Stock Ticker: 2515

BES Engineering Corporation and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Review Report

For the Six Months Ended June 30, 2025 and 2024

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§Table of Contents§

Independent Auditors' Review Report

To BES Engineering Corporation,

Introduction

We have reviewed the consolidated statement of financial position of BES Engineering Corporation and its subsidiaries (collectively, the "Group") as of June 30, 2025 and 2024 and the relevant consolidated statements of comprehensive income for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, 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 as of June 30, 2025 and 2024 were NTD 4,666,500 thousand and NTD 6,016,660 thousand, respectively, accounting for 7.21% and 10.02% of the total consolidated assets, respectively; total liabilities were NTD 281,494 thousand and NTD 291,656 thousand, respectively, representing 0.66% and 0.79% of the total consolidated liabilities, respectively; total consolidated comprehensive income for the three months and six months ended June 30, 2025 and 2024 was NTD 839 thousand, NTD (26,414) thousand, NTD 9,590 thousand and NTD (45,897) thousand, respectively, accounting for (0.14%), (5.56%), (1.55%) and (7.91%) 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, 2025 and 2024 were NTD 1,288,329 thousand and NTD 1,555,915 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, 2025 and 2024 were NTD (155,347) thousand, NTD (939) thousand, NTD (129,149) thousand and NTD 26,335 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 Corporation ’s consolidated financial position as of June 30, 2025 and 2024 as well as the consolidated financial performance for the three months ended June 30, 2025 and 2024 and consolidated financial performance and cash flows for the six months ended June 30, 2025 and 2024, respectively.

Deloitte Taiwan

CPA Huang Yao-Lin	CPA Chou Shih- Chieh
Financial Supervisory Commission Approval Document No. Jin-Guan-Zheng-Shen-Zi No. 1060004806	Financial Supervisory Commission Approval Document No. Jin-Guan-Zheng-Shen-Zi No. 1110348898

August 12, 2025

BES Engineering Corporation and Subsidiaries

Consolidated Balance Sheet

June 30, 2025, December 31 and June 30, 2024

Unit: NTD in thousands

		June 30, 2025		December 31, 2024		June 30, 2024	
Code	Assets	Amount	%	Amount	%	Amount	%
	Current Assets						
1100	Cash and cash equivalents (Notes VI and XV)	$ 1,519,611	2	$ 5,124,515	8	$ 2,124,507	4
1110	Financial assets at fair value through profit or loss - current (Note VII)	5,070	-	9,473	-	4,437	-
1120	Financial assets at fair value through other comprehensive income - current (Notes VIII and XXXIII)	200,449	-	910,165	2	1,083,101	2
1136	Financial assets at amortized cost - current (Notes IX, XXIV and XXXIII)	5,478,030	9	5,257,566	8	6,589,328	11
1140	Contract asset-current (Notes XV, XXIV, and XXVI)	5,183,638	8	4,614,661	7	5,414,282	9
1150	Notes and trade receivables, net (Notes X, XXVI and XXXII)	150,290	-	117,338	-	133,211	-
1180	Construction receivable (Notes X, XV, XXIV, XXVI and XXXII)	5,877,317	9	5,319,144	8	5,122,082	9
1200	Accounts receivable on the development of industrial districts (Notes XI and XXIV)	2,355,876	4	2,359,746	4	2,703,577	4
1220	Current tax assets (Notes IV)	987	-	1,442	-	1,427	-
1310	Inventories (Note XXIV)	233,991	1	199,833	-	205,416	-
1321	Buildings and land held for sale, net (Notes XII, XXIV and XXXIII)	11,713,045	18	11,713,254	18	11,748,395	20
1324	Construction in progress (Notes XII, XXIV and XXXIII)	19,380,213	30	16,683,726	26	12,783,381	21
1478	Refundable deposits on construction contracts (Note XXIV)	54,400	-	80,163	-	65,163	-
1479	Other current assets (Notes XV and XXXII)	3,423,226	5	3,302,705	5	2,997,963	5
11XX	Total current assets	55,576,143	86	55,693,731	86	50,976,270	85
	Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current (Notes VIII and XXXIII)	1,319,076	2	1,502,093	2	2,026,592	3
1535	Financial assets at amortized cost - non-current (Notes IX, XXXII and XXXIII)	1,194,144	2	1,243,059	2	604,763	1
1550	Investments accounted for using equity method (Note XIV)	1,288,329	2	1,417,478	2	1,555,915	3
1600	Property, plant and equipment, net (Notes XVI, XXXII and XXXIII)	3,683,255	6	3,533,418	5	3,240,774	5
1755	Right-of-use assets (Notes XVII and XXXII)	128,281	-	100,211	-	125,546	-
1760	Investment properties, net (Notes XVIII and XXXIII)	1,038,857	2	1,065,923	2	1,074,000	2
1840	Deferred tax assets (Note IV)	349,912	-	356,952	1	330,404	1
1920	Refundable deposits (Notes XV and XXXII)	37,899	-	41,037	-	53,095	-
1975	Defined benefit asset, net (Notes IV and XXIII)	70,885	-	56,990	-	28,864	-
1990	Other non-current assets (Notes XV)	13,797	-	21,094	-	27,636	-
15XX	Total non-current assets	9,124,435	14	9,338,255	14	9,067,589	15
1XXX	Total assets	$ 64,700,578	100	$ 65,031,986	100	$ 60,043,859	100
Code	Liabilities and Equity						
	Current liabilities						
2100	Short-term borrowings (Notes XIX and XXXIII)	$ 5,049,956	8	$ 5,330,400	8	$ 5,329,000	9
2110	Short-term notes and bills payable (Notes XIX and XXXIII)	2,261,190	4	2,797,746	4	2,587,354	4
2130	Contract liabilities - current (Notes XV, XXIV, XXVI and XXXII)	6,670,741	10	6,236,765	10	4,301,138	7
2150	Notes payable (Note XXIV)	2,447	-	2,853	-	31,090	-
2170	Accounts payable (Notes XV, XX, and XXIV)	5,983,964	9	7,136,383	11	6,155,725	10
2209	Accrued expenses (Notes XV and XXXII)	777,725	1	756,989	1	650,598	1
2216	Dividend payable (Note XXV)	-	-	-	-	796,068	1
2219	Accounts payable for the development of industrial districts (Notes XXI and XXIV)	15,963	-	17,605	-	18,076	-
2230	Current tax liabilities (Note IV)	228,862	-	183,316	-	62,532	-
2250	Provisions - current (Notes XXII and XXIV)	541,112	1	547,641	1	500,591	1
2280	Lease liabilities - current (Notes XVII and XXXII)	58,027	-	46,159	-	60,368	-
2322	Long-term borrowings - current portion (Notes XIX and XXXIII)	2,730,854	4	1,971,064	3	2,488,995	4
2330	Guarantee deposits on construction contracts (Note XXIV)	900,145	1	878,456	2	830,343	2
2399	Other current liabilities (Notes XV and XXXII)	353,136	1	227,283	-	294,281	1
21XX	Total current liabilities	25,574,122	39	26,132,660	40	24,106,159	40
	Non-current liabilities						
2540	Long-term borrowings (Notes XIX and XXXIII)	14,782,978	23	13,396,935	21	10,394,113	17
2550	Provisions - non-current (Note XXII)	900,764	1	900,764	1	900,764	2
2570	Deferred tax liabilities (Note IV)	1,070,809	2	1,068,381	2	1,080,650	2
2580	Lease liabilities - non-current (Notes XVII and XXXII)	72,691	-	56,572	-	67,575	-
2645	Guarantee deposits received (Notes XV, XXXII and XXXVI)	404,471	1	407,388	1	411,751	1
25XX	Total non-current liabilities	17,231,713	27	15,830,040	25	12,854,853	22
2XXX	Total liabilities	42,805,835	66	41,962,700	65	36,961,012	62
	Equity attributable to owners of the Corporation						
3110	Ordinary share capital	15,308,998	24	15,308,998	23	15,308,998	26
3150	Stock dividends distributable	770,043	1	-	-	-	-
3200	Capital reserve	96,532	-	96,532	-	96,521	-
	Retained earnings						
3310	Legal reserve	1,359,498	2	1,285,732	2	1,285,732	2
3320	Special reserve	2,475,958	4	2,475,958	4	2,475,958	4
3350	Undistributed earnings	3,757,850	6	3,921,009	6	3,443,542	6
3300	Total retained earnings	7,593,306	12	7,682,699	12	7,205,232	12
3490	Other equity	(2,047,551)	(3)	(913,098)	(1)	(327,553)	(1)
31XX	Total equity attributable to owners of the Corporation	21,721,328	34	22,175,131	34	22,283,198	37
36XX	Non-controlling equity	173,415	-	894,155	1	799,649	1
3XXX	Total equity	21,894,743	34	23,069,286	35	23,082,847	38
	Total liabilities and equity	$ 64,700,578	100	$ 65,031,986	100	$ 60,043,859	100

