423	$ 12,302	$ 50,499
	Subsidiary of the Corporation's institutional director	174	189	344	405
	Substantive related party	132	45	261	90
	The Corporation's affiliate	52	48	102	98
		$ 6,341	$ 43,705	$ 13,009	$ 51,092
Operating costs	The Corporation's affiliate	$ 1,062	$ 818	$ 2,124	$ 2,521
Operating expenses	The Corporation's affiliate	$ 2,514	$ 2,744	$ 5,009	$ 5,485
	Substantive related party	275	218	549	537
	Subsidiary of the Corporation's institutional director	114	-	229	-
	The Corporation's institutional director	84	-	84	30
		$ 2,987	$ 2,962	$ 5,871	$ 6,052

The Group's purchase and sale prices and transaction conditions with related parties are handled in accordance with the agreements.

(III) Receivables from related party

Account	Category/Name of related party	June 30, 2024	December 31, 2023	June 30, 2023
Construction receivables	The Corporation's institutional director	$ 8,267	$ 19,703	$ 39,405
Trade receivables	The Corporation's institutional director	$ 3,755	$ 4,909	$ 3,350
	Substantive related party	30	28	-
	Subsidiary of the Corporation's institutional director	24	23	40
	The Corporation's affiliate	-	12	-
		$ 3,809	$ 4,972	$ 3,390
Other receivables (included in other current assets)	The Corporation's affiliate	$ 649	$ 505	$ 505
	Substantive related party	647	-	647
		$ 1,296	$ 505	$ 1,152

There is no guarantee received for receivables from related parties outstanding. The receivables of related parties for the six months ended June 30, 2024 and 2023 were not listed as bad debts.

(IV) Payables to related party

Account	Category of related party	June 30, 2024	December 31, 2023	June 30, 2023
Accrued expenses	Subsidiary of the Corporation's institutional director	$ 1,596	$ -	$ -
	The Corporation's affiliate	965	965	965
	The Corporation's institutional director	-	650	-
	Substantive related party	-	40	-
		$ 2,561	$ 1,655	$ 965

The outstanding balance of payables to related parties is not guaranteed and will be settled in cash.

(V) Prepayments (included in other current assets)

Category of related party	June 30, 2024	December 31, 2023	June 30, 2023
Substantive related party	$ 221,616	$ 113,619	$ -

(VI) Property, plant and equipment acquired

Category of related party	Acquisition price Six months ended June 30, 2024
Core Pacific Twin Star (Vietnam) Investment Co., Ltd.	$ 853

(VII) Contract liabilities

The contract liabilities at the balance sheet date were as follows:

June 30, 2024

Name of related party	Construction project code	Total contract price	Contract liabilities
China Petrochemical Development Corporation	A6E	$ 1,528,593	$ 2,713

December 31, 2023

Name of related party	Construction project code	Total contract price	Contract liabilities
China Petrochemical Development Corporation	A6E	$ 1,528,593	$ 30,727

June 30, 2023

Name of related party	Construction project code	Total contract price	Contract liabilities
China Petrochemical Development Corporation	A6E	$ 1,528,593	$ 58,180

The contracting prices and payment terms for construction projects between the Group and the related parties were equivalent to those with non-related parties.

(VIII) Lease arrangements

Category of related party	Six months ended June 30, 2024	Six months ended June 30, 2023
Acquisition of right-of-use assets		
The Corporation's affiliate	$ 7,134	$ 4,333

Account	Category of related party	June 30, 2024	December 31, 2023	June 30, 2023
Lease liabilities	Substantive related party	$ 18,524	$ 18,991	$ 19,451
	The Corporation's affiliate	15,400	17,162	26,065
	The Corporation's institutional director	6,130	9,756	13,345
		$ 40,054	$ 45,909	$ 58,861

Account	Category of related party	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Interest expense	Substantive related party	$ 112	$ 118	$ 225	$ 232
	The Corporation's affiliate	110	160	249	350
	The Corporation's institutional director	39	77	87	162
		$ 261	$ 355	$ 561	$ 744

(IX) Acquisition of financial assets

Six months ended June 30, 2024

Name of related party	Line item	Number of shares	Target traded	Acquisition price
Agora Garden Co., Ltd.	Financial assets at amortized cost - non-current	-	Bonds Agora Garden Co., Ltd.	$ 600,000

(X) Loans to related parties

As of June 30, 2024, the Group 's receivables and interest receivables from its affiliate, HRDD Logistics Co., Ltd., were NTD 21,550 thousand and NTD 1,078 thousand, respectively. After assessing HRDD Logistics Co., Ltd.'s operating performance and the possibility of collecting the receivables, the Group set aside an allowance for doubtful accounts of $22,628 thousand for the above-mentioned in September 2022.

(XI) Transactions with other related parties

Interest income and rental income:

Category of related party	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Subsidiary of the Corporation's institutional director	$ 5,319	$ 5,509	$ 10,638	$ 11,114
The Corporation's affiliate	2,813	1,483	4,709	2,968
Substantive related party	1,914	1,856	3,832	3,685
The Corporation's institutional director	1,416	1,416	2,832	2,832
	$ 11,462	$ 10,264	$ 22,011	$ 20,599

The rents in the lease agreements between the Group and the related parties were determined based on the market levels, and the rents received and paid were nearly the same as those with non-related parties. The prices and terms for sales and purchases as well as conditions for warranties, payment and other transactions with related parties were nearly the same as those with non-related parties. Other receivables from related parties were mainly from rent receivables.

The balance of guarantee deposits paid on the balance sheet date was as follows:

Category of related party	June 30, 2024	December 31, 2023	June 30, 2023
The Corporation's affiliate	$ 837	$ 837	$ 837
Substantive related party	238	238	238
Subsidiary of the Corporation's institutional director	-	10	10
	$ 1,075	$ 1,085	$ 1,085

The balance of guarantee deposits received on the balance sheet date was as follows:

Category of related party	June 30, 2024	December 31, 2023	June 30, 2023
Subsidiary of the Corporation's institutional director	$ 7,584	$ 7,584	$ 7,584

Other payables (included in other current liabilities) at the balance sheet date were as follows:

Category of related party	June 30, 2024	December 31, 2023	June 30, 2023
Subsidiary of the Corporation's institutional director	$ 28,571	$ 28,571	$ 28,571

(XII) Remuneration to key management personnel

The total remuneration to directors and other key management personnel for the six months ended June 30, 2024 and 2023 was as follows:

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Short-term employee benefits	$ 10,132	$ 9,753	$ 19,644	$ 18,688
Post-employment benefits	-	-	-	12,168
	$ 10,132	$ 9,753	$ 19,644	$ 30,856

The remuneration to directors and other key management personnel is determined by the Remuneration Committee as per individual performance and the market trends.

XXXIII. Assets pledged

The assets below have been pledged as collateral for long-term and short-term bank borrowings, short-term notes payable, construction project performance guarantee, construction warranty, and litigation:

	June 30, 2024	December 31, 2023	June 30, 2023
Financial assets at fair value through other comprehensive income - current	$ 655,200	$ 528,820	$ 550,050
Financial assets at amortized cost - current	4,565,530	4,819,470	3,696,598
Buildings and land held for sale, net	11,617,213	4,924,977	4,907,127
Construction in progress	1,244,634	1,244,634	1,244,634
Financial assets at fair value through other comprehensive income - non-current	1,575,011	1,486,750	1,442,315
Financial assets at amortized cost - non-current	4,763	5,909	611,914
Property, plant and equipment, net	1,681,148	1,699,286	1,703,925
Investment property, net	791,370	794,632	796,971
	$ 22,134,869	$ 15,504,478	$ 14,953,534

XXXIV. Information on foreign currency assets and liabilities with material influence

The information below was aggregated and presented in foreign currencies other than the Group’s functional currency. The exchange rates disclosed refer to the rates at which these foreign currencies were converted to the functional currency. The foreign-currency assets and liabilities with material influence were as follows:

June 30, 2024

	Foreign currency	Exchange rate	Carrying amount
Financial asset			
Non-monetary item			
CNY	$ 244,447	4.445 (CNY:NTD)	$ 1,086,565
HKD	112,960	4.155 (HKD:NTD)	469,350

December 31, 2023

	Foreign currency	Exchange rate	Carrying amount
Financial asset			
Non-monetary item			
CNY	$ 248,569	4.327 (CNY:NTD)	$ 1,075,557
HKD	115,557	3.929 (HKD:NTD)	454,023

June 30, 2023

		Foreign currency	Exchange rate	Carrying amount
Financial asset				
Non-monetary item				
CNY	$	252,933	4.282 (CNY:NTD)	$ 1,083,058
HKD		118,383	3.974 (HKD:NTD)	470,455

The Group's foreign currency exchange gains (losses) (including realized and unrealized) for three months and six months ended June 30, 2024 and 2023 were NTD 2,195 thousand, NTD (3,198) thousand, NTD 6,544 thousand and NTD (2,143) thousand, respectively. As there is a wide variety of foreign currency transactions and the functional currencies adopted by the Group's entities and the amounts are not material, the Group is not able to disclose the exchange gains and losses in each foreign currency with material influence.