The notes attached are part of the consolidated financial statements.

(Please refer to the review report by Deloitte Taiwan dated August 12, 2025)

Chairperson: Chou, Chih-Ming Manager: Chou, Chih-Ming Accounting Supervisor: Su, Yu-Min

BES Engineering Corporation and Subsidiaries

Consolidated Statement of Comprehensive Income

For the three and six months ended June 30, 2025 and 2024

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

		Three months ended June 30, 2025		Three months ended June 30, 2024		Six months ended June 30, 2025		Six months ended June 30, 2024	
Code		Amount	%	Amount	%	Amount	%	Amount	%
	Operating revenue (Notes XV, XXVI and XXXII)								
4520	Income from construction	$ 4,245,636	91	$ 4,782,680	92	$ 9,051,861	92	$ 9,369,848	93
4800	Business and other operating revenue	404,472	9	424,475	8	758,236	8	758,449	7
4000	Total operating revenue	4,650,108	100	5,207,155	100	9,810,097	100	10,128,297	100
	Operating cost (Notes XII, XV, XXVII and XXXII)								
5520	Construction costs	3,911,936	84	4,443,545	85	8,411,563	86	8,718,106	86
5800	Business and other operating costs	338,913	7	349,099	7	687,407	7	670,944	6
5000	Total operating costs	4,250,849	91	4,792,644	92	9,098,970	93	9,389,050	92
5950	Gross profit	399,259	9	414,511	8	711,127	7	739,247	8
	Operating expenses (Notes XXVII and XXXII)								
6100	Selling expenses	45,055	1	34,861	1	70,071	1	57,808	1
6200	Management expenses	130,223	3	127,045	2	205,737	2	217,440	2
6300	Research and development expenses	8,001	-	6,196	-	14,097	-	13,025	-
6000	Total operating expenses	183,279	4	168,102	3	289,905	3	288,273	3
6900	Net operating income	215,980	5	246,409	5	421,222	4	450,974	5
	Non-operating income and expenses								
7100	Interest revenue (Notes XV, XXVII and XXXII)	38,584	1	36,034	1	71,481	1	46,624	-
7010	Other income (Notes XXVII and XXXII)	28,939	1	30,984	-	46,769	-	53,708	-
7020	Other gains and losses (Note XXVII)	(23,850)	(1)	(23,372)	(1)	(45,617)	-	(43,888)	-
7050	Financial costs (Notes XII, XXVII and XXXII)	(67,655)	(2)	(70,008)	(1)	(134,468)	(1)	(138,863)	(1)
7060	Share of losses of associates using the equity method (Note XIV)	(2,346)	-	(16,809)	-	44	-	(26,326)	-
7000	Total non-operating income and expenses	(26,328)	(1)	(43,171)	(1)	(61,791)	-	(108,745)	(1)
7900	Net income before tax	189,652	4	203,238	4	359,431	4	342,229	4
7950	Income tax expense (Notes IV and XXVIII)	41,518	1	50,606	1	76,158	1	82,623	1
8200	Net income in this period	148,134	3	152,632	3	283,273	3	259,606	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	(215,089)	(5)	309,761	6	(229,355)	(2)	332,295	3
8360	Items that may subsequently be reclassified to profit or loss:								
8361	Exchange differences on translation of the financial statements of foreign operations	(370,014)	(8)	(3,318)	-	(544,153)	(6)	(64,368)	(1)
8370	Share of other comprehensive income of associates using the equity method	(153,001)	(3)	15,870	-	(129,193)	(1)	52,661	1
		(523,015)	(11)	12,552	-	(673,346)	(7)	(11,707)	-
8300	Other comprehensive income for the current period (net of tax)	(738,104)	(16)	322,313	6	(902,701)	(9)	320,588	3
8500	Total comprehensive income in this period	($ 589,970)	(13)	$ 474,945	9	($ 619,428)	(6)	$ 580,194	6
	Net income attributable to:								
8610	Owners of the Corporation	$ 149,425	3	$ 150,457	3	$ 277,375	3	$ 260,189	3
8620	Non-controlling equity	(1,291)	-	2,175	-	5,898	-	(583)	-
8600		$ 148,134	3	$ 152,632	3	$ 283,273	3	$ 259,606	3
	Total comprehensive income attributable to:								
8710	Owners of the Corporation	($ 494,319)	(11)	$ 478,280	9	($ 453,803)	(4)	$ 618,411	6
8720	Non-controlling equity	(95,651)	(2)	(3,335)	-	(165,625)	(2)	(38,217)	-
8700		($ 589,970)	(13)	$ 474,945	9	($ 619,428)	(6)	$ 580,194	6
	Earnings per share (Note XXIX)								
9710	Basic	$ 0.10		$ 0.10		$ 0.18		$ 0.17	
9810	Diluted	$ 0.10		$ 0.10		$ 0.18		$ 0.17	

The notes attached are part of the consolidated financial statements.

(Please refer to the review report by Deloitte Taiwan dated August 12, 2025)

Chairperson: Chou, Chih-Ming　　Manager: Chou, Chih-Ming　　Accounting Supervisor: Su, Yu-Min

BES Engineering Corporation and Subsidiaries

Consolidated Statement of Changes in Equity

Six months ended June 30, 2025 and 2024

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	Stock dividends distributable	Capital reserve	Legal reserve	Special reserve	Undistributed earnings	Total	Exchange differences on translation of the financial statements of foreign operations	Unrealized gains or losses on financial assets at fair value through other comprehensive income	Total	Total	Non-controlling interests (Notes XXV and XXX)	Total equity
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 the six months ended June 30, 2024	-	-	-	-	-	-	260,189	260,189	-	-	-	260,189	(583)	259,606
D3	Other comprehensive income (loss), net of taxes, for the six months ended June 30, 2024	-	-	-	-	-	-	-	-	25,939	332,283	358,222	358,222	(37,634)	320,588
D5	Total comprehensive income (loss) for the 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
A1	Balance at January 1, 2025	1,530,899	$ 15,308,998	$ -	$ 96,532	$ 1,285,732	$ 2,475,958	$ 3,921,009	$ 7,682,699	($ 32,882)	($ 880,216)	($ 913,098)	$ 22,175,131	$ 894,155	$ 23,069,286
	Earnings appropriation and distribution for 2024														
B1	Appropriation of legal reserve	-	-	-	-	73,766	-	(73,766)	-	-	-	-	-	-	-
B9	Common stock dividends	-	-	770,043	-	-	-	(770,043)	(770,043)	-	-	-	-	-	-
	Subtotal	-	-	770,043	-	73,766	-	(843,809)	(770,043)	-	-	-	-	-	-
D1	Net income for the six months ended June 30, 2025	-	-	-	-	-	-	277,375	277,375	-	-	-	277,375	5,898	283,273
D3	Other comprehensive income (loss), net of taxes, for the six months ended June 30, 2025	-	-	-	-	-	-	-	-	(501,832)	(229,346)	(731,178)	(731,178)	(171,523)	(902,701)
D5	Total comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	-	-	-	277,375	277,375	(501,832)	(229,346)	(731,178)	(453,803)	(165,625)	(619,428)
O1	Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(555,115)	(555,115)
Q1	Disposal of equity instruments at fair value through other comprehensive income (loss)	-	-	-	-	-	-	403,275	403,275	-	(403,275)	(403,275)	-	-	-
Z1	Balance on June 30, 2025	1,530,899	$ 15,308,998	$ 770,043	$ 96,532	$ 1,359,498	$ 2,475,958	$ 3,757,850	$ 7,593,306	($ 534,714)	($ 1,512,837)	($ 2,047,551)	$ 21,721,328	$ 173,415	$ 21,894,743

The notes attached are part of the consolidated financial statements.