XXXV. Others

Regarding the Taiwan New Taipei District Court Prosecutor Office's investigation results on the Corporation's Construction Turnkey Project for the Reconstruction of Buildings at the Gongguan Military Camp contracted, the former Chairman of the Corporation Shen, Jun and the other two persons were investigated and prosecuted in accordance with the Securities and Exchange Act and the Anti-Corruption Act. For this reason, the Ministry of National Defense sent a letter on September 30, 2021 to recover the bid bond of NTD 50,000 thousand for this project. The Corporation had recognized the recovered amount as other losses (included in other gains and losses) on September 30, 2021 and paid the amount on October 18, 2021. To ensure that the Corporation's rights and interests were unharmed, we filed a lawsuit for damages and other remedies to the Taiwan Taipei District Court on October 21, 2021 against the former Chairman Shen, Jun and the other two persons. Although the Corporation suffered damage, its operations remained normal, and the finance and business were not significantly affected by the aforementioned event. As of August 12, 2024, this case is still pending in the court.

On October 12, 2023, the Group signed a letter of intent to pre-purchase building and parking spaces with Cloud Network Technology Singapore Pte., Ltd., with a total transaction amount of approximately NTD 7,549,580 thousand. As of August 12, 2024, the aforementioned transaction has not yet been finalized with a sales and purchase agreement, and the Group has received a security deposit of NTD 337,479 thousand (included in guaranteed deposits received).

XXXVI. Additional disclosures

(I) Information on material transactions and investees:

1. Loan to Others: Table 1.
2. Endorsements/Guarantees Provided to Others: Table 2.
3. Securities Held at the End of the Period: Table 3.
4. Marketable Securities Acquired or Sold at Costs or Prices at Least NT$300 million or 20% of the Paid-in Capital: Table 4.
5. Acquisition of Individual Property at Costs of at Least NTD 300 million or 20% of the Paid-in Capital: None.
6. Disposal of Individual Property at Costs of at Least NTD 300 million or 20% of the Paid-in Capital: None.
7. Total Purchases from or Sales to Related Parties Amounting to at Least NTD 100 million or 20% of the Paid-in Capital: None.
8. Receivables from Related Parties Amounting to at Least NTD 100 million or 20% of the Paid-in Capital: None.
9. Trading in Derivative Instruments: None.
10. Information on Investees: Table 5.
11. Other: Intercompany relationships and significant intercompany transactions: None.

(III) Information on Investment in Mainland China:

1. Information on investees in mainland China, including the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, percentage of ownership, investment income or loss, carrying amount of the investment at the end of the period, repatriation of investment income, and limit on the amount of investment in the mainland China area: Table 6.
2. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
   (1) The amount and percentage of purchases and the balance and percentage of the related account payables at the end of the year: None.
   (2) The amount and percentage of sales and the balance and percentage of the related account receivables at the end of the year: None.

(3) The amount of property transactions and the amount of the resulting gains or losses: None.

(4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes: Table 2.

(5) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds: None.

(6) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: None.

(IV) Information on Major Shareholders:

The name of shareholders with a shareholding ratio of 5% or more, and the number and percentage of shares held: Table 7.

XXXVII. Segment Information

The Group's information reported to the chief operating decision-maker for resource allocation and segment performance assessment focuses on types of goods or services delivered or provided. The reportable segments are as follows:

Construction Engineering Department: Contracting of civil engineering and construction projects

Construction and Development Department: Investment and construction of property, development and agency business of the industrial zone projects launched by the government

Other departments: Human resources consulting, security management, and operation of the entertainment industry

Revenue and operating results of segments

The revenue and operating results of the Group's continuing operations were analyzed according to the reportable segments as follows:

	Revenue of segment		Profit or loss of segment	
	Six months ended June 30, 2024	Six months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Construction Engineering Department	$ 8,420,335	$ 7,435,452	$ 435,566	$ 367,705
Construction and Development Department	1,135,994	795,940	25,915	72,139
Other Departments	571,968	595,652	(10,507)	(14,816)
Total amount of continuing operations	$10,128,297	$ 8,827,044	450,974	425,028
Interest income			46,624	29,172
Other income			53,708	51,775
Other gains and losses			(43,888)	(25,464)
Financial costs			(138,863)	(106,998)
Share of profit or loss of associates accounted for using the equity method			(26,326)	(13,279)
Income before income tax			$ 342,229	$ 360,234

The revenue of segments reported above was from transactions with external clients. There were no inter-segment sales for the six months ended June 30, 2024 and 2023.

Sectorial interest refers to the profit gained by individual sector, excluding income from interest, other income, other gains and losses, financial cost and the shares in gains or losses of affiliates accounted for using equity method. This amount measured is provided to the chief operating decision-maker for allocation of resources to segments and measurement of their performance.

BES Engineering Corporation and Subsidiaries

Loans to Others

Six months ended June 30, 2024

Table 1

Unit: NTD in thousands

No.	Fund loaner	Fund borrower	Financial Statement Account	Related party or not	The maximum balance in this period (Note 1)	Ending balance (Note 1)	Amount actually drafted	Interest rate range	Nature of loaning of funds (Note 2)	Business transaction amount	Reason for short-term financing	Amount to be provided for bad loans	Collateral		Limit of loaning of funds to each counterparty	Financing Corporation's Financing Amount Limits	Note
													Name	Value			
0	BES Engineering Corporation	HRDD Logistics Co., Ltd.	Payables from related party	Yes	$ 21,550	$ 21,550	$ 21,550	5	2	$ -	Operating Turnover	$ 21,550	—	$ -	$ 891,328 (4% of BES Engineering Corporation's net equity)	$ 8,913,279 (40% of BES Engineering Corporation's net equity)	
1	Chung Kung Safeguarding and Security Corp.	Chung Kung Management Consultant Co., Ltd.	Payables from related party	Yes	15,000	15,000	-	-	2	-	Operating Turnover	-	—	-	32,940 (40% of Chung Kung Safeguarding and Security Corporation's net equity)	32,940 (40% of Chung Kung Safeguarding and Security Corporation's net equity)	
1	Chung Kung Safeguarding and Security Corp.	Chung Kung Management and Maintenance of Apartment Co., Ltd.	Payables from related party	Yes	15,000	15,000	7,000	3.5	2	-	Operating Turnover	-	—	-	32,940 (40% of Chung Kung Safeguarding and Security Corporation's net equity)	32,940 (40% of Chung Kung Safeguarding and Security Corporation's net equity)	
2	Cinemark-Core Pacific, Ltd.	Cinema 7 Theater Co., Ltd.	Payables from related party	Yes	30,000	30,000	-	3	2	-	Operating Turnover	-	—	-	138,784 40% of Cinemark-Core Pacific, Ltd.'s net equity	138,784 40% of Cinemark-Core Pacific, Ltd.'s net equity	

Note 1: The limit of loaning of funds passed by the board of directors of subsidiaries.

Note 2: The nature of loans is defined as follows:

1. Belongs to business transactions; 2. Belongs to the necessity for short-term financing.

BES Engineering Corporation and Subsidiaries

Endorsements/Guarantees Provided

Six months ended June 30, 2024

Table 2

Unit: NTD in thousands

No.	Endorsing/ guaranteeing company name	Counterparty of endorsements and guarantees		Limit of endorsements and guarantees to one single enterprise	Maximum balance of endorsements and guarantees for the period	Ending balance of endorsements/guarantees	Amount actually drafted	Amount of endorsement/ guarantees secured with properties	Ratio of cumulative amount of endorsements and guarantees to the net worth in the latest financial statement	Maximum endorsements/ guarantees	Endorsements and guarantees from the parent company to subsidiaries	Endorsements and guarantees from subsidiaries to the parent company	Endorsements and guarantees in Mainland China	Note
		Name of the Corporation	Relationship											
1	Cinemark-Core Pacific, Ltd.	Cinema 7 Theater Co., Ltd.	Subsidiary in which parent Corporation holds more than 50% voting rights directly or indirectly	$ 346,960 (Note 2)	$ 110,000	$ -	$ -	$ -	-	$ 1,040,881 (Note 6)	Y	-	-	
2	Hua Cheng Consulting (Changshu) Co., Ltd.	BES Engineering Corporation	Corporation holding more than 50% of ordinary shares of the Corporation directly or through a subsidiary indirectly	497,169 (Note 3)	312,073	312,073	260,000	312,073	62.77%	994,338 (Note 7)	-	Y	-	
3	Core Pacific Consulting (Changshu) Co., Ltd.	BES Engineering Corporation	Corporation holding more than 50% of ordinary shares of the Corporation directly or through a subsidiary indirectly	493,698 (Note 4)	312,073	312,073	260,000	312,073	63.21%	987,396 (Note 8)	-	Y	-	
4	Chung Kung Safeguarding and Security Corp.	Chung Kung Management Consultant Co., Ltd.	Subsidiary in which parent Corporation holds more than 50% voting rights directly or indirectly	205,875 (Note 5)	25,000	25,000	-	-	30.36%	247,050 (Note 9)	Y	-	-	
4	Chung Kung Safeguarding and Security Corp.	Chung Kung Management and Maintenance of Apartment Co., Ltd.	Subsidiary in which parent Corporation holds more than 50% voting rights directly or indirectly	205,875 (Note 5)	25,000	25,000	2,000	-	30.36%	247,050 (Note 9)	Y	-	-	

Note 1: Indicate “Y” if the endorsement and guarantee is given in Mainland China.