(Please refer to the review report by Deloitte Taiwan dated August 12, 2025)

Chairperson: Chou, Chih-Ming

Manager: Chou, Chih-Ming

Accounting Supervisor: Su, Yu-Min

BES Engineering Corporation and Subsidiaries

Consolidated Statement of Cash Flows

Six months ended June 30, 2025 and 2024

Unit: NTD in thousands

Code		Six months ended June 30, 2025	Six months ended June 30, 2024
	Cash flow of operating activities		
A10000	Net income before tax	$ 359,431	$ 342,229
A20010	Income and expenses		
A20100	Depreciation expense	103,194	87,102
A20400	Losses (gains) on financial assets at fair value through profit or loss	36	(189)
A20900	Financial costs	134,468	138,863
A21200	Interest income	(71,481)	(46,624)
A21300	Dividend income	(10,633)	(9,995)
A22300	Share of profit or loss of associates accounted for using the equity method	(44)	26,326
A22500	Losses (gains) on disposal of property, plant and equipment	(734)	20,004
A23800	Gain from buildings and land held for sale	-	(33,510)
A23900	Gain from lease modification	(11)	(7,783)
A29900	Compensation loss (reversal)	(3,142)	3,234
A30000	Net change in operating assets and liabilities		
A31125	Contract assets	(568,977)	(476,104)
A31150	Notes and trade receivables	(32,952)	(25,890)
A31160	Construction receivables	(558,173)	(1,087,237)
A31180	Accounts receivable on the development of industrial districts	3,870	108,044
A31200	Inventories	(34,158)	8,753
A31120	Construction in progress	(2,498,318)	(2,054,198)
A31990	Buildings and land held for sale	-	101,165
A31240	Other current assets	(100,712)	(663,666)
A32125	Contract liabilities	433,976	742,554
A32130	Notes payable	(406)	17,365
A32150	Accounts payable	(1,152,419)	(215,606)
A32180	Accounts payable for the development of industrial districts	(1,642)	(982)
A32190	Accrued expenses	17,248	(27,589)
A32200	Provision	(3,387)	(37,891)
A32240	Net defined benefit liabilities	(13,895)	(11,894)
A32230	Other current liabilities	125,853	78,207
A33000	Cash used in operations	(3,873,008)	(3,025,312)

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Code		Six months ended June 30, 2025	Six months ended June 30, 2024
A33100	Interest received	$ 71,967	$ 45,526
A33300	Interest paid	(349,444)	(270,676)
A33500	Income tax paid	(20,689)	(35,880)
AAAA	Net cash used in operating activities	(4,171,174)	(3,286,342)
	Cash flow of investing activities		
B00020	Disposal of financial assets at fair value through other comprehensive income	663,378	-
B00040	Increase in financial assets at amortized cost	(171,549)	(939,056)
B00100	Financial assets at fair value through profit or loss acquired	(5,075)	-
B00200	Disposal of financial assets at fair value through profit or loss	9,442	-
B02700	Property, plant and equipment acquired	(208,398)	(94,496)
B02800	Proceeds from the disposal of property, plant and equipment	2,127	7,851
B03700	Decrease (increase) in refundable deposits	28,901	(4,006)
B06800	Decrease (increase) in other assets	7,297	(2,921)
B07600	Dividends received	10,633	9,995
BBBB	Net cash inflows (outflows) from investing activities	336,756	(1,022,633)
	Cash flow of financing activities		
C00200	Decrease in short-term borrowings	(579,444)	(562,500)
C00500	Decrease (increase) in short-term notes payable	(536,556)	1,125,394
C01600	Borrowing of long-term loans	2,145,833	2,280,605
C03000	Increase in guarantee deposits received	18,772	68,619
C04020	Repayment of principal portion of lease liability	(38,162)	(42,580)
C05800	The subsidiary reduced its capital and refunded the shares to the non-controlling interests	(555,115)	-
CCCC	Net cash generated from financing activities	455,328	2,869,538
DDDD	Effect of exchange rate changes on cash and cash equivalents	(524,814)	(70,653)
EEEE	Net decrease in cash and cash equivalents	(3,903,904)	(1,510,090)
E00100	Opening balance of cash and cash equivalents	5,124,515	3,634,597
E00200	Ending balance of cash and cash equivalents	$ 1,220,611	$ 2,124,507

(Continued on next page)

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Reconciliation of ending balance of cash and cash equivalents

Code		June 30, 2025	June 30, 2024
E00210	Cash and cash equivalents in the consolidated balance sheet	$ 1,519,611	$ 2,124,507
E00240	Bank overdraft	(299,000)	-
E00200	Balance of cash and cash equivalents	$ 1,220,611	$ 2,124,507

The notes attached are part of the consolidated financial statements.

(Please refer to the review report by Deloitte Taiwan dated August 12, 2025)

Chairperson: Chou, Chih-Ming Manager: Chou, Chih-Ming Accounting Supervisor: Su, Yu-Min

BES Engineering Corporation and Subsidiaries

Notes to Consolidated Financial Statements

Six months ended June 30, 2025 and 2024

(In NTD thousands, unless specified otherwise)

I. History of the Corporation

BES Engineering Corporation (hereinafter referred to as “the Company”) 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

The consolidated financial statements were approved by the Corporation’s Board of Directors on August 12, 2025.

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).

1. Amendments to IAS 21 “Lack of Exchangeability”

The application of the amendments to IAS 21 “Lack of Exchangeability” does not have material impact on the Group's accounting policies.

2. Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets

(II) The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New, Amended and Revised Standards and Interpretations	Effective date announced by the International Accounting Standards Board (IASB)
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
“Annual improvements to IFRS Accounting Standards - Volume 11”	January 1, 2026
IFRS 17 “Insurance Contracts”	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

As of the date the consolidated financial statements were authorized for issue, the Group continues to evaluate the impact that the amendments have on its financial position and performance.

(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)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
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 for their respective annual reporting period beginning on or after their respective dates.

IFRS 18 “Presentation and Disclosure in Financial Statements”

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

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes, and discontinued operations categories.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes, and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosure of management performance measures has been 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 statements have been prepared in accordance with the principle of historical cost.

The fair value measurements are 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 with the accounting policies of the Group. All intra-group 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, 2024

1. 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.

2. 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. Key Sources of Uncertainty over Critical Accounting Judgments, Assumptions, and Estimation

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, 2024.

VI. Cash and cash equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand	$ 7,932	$ 8,007	$ 7,827
Bank checks and demand deposits	1,446,843	3,329,696	1,859,569
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	64,836	1,786,812	257,111
	$ 1,519,611	$ 5,124,515	$ 2,124,507

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

	June 30, 2025	December 31, 2024	June 30, 2024
Financial asset			
Mandatorily at fair value through profit or loss			
Non-derivative financial assets			
- Mutual funds	$ 5,070	$ 9,473	$ 4,437

VIII. Financial assets at fair value through other comprehensive income

	June 30, 2025	December 31, 2024	June 30, 2024
Current			
Domestic investment			
Listed stocks	$ 200,449	$ 910,165	$ 1,083,101
Non-current			
Domestic investment			
Listed stocks	$ 1,197,065	$ 1,345,326	$ 1,894,438
Unlisted stocks	98,643	116,025	132,154
Foreign investments			
Unlisted stocks	23,368	40,742	-
	$ 1,319,076	$ 1,502,093	$ 2,026,592

These investments in China Petrochemical Development Corporation (the “China Petrochemical Development”), Century Development Corporation, Overseas Investment & Development Corporation and HRDD Logistics Co., Ltd. are not held for trading. They are held for medium- to long-term strategic purposes. 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, 2025	December 31, 2024	June 30, 2024
Current			
Domestic investment			
Time deposits with	$ 2,894,847	$ 2,380,957	$ 3,765,446

	June 30, 2025	December 31, 2024	June 30, 2024
original maturities of more than 3 months			
Others (Note 2)	2,583,183	2,876,609	2,823,882
	$ 5,478,030	$ 5,257,566	$ 6,589,328
Non-current			
Domestic investment			
Corporate bonds of Agora Garden Co., Ltd (Note 1)	$ 600,000	$ 600,000	$ 600,000
Time deposits with original maturities of more than 3 months	593,344	638,782	3,339
Others (Note 2)	800	4,277	1,424
	$ 1,194,144	$ 1,243,059	$ 604,763

Note 1: The Group purchased 5-year corporate bonds issued by 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, 2025	December 31, 2024	June 30, 2024
Notes receivable	$ -	$ 86	$ 196
Trade receivables			
Measured at amortized cost			
Total carrying amount	150,732	117,694	133,353
Less: Allowance for impairment losses	(442)	(442)	(338)
	150,290	117,252	133,015
Notes and trade receivables, net	$ 150,290	$ 117,338	$ 133,211
Construction receivables	$ 5,877,317	$ 5,319,144	$ 5,122,082

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 credit 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 risk 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 receivables but will continue to collect the overdue receivables. The receivables recovered are recognized in profit or loss.

Aging analysis of trade and construction receivable was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Not past due	$ 6,026,410	$ 5,293,431	$ 5,254,340
60 days or fewer	871	142,936	756
61-90 days	326	9	1
91-120 days	-	-	-
121 days or more	-	20	-
Total	$ 6,027,607	$ 5,436,396	$ 5,255,097

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

	Six months ended June 30, 2025	Six months ended June 30, 2024
Beginning and ending balance	$ 442	$ 338

XI. Accounts receivable on the development of industrial districts

	June 30, 2025	December 31, 2024	June 30, 2024
Chung Hua Coastal Industrial Park	$ 456,015	$ 459,645	$ 796,228
Yunlin Technology-Based Industrial Park	17,215	13,769	10,590
Litzer Industrial District	6,029	-	-
Other Industrial Districts	1,876,617	1,886,332	1,896,759
	$ 2,355,876	$ 2,359,746	$ 2,703,577

For the six months ended June 30, 2025 and 2024, the Group continued to invest in the development costs (including interest accrued) in the amounts of NTD 1,095,264 thousand and NTD 950,548 thousand, respectively. For the six months ended June 30, 2025 and 2024, the amounts recovered were NTD 1,099,134 thousand and NTD 1,058,592 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 amounts paid by the vendors include interest incurred after the record date for the determination of the development cost. The development costs borne by the entity entrusted with 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 with 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

		Construction in progress		
	Buildings and land held for sale	Land held for construction	Construction costs	Total
June 30, 2025				
Self-construction on self-owned land	$ 411,819	$ 1,244,634	$ 11,290,895	$ 12,535,529
Joint construction	11,301,226	187,858	6,631,590	6,819,448
Unspecified use	-	25,236	-	25,236
	$ 11,713,045	$ 1,457,728	$ 17,922,485	$ 19,380,213
December 31, 2024				
Self-construction on self-owned land	$ 412,028	$ 1,244,634	$ 9,686,342	$ 10,930,976
Joint construction	11,301,226	187,858	5,539,656	5,727,514
Unspecified use	-	25,236	-	25,236
	$ 11,713,254	$ 1,457,728	$ 15,225,998	$ 16,683,726