Note 2: The limit is 100% of the net worth of Cinemark-Core Pacific, Ltd. in the latest financial statement

Note 3: The limit is 100% of the net worth of Hua Cheng Consulting (Changshu) Co., Ltd. in the latest financial statement.

Note 4: The limit is 100% of the net worth of Core Pacific Consulting (Changshu) Co., Ltd. in the latest financial statement.

Note 5: The limit is 250% of the net worth of Chung Kung Safeguarding and Security Corporation in the latest financial statement.

Note 6: The limit is 300% of the net worth of Cinemark-Core Pacific, Ltd. in the latest financial statement.

Note 7: The limit is 200% of the net worth of Hua Cheng Consulting (Changshu) Co., Ltd. in the latest financial statement.

Note 8: The limit is 200% of the net worth of Core Pacific Consulting (Changshu) Co., Ltd. in the latest financial statement.

Note 9: The limit is 300% of the net worth of Chung Kung Safeguarding and Security Corporation in the latest financial statement.

BES Engineering Corporation and Subsidiaries

Securities Held at the End of the Period (Excluding Investment in Subsidiaries, Associates, and Joint Ventures)

June 30, 2024

Table 3

Unit: NTD in thousands

Securities holder		Name of securities	Relations between the securities issuer and the Corporation	Account	End of period				Note
No.	Name				Number of shares or units	Carrying amount	Shareholding (%)	Fair value	
0	BES Engineering Corporation	Taishin ESG Emerging Markets Bond Fund	—	Financial assets at fair value through profit or loss - current	500,000	$ 4,437	-	$ 4,437	(Note 1)
		Taiwan Business Bank, Ltd.	—	Financial assets at fair value through other comprehensive income - current	40,613,608	739,168	0.49	739,168	(Note 1)
		China Petrochemical Development Corporation	The Corporation's institutional director	Financial assets at fair value through other comprehensive income - non-current	183,037,540	1,894,438	4.84	1,894,438	(Note 1)
		Century Development Corporation	—	Financial assets at fair value through other comprehensive income - non-current	10,633,492	103,996	3.03	103,996	(Note 1)
		Overseas Investment & Development Corp.	—	Financial assets at fair value through other comprehensive income - non-current	2,600,000	28,158	2.89	28,158	(Note 1)
		Zowie Technology Corp.	—	Financial assets at fair value through other comprehensive income - non-current	6,611	-	0.02	-	
		Fortemedia	—	Financial assets at fair value through other comprehensive income - non-current	4,137	-	-	-	
		Fortemedia	—	Financial assets at fair value through other comprehensive income - non-current	62,282	-	-	-	(Note 2)
		Agora Garden Co., Ltd.	The Corporation's affiliate	Financial assets at amortized cost - non-current	-	600,000	-	600,000	(Note 3)
1	Core Pacific World Co., Ltd.	China Petrochemical Development Corporation	The Corporation's institutional director	Financial assets at fair value through other comprehensive income - current	30,649,620	317,223	0.81	317,223	(Note 1)
		Taiwan Business Bank, Ltd.	—	Financial assets at fair value through other comprehensive income - current	1,467,608	26,710	0.02	26,710	(Note 1)

Note 1: The market prices of domestic listed stocks were based on the closing prices at the end of June 2024. The market price of mutual funds were calculated based on the net asset values of the respective funds at the end of June 2024. The values of the unlisted stocks were based on the fair values of respective stocks at the end of June 2024.

Note 2: Preference shares.

Note 3: Bonds.

BES Engineering Corporation and Subsidiaries

Marketable Securities Acquired or Sold at Costs or Prices at Least NT$300 million or 20% of the Paid-in Capital

Six months ended June 30, 2024

Table 4

Unit: NTD in thousands

Buyer/Seller	Types and names of marketable securities	Account	Counterparty	Relationship	Beginning of period		Acquisition		Sale				End of period	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain or loss on disposal	Number of shares	Amount
BES Engineering Corporation	Bonds Agora Garden Co., Ltd.	Financial assets at amortized cost - non-current	—	—	-	$ -	-	$ 600,000	-	$ -	$ -	$ -	-	$ 600,000

BES Engineering Corporation and Subsidiaries

Information on Investees (Excluding Investments in Mainland China)

Six months ended June 30, 2024

Table 5

Unit: NTD in thousands

Name of investor	Name of investee	Location	Principal business activities	Initial investment amount		Holding at the end of the period			Investee profit (loss) for the year	Investment income (loss) recognized for this year (Note 1)	Note
				End of period	Beginning of period	Number of shares	Percentage (%)	Carrying amount			
(I) BES Engineering Corporation	Core Pacific World Co., Ltd.	6F., No. 12, Dongxing Rd., Taipei City	Investment	$ 1,530,094	$ 1,530,094	115,942,000	99.95	$ 1,448,787	($ 7,113)	($ 7,109)	Subsidiaries
	BES Investment Corporation Ltd.	Unit 1607,16th Floor, Fortress Tower,250 King's Road, North Point, Hong Kong	Overseas construction and equipment sale	1,807,467	1,807,467	59,600,000	100.00	1,594,903	(9,024)	(9,024)	Subsidiaries
	BES Logistics International Co., Ltd.	Republic of Mauritius	Investment	348,278	348,278	13,995,389	100.00	745,880	4,006	4,006	Subsidiaries
	Core Asia Human Resource Management Co., Ltd.	2F., No. 12, Dongxing Rd., Taipei City	Business management consultancy and investment advices	60,000	60,000	6,000,000	100.00	88,304	2,867	2,867	Subsidiaries
	Chung Kung Safeguarding and Security Corp.	2F., No. 12, Dongxing Rd., Taipei City	Security business	38,127	38,127	3,880,000	64.67	56,388	4,842	3,131	Subsidiaries
	Cinemark-Core Pacific, Ltd.	4F, No. 102, Guangfu S. Rd, Taipei City	Reality Technology Services, Live House	315,380	315,380	29,455,180	91.76	279,727	(42,117)	(38,647)	Subsidiaries
	BES Construction Corporation (U.S.A.)	141 Bennington Court McDonough, Georgia 30253, U.S.A.	Land development and investment	259,562	259,562	8,509	91.79	28,217	(133)	(122)	Subsidiaries
	BES Global Investment Co.	4F, Ellen Skelton Building 3076 Sir Francis Drake Hignway, Tortola, Bristish Virgin Islands	Overseas construction and equipment sale	51,313	51,313	1,510,100	100.00	17,901	300	300	Subsidiaries
	BA & BES Contracting L.L.C.	P.O. Box 92237, Dubai-UAE	Contracting construction	10,696	10,696	1,200,000	40.00	-	-	-	
	BESM Holding Co., Ltd.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	Investment holding	162,163	162,163	5,075,000	100.00	249,153	1,032	1,032	Subsidiaries
	Huading Enterprise Co., Ltd.	14F., No. 12, Dongxing Rd., Taipei City	Urban renewal reconstruction	441,090	441,090	44,109,000	90.00	439,901	(538)	(484)	Subsidiaries
(II) Core Pacific World Co., Ltd.	Chinese City International Investment Co., Ltd.	Republic of Mauritius	Consultancy	330,714	330,714	9,500,000	100.00	516,645	(3,017)	(3,017)	Subsidiaries
	Zhong Hua Cheng Development Co., Ltd.	Republic of Mauritius	Consultancy	330,714	330,714	9,500,000	100.00	513,403	(2,609)	(2,609)	Subsidiaries

(Continued on next page)

(Continued from previous page)

Name of investor	Name of investee	Location	Principal business activities	Initial investment amount		Holding at the end of the period			Investee profit (loss) for the year	Investment income (loss) recognized for this year (Note 1)	Note
				End of period	Beginning of period	Number of shares	Percentage (%)	Carrying amount			
(III) BES Investment Corporation Ltd.	Wei-Jing Holdings Ltd.	British Virgin Islands	Investment holding	$ 463,104	$ 463,104	14,400,000	44.67	$ 469,350	($ 23,721)	($ 10,596)	
	BES Construction Corporation (U.S.A.)	141 Bennington Court McDonough, Georgia 30253, U.S.A.	Land development and investment	25,724	25,724	761	8.21	2,524	(133)	(11)	Subsidiaries
	Global BES Engineering (Myanmar) Co., Ltd.	NO.153／KA,Kyun Shwe Myaing Lane(2), 23 Ward,（Thuwanna）, Thingangyun Township, Yangon, Myanmar	Contracting construction	15,478	15,478	500,000	100.00	12,347	(219)	(219)	Subsidiaries
	BES Engineering Vietnam Company Limited	84 PHAN KHIEM ICH, P TAN PHONG, QUAN 7, TP HO CHI MINH, VIET NAM.	Contracting construction	1,048,410	1,048,410	-	60.00	1,041,188	3,086	1,852	Subsidiaries
(IV) Core Asia Human Resource Management Corporation	Elite Human Resources Management Co., Ltd.	2F., No. 12, Dongxing Rd., Taipei City	Human resource consulting	5,000	5,000	500,000	100.00	14,097	4,289	4,289	Subsidiaries
(V) Chung Kung Safeguarding and Security Corp.	Chung Kung Management Consultant Co., Ltd.	2F., No. 12, Dongxing Rd., Taipei City	Operation of parking lots and business management consultancy	10,000	10,000	-	100.00	17,014	2,395	2,395	Subsidiaries
	Chung Kung Management and Maintenance of Apartment Co., Ltd.	2F., No. 12, Dongxing Rd., Taipei City	Management service of apartment buildings	3,700	3,700	-	37.00	4,698	1,346	498	Subsidiaries
(VI) Cinemark-Core Pacific, Ltd.	Cinemark-Core (Hong Kong) Pacific, Ltd.	FLATB 3/F WING CHBONG COMMERCIAL BOILDING 19-25 JERVOIS STREET SHEVNG WAN HK	Investment holding	246,729	246,729	61,503,000	49.60	85,440	(14,839)	(7,360)	
	Cinema 7 Theater Co., Ltd.	8-11F., No. 52, Hanzhong Street, Taipei City	Motion broadcasting and retail sale of food, grocery and beverage	250,183	150,183	125,000	100.00	18,033	(21,414)	(21,414)	Subsidiaries
(VII) Chung Kung Management Consultant Co., Ltd.	Chung Kung Management and Maintenance of Apartment Co., Ltd.	2F., No. 12, Dongxing Rd., Taipei City	Management service of apartment buildings	6,300	6,300	-	63.00	7,999	1,346	848	Subsidiaries