		Construction in progress		
	Buildings and land held for sale	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

The Group’s investments in the above buildings and land are specifically held for sales purposes. The allowance for valuation losses was both NTD 5,735 thousand on June 30, 2025 and December 31 and June 30, 2024. 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) The Group acquired joint-construction agreements for land number 57-13 from the majority of the landlords. The application of the urban renewal business plan was completed in October 2013, and the approval was received in December 2015; the transfer of ownership rights was approved in December 2018; the approval letter was received on January 23, 2019; the construction license was approved on June 13, 2019; the first public coordination meeting was held on September 26, 2019; the demolition review meeting was passed on December 10, 2019; the relocation was completed in March 2020; the demolition of the buildings was completed in July 2020. On September 6, 2022, the beam erection ceremony was held, and as of June 30, 2025, the miscellaneous construction works and landscape greening were still in progress.

(2) The Group acquired joint-construction agreements for land number 57 from the majority of the landlords. The application of the urban renewal business plan was completed in December 2014, and the approval was received in June 2017; the transfer of ownership rights was submitted for approval in October 2018; the public hearing was held in February 2019; the hearing meeting was convened on December 23, 2019; the approval letter 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; the negotiated integration with tenants was completed on December 29, 2021; the relocation was completed in June 2022; the construction application was submitted on June 28, 2022; the groundbreaking ceremony was held on July 12, 2022, and as of June 30, 2025, the construction was still in progress.

In 2015, the Group started to process 3 urban renewal plans for plot number 316, in Nangang Section, Taipei City. The application of the urban renewal business plans was completed in June 2015 and the approval was received in October 2020. The public hearing of the transfer of ownership rights was held on November 28, 2020, and the house selection was completed in January 2021. The public hearing was held on May 20, 2022, and the approval letter was received on July 11, 2023. The negotiation for demolition was completed in April 2024, and all relocations were completed on October 20, 2024. Demolition was completed in February 2025, and the groundbreaking ceremony is scheduled to be held on July 21, 2025.

On May 13, 2020, the Group's Board of Directors approved a land development project in Peibo Section, Tucheng District, New Taipei City. 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. As of June 30, 2025, the interior and exterior decorations were still in progress.

The Group was awarded a tender for the urban renewal of public and private land at No. 290, Dongsheng Section, Shulin District, New Taipei City, on October 13, 2021. The contract with the New Taipei City Government was signed on December 24, 2021; the application for the change of scope was submitted to the Bureau of Finance in December 2022. The house selection was completed on October 25, 2023. The application was submitted for the urban renewal business plans and transfer of ownership rights on December 22, 2023. The public hearing was held on April 29, 2024, and the neighbor land occupation coordination meeting was held on October 14, 2024. The second meeting was held on March 6, 2025. As of June 30, 2025, the second team's review opinion was still in progress.

The Board of Directors approved the urban renewal project for the land in Section 135-1, Subsection 1, Dunhua Section, Songshan District, Taipei City, on May 11, 2022. The application of the urban renewal business plans was completed on February 24, 2023, and the house selection was completed on October 25, 2023. The seminars of the change of urban renewal area was held on March 2, 2024. The architectural planning drawings were adjusted on January 20, 2025. As of June 30, 2025, the adjustment of drawings was still in progress.

On April 26, 2023, the Group acquired 6 land urban renewal projects, including land lot 60-19, Subsection 2, Fuhe Section, 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. A public hearing was held by the government authority on September 14, 2024. The urban design review was conducted on February 17, 2025. As of June 30, 2025, the second urban design review preparation was still in progress.

The Group was awarded a tender for the 10 urban renewal plans located on the land at No. 27-3, Subsection 3, Minsheng East Road, Songshan District, Taipei City in July 2023. In November 2023, the unit planning report was submitted for review. On May 25, 2024, an urban renewal unit planning briefing was held. As of June 30, 2025, the construction planning was still in progress.

The Group was awarded a tender for the 14 urban renewal plans located on the land at No. 956, Gongguan Section, Banqiao District, New Taipei City, on July 28, 2023. The contract with the National Housing and Urban Regeneration Center was signed on October 25, 2023. The public hearing of the transfer of ownership rights was held on March 21, 2024; the house selection was completed on April 20, 2024; the application was submitted for the urban renewal business plans and transfer of ownership rights on May 15, 2024. As of June 30, 2025, the business plan was still under review.

The Group was awarded a tender for the 2 urban renewal plans located on the land at No. 246, Subsection 2, Daan Section, Da’an District, Taipei City, in

September 2023, and the application was submitted for the urban renewal business plan in October 2023. The inspection work was completed on July 5, 2024; the building planning was finalized on September 30, 2024; the public hearing and the house selection were held on December 13, 2024. The lot drawing was completed on February 14, 2025. The rights transformation plan was submitted for approval on March 28, 2025. As of June 30, 2025, the public hearing and public exhibition were still in progress.

The Group was awarded a tender for the 5 urban renewal plans located on the land at No. 461, Peibo Section, Tucheng District, New Taipei City, in September 2023. The public hearing of the transfer of ownership rights was held on June 25, 2024; the house selection was completed on July 15, 2024; the application was approved for the urban renewal business plans and transfer of ownership rights on October 14, 2024. The public hearing was held on March 25 and May 13, 2025. In addition, the negotiation with the owners was completed, and the motion was approved by the Board of Directors on June 26, 2025

The Board of Directors approved a tender for the 9 urban renewal plans located on the land at No. 551, Subsection 3, Baoqing Section, Songshan District, Taipei City, on October 25, 2024. As of June 30, 2025, the relevant operations of the adjacent land coordination were still in progress.

The Group's interest expenses before capitalization for the three months and six months ended June 30, 2025 and 2024 were NTD 183,301 thousand, NTD 141,373 thousand, NTD 352,932 thousand, and NTD 271,975 thousand, respectively, and the capitalized interest on the construction in progress was NTD 115,646 thousand, NTD 71,365 thousand, NTD 218,464 thousand, and NTD 133,112 thousand, respectively; the capitalized annual rates of interest were 2.933%–2.934%, 2.856%–2.875%, 2.877%–2.879%, and 2.791%–2.875%, 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:

			% of equity held			
Name of investor	Name of subsidiary	Nature of business	June 30, 2025	December 31, 2024	June 30, 2024	Description
BES Engineering Corporation	Core Pacific World Co., Ltd.	Investment	99.96	99.96	99.95	1 and 6
	BES Investment Corporation Ltd.	Overseas construction and equipment sale	100.00	100.00	100.00	1 and 7
	BES Logistics International Co., Ltd.	Investment	100.00	100.00	100.00	1
	Core Asia Human Resource Management Co., Ltd.	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
	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	1 and 4
	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
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 3
Core Asia Human Resource Management Co., Ltd.	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	60.00	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, 2025 and 2024 were not reviewed by the CPAs.
2. The Group holds more than 50% of the total shares with the control over the subsidiaries.
3. On May 10, 2024, the Board of Directors of Cinemark-Core Pacific, Ltd. approved the full subscription for a cash capital increase of its subsidiary,

Cinema 7 Theater Co., Ltd. in an amount of NTD 100,000 thousand in 2024. The relevant procedures were completed on May 30, 2024.

4. On May 13, 2024, the Board of Directors of the Corporation resolved to proceed with the liquidation and dissolution of its subsidiary, BES Global Investment Co. The related procedures were completed on October 16, 2024.
5. On September 27, 2024, the Board of Directors of the Corporation resolved to reduce cash capital of its subsidiary, BES Engineering Vietnam Company Limited, with the related procedures completed on April 22, 2025. In addition, the Corporation 's Board of Directors approved that the subsidiary, BES Engineering Vietnam Company Limited, proceed with liquidation and dissolution proceedings on June 26, 2025. As of June 30, 2025, the liquidation process was still in progress.
6. On November 28, 2024, the Corporation acquired part of the equity from the non-controlling shareholders of its subsidiary, Core Pacific World Co., Ltd., resulting in its continuing interest increasing from 99.95% to 99.96%. Please refer to Note 30 for the transaction of non-controlling interests.
7. On June 25, 2025, the Board of Directors approved the capital reduction plan for subsidiary, BES Investment Corporation Ltd. As of June 30, 2025, the capital reduction plan was still in progress.

XIV. Investments accounted for using the equity method

Investment in associates

	June 30, 2025	December 31, 2024	June 30, 2024
Individually non-material associates	$ 1,288,329	$ 1,417,478	$ 1,555,915

Aggregate information on individually non-material associates

	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
The Group’s share				
Net Income (Loss) of the period	($ 2,346)	($ 16,809)	$ 44	($ 26,326)
Other comprehensive income and losses	(153,001)	15,870	(129,193)	52,661
Total comprehensive income and losses	($ 155,347)	($ 939)	($ 129,149)	$ 26,335

HRDD Logistics Co., Ltd. (hereinafter referred to as “HRDD”), an equity-method investment of the Group, resolved a resolution for cash capital increase at its extraordinary shareholders' meeting on January 5, 2024. The Group did not participate in this cash capital increase in proportion to its shareholding. Following HRDD’s completion of registration changes on July 30, 2024, the Group’s shareholding decreased from 23.61% to 14.11% of its voting rights and consequently ceased to have significant influence over the change to financial asset at fair value through other comprehensive income.

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 project of a new 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, 2025	December 31, 2024	June 30, 2024
Assets			
Cash and cash equivalents	$ -	$ -	$ 12,666
Liabilities			
Accounts payable	$ -	$ -	$ 2,442
Contract liabilities - current	32,023	32,023	28,780
Other current liabilities	2,378	2,378	3,497
Total liabilities	$ 34,401	$ 34,401	$ 34,719

	Three months ended June 30, 2024	Six months ended June 30, 2024
Interest income	$ 38	$ 38

(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, liabilities, revenue and expenses amount of the JV project as per its percentage in the JV. The details are as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Assets			
Cash and cash equivalents	$ 94,764	$ 88,638	$ 57,343
Refundable deposits	215	215	198
Other current assets	625,091	691,487	336,937
Total assets	$ 720,070	$ 780,340	$ 394,478
Liabilities			
Accounts payable	$ 58,087	$ 23,886	$ 10,348
Accrued expenses	15	6	1
Contract liabilities - current	590,623	688,965	351,140
Other current liabilities	9,457	8	1,591
Total liabilities	$ 658,182	$ 712,865	$ 363,080

	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Income from construction	$211,834	$264,584	$528,428	$456,928
Construction costs	$204,499	$247,631	$509,707	$437,092
Interest income	$ 376	$ 182	$ 376	$ 182

(III) 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, Water Resources Agency, 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. 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, 2025	December 31, 2024
Assets		
Cash and cash equivalents	$ 17,191	$ 38,829
Construction receivables	33,549	-
Contract assets - current	-	812
Other current assets	12,104	24,637
Refundable deposits	53	-
Other non-current assets	86,275	-
Total assets	$ 149,172	$ 64,278
Liabilities		
Accounts payable	$ 3,448	$ 4,163
Accrued expenses	-	235
Contract liabilities - current	30,861	-
Guarantee deposits received	476	-
Total liabilities	$ 34,785	$ 4,398

	Three months ended June 30, 2025	Six months ended June 30, 2025
Income from construction	$ 14,087	$ 31,509
Construction costs	$ 13,457	$ 30,079

XVI. Property, Plant and Equipment

	June 30, 2025	December 31, 2024	June 30, 2024
Land and land improvements	$ 2,722,839	$ 2,722,914	$ 2,723,008
Buildings	146,595	152,461	156,847
Machinery and equipment	749,595	598,910	300,068
Other equipment	57,801	54,562	54,513
Unfinished construction	6,425	4,571	6,338
	$ 3,683,255	$ 3,533,418	$ 3,240,774

For the six months ended June 30, 2025 and 2024, as there was no sign of impairment, the Group did not conduct an impairment assessment.

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

Land improvements	8-40 years
Buildings	
Main buildings of factories	60 years
Air-conditioning equipment	3 years
Machinery and equipment	2-13 years
Other equipment	2-20 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, 2025	December 31, 2024	June 30, 2024
Carrying amount of right-of-use assets			
Land	$ 51,489	$ 49,597	$ 53,847
Buildings	39,054	11,933	27,250
Machinery and equipment	1,193	-	-
Transportation equipment	36,545	38,681	44,449
	$ 128,281	$ 100,211	$ 125,546

	Six months ended June 30, 2025	Six months ended June 30, 2024
Additions of right-of-use assets	$ 67,005	$ 45,230
Decrease in right-of-use assets	$ 852	$ 84,012

	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Depreciation expenses of right-of-use assets				
Land	$ 3,404	$ 2,706	$ 6,520	$ 5,671
Buildings	8,702	9,784	18,551	23,291
Machinery and equipment	72	-	133	-
Transportation equipment	6,896	6,379	12,886	12,994
	$19,074	$18,869	$38,090	$41,956

Except for the additions and depreciation expenses recognized as 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, 2025 and 2024.

(II) Lease liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
Carrying amount of lease liabilities			
Current	$ 58,027	$ 46,159	$ 60,368
Non-current	$ 72,691	$ 56,572	$ 67,575

Range of discount rates for lease liabilities is as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Land	2.10%–3.20%	2.10%–3.20%	2.10%–2.80%
Buildings	2.10%–4.75%	2.10%–4.75%	2.10%–4.75%
Machinery and equipment	2.95%–3.20%	-	-
Transportation equipment	2.10%–3.30%	2.10%–3.30%	2.10%–3.30%

(III) Subleases

The Group subleased the right-of-use assets of buildings under operating leases over lease terms 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, 2025	December 31, 2024	June 30, 2024
1st year	$ 466	$ 1,866	$ 2,798
2nd year	-	-	466
3rd year	-	-	-
	$ 466	$ 1,866	$ 3,264

(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, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Short-term lease expenses	$10,481	$ 6,036	$17,361	$10,103
Low-value asset lease expenses	$ 184	$ 251	$ 380	$ 458
Changes in lease payments not included in the measurement of the lease liabilities	$51,286	$41,293	$95,220	$73,317
Total cash (outflow) of leases			($152,949)	($128,995)

XVIII. Investment property

	June 30, 2025	December 31, 2024	June 30, 2024
Investment property finished	$ 1,038,857	$ 1,065,923	$ 1,074,000

For the six months ended June 30, 2025 and 2024, as there was no sign of impairment, the Group did not conduct an impairment assessment.

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

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

As of June 30, 2025, December 31 and June 30, 2024, the total rentals to be collected in the future for the investment properties leased out under operating leases are as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Less than 1 year	$ 103,546	$ 84,651	$ 79,242
1 to 5 years	208,188	166,244	59,457
	$ 311,734	$ 250,895	$ 138,699

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

	June 30, 2025	December 31, 2024	June 30, 2024
Fair value	$ 6,527,579	$ 6,552,015	$ 6,765,760

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 pledged to secure borrowings.

XIX. BORROWINGS

(I) Short-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
Secured borrowings			
Bank borrowings	$ 3,954,956	$ 4,239,400	$ 4,329,000
Bank overdraft	299,000	295,000	-
	4,253,956	4,534,400	4,329,000
Unsecured borrowings			
Borrowings with a line of credit	796,000	796,000	1,000,000
	$ 5,049,956	$ 5,330,400	$ 5,329,000

The bank borrowings are secured by the Group's partial cash in banks, stocks, certificates of deposit, buildings and land held for sale, and self-owned land and buildings pledged (see Note XXXIII). The interest rates of bank revolving loans as of June 30, 2025, December 31 and June 30, 2024 were 2.500% - 3.842%, 2.300% - 3.478%, and 1.780% - 3.478%, respectively.

(II) Short-term notes payable

	June 30, 2025	December 31, 2024	June 30, 2024
Commercial paper payable	$ 2,269,300	$ 2,805,300	$ 2,593,200
Less: Discount of short-term notes payable	(8,110)	(7,554)	(5,846)
	$ 2,261,190	$ 2,797,746	$ 2,587,354

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

June 30, 2025

Guarantee institution	Face value	Discount amount	Carrying amount	Interest