Note 1: The calculation was based on the investee’s financial statements for the same period that are not reviewed by a CPA and based on the Corporation's shareholding.

Note 2: Investment income or loss between investees, investor’s long-term equity investments, and the equity between investees have been written off when the consolidated financial statements were prepared, except for BA & BES Contracting L.L.C., Wei-Jing Holding Ltd. and Cinemark-Core (Hong Kong) Pacific, Ltd.

BES Engineering Corporation and Subsidiaries

Information on Investment in Mainland China

Six months ended June 30, 2024

Table 6

Unit: In thousands of NTD, unless stated otherwise

Name of the Investee in Mainland China	Principal business activities	Paid-in capital	Investment method (Note 1)	Accumulated investment amount remitted from Taiwan at the beginning of period	The investment amount remitted or collected from Taiwan in this period		Accumulated investment amount remitted from Taiwan at the end of period	Investee profit or loss for the period	Shareholding in direct or indirect investment	Investment income or loss recognized for this year (Note 2)	Book value of investment at the end of the period	Accumulated repatriated investment income up to the current period
					Outward	Inward						
Xiamen Bonded Area Airport Logistics Park Construction Co., Ltd.	Logistics, warehouse, and international trading	$1,100,438 thousand CNY 250,000 thousand	(2) (Note 3)	$341,921 thousand USD 10,703 thousand	$ -	$ -	$341,921 thousand USD 10,703 thousand	$10,871 thousand CNY 2,464 thousand	39.20%	$ 4,261 thousand CNY 966 thousand	$792,303 thousand CNY 178,246 thousand	$186,210 thousand USD 6,162 thousand
Core Pacific Consulting (Changshu) Co., Ltd.	Engineering and design consultancy	$ 305,982 thousand USD 9,000 thousand	(2) (Note 4)	$ 305,982 thousand USD 9,000 thousand	-	-	$ 305,982 thousand USD 9,000 thousand	($ 2,816 thousand) (CNY 638 thousand)	100.00%	($ 2,816 thousand) (CNY 638 thousand)	$ 504,324 thousand CNY 113,459 thousand	
Hua Cheng Consulting (Changshu) Co., Ltd.	Engineering and design consultancy	$ 305,982 thousand USD 9,000 thousand	(2) (Note 5)	$ 305,982 thousand USD 9,000 thousand	-	-	$ 305,982 thousand USD 9,000 thousand	($ 3,232 thousand) (CNY 733 thousand)	100.00%	($ 3,232 thousand) (CNY 733 thousand)	$ 507,471 thousand CNY 114,167 thousand	
Xiamen Bonded Area Airport Logistics Park Construction Co., Ltd.	Logistics, warehouse, and international trading	$ 1,100,438 thousand CNY 250,000 thousand	(2) (Note 6)	$ 167,565 thousand CNY 40,900 thousand	-	-	$ 167,565 thousand CNY 40,900 thousand	$ 10,871 thousand CNY 2,464 thousand	9.80%	$ 1,065 thousand CNY 241 thousand	$ 198,076 thousand CNY 44,562 thousand	$ 55,775 thousand USD 1,853 thousand
Cinemark-Core (Shanghai) Pacific Management and Consulting	Management of movie theaters; consultancy for procurement and management	$ 27,602 thousand USD 900 thousand	(2) (Note 7)	$ 27,577 thousand USD 900 thousand	-	-	$ 27,577 thousand USD 900 thousand	($ 9 thousand) (CNY 2 thousand)	49.60%	($ 4 thousand) (CNY 1 thousand)	($ 500 thousand) (CNY 113 thousand)	
Yunnan Core Pacific City	Management of movie theaters; consultancy for procurement and management	$ 120,676 thousand USD 4,031 thousand	(2) (Note 7)	$ 59,131 thousand USD 1,975 thousand	-	-	$ 59,131 thousand USD 1,975 thousand	($ 1,139 thousand) (CNY 258 thousand)	24.30%	($ 277 thousand) (CNY 63 thousand)	$ 26,421 thousand CNY 5,944 thousand	
HRDD Logistics Co., Ltd.	General warehousing, refrigerated warehousing, and automobile cargo carrier	$ 261,331 thousand CNY 57,600 thousand	(1)	$ 166,730 thousand CNY 34,000 thousand	-	-	$ 166,730 thousand CNY 34,000 thousand	($ 58,014 thousand) (CNY 13,147 thousand)	23.61%	($ 13,697 thousand) (CNY 3,104 thousand)	$ 10,746 thousand CNY 2,418 thousand	
Cinemark-Core Pacific (Jiangsu), Ltd.	Management of movie theaters; consultancy for procurement and management	$ 343,172 thousand USD 11,000 thousand	(2) (Note 7)	$ 161,597 thousand USD 5,000 thousand	-	-	$ 161,597 thousand USD 5,000 thousand	($ 11,017 thousand) (CNY 2,497 thousand)	49.60%	($ 5,464 thousand) (CNY 1,239 thousand)	$ 34,327 thousand CNY 7,723 thousand	

Name of investor	Cumulative Amount of Remittance from Taiwan to Mainland China at End of Period	Amount of investment approved by the Investment Commission, Ministry of Economic Affairs	The limit on investment in Mainland China stipulated by the Investment Commission of the Ministry of Economic Affairs
BES Engineering Corporation	USD12,103 thousand CNY 74,900 thousand	USD23,809 thousand	$ 13,849,708
Core Pacific World Co., Ltd.	USD 18,000 thousand	USD 19,000 thousand	842,861
Cinemark-Core Pacific, Ltd.	USD 7,875 thousand	USD 7,875 thousand	208,176

Note 1: Investment methods are divided into the three types below, just enter the code:

(1) Direct investment in mainland China.

(2) Indirect investment in mainland China through a third-region corporation (please indicate the investor in the third region).

(3) Other methods.

Note 2: In the column of gains/losses on investment recognized in this period:

(1) If companies still in the preparatory stage and therefore have no gains or losses, it shall be indicated.

(2) The basis for recognition of investment gain or loss is divided into the following three types, which shall be indicated.

A. Financial statements are audited and certified by an international accounting firm with a partnership with an accounting firm of the Republic of China.

B. Financial statements are audited and certified by a licensed CPA appointed by the parent Corporation in Taiwan.

C. Others.

Note 3: The investor in the third region is BES Logistics International Co., Ltd.

Note 4: The investor in the third region is Zhong Hua Cheng Development Co., Ltd.

Note 5: The investor in the third region is Chinese City International Investment Co., Ltd.

Note 6: The investor in the third region is BESM Holding Co., Ltd.

Note 7: The investor in the third region is Cinemark-Core (Hong Kong) Pacific, Ltd.

Note 8: When the consolidated financial statements were prepared, except for Xiamen Bonded Area Airport Logistics Park Construction Co., Ltd., Cinemark-Core (Shanghai) Pacific Management and Consulting, Yunnan Core Pacific City, and HRDD Logistics Co., Ltd., all transactions have been written off.

Note 9: The basis for recognition of investment gain or loss is based on the investee’s financial statements that are not reviewed by a CPA for the same period and the Corporation's shareholding.

BES Engineering Corporation and Subsidiaries

Information on Major Shareholders

June 30, 2024

Table 7

Name of Major Shareholders	Shares	
	Shares held	Percentage of Holding
China Petrochemical Development Corporation	164,348,449	10.73%

Note 1: The major shareholders in this table are shareholders holding at least 5% of the ordinary and preference shares (including treasury shares) with dematerialized registration and delivery completed on the last business day of the quarter calculated by the Taiwan Depository & Clearing Corporation. Share capital indicated in the Corporation's consolidated financial statements may differ from the actual number of shares that have been issued and delivered with registration of dematerialized securities completed as a result of different bases of preparation.

Note 2: If a shareholder delivers its shareholding information to the trust, the aforesaid information shall be disclosed by the individual trustee who opened the trust account. For information on shareholders who declare to be insiders holding more than 10% of shares in accordance with the Securities and Exchange Act, the shareholdings include their shareholdings plus their delivery of trust and shares with the right to make decisions on trust property. For information relating to insider shareholding declaration, please refer to the Market Observation Post System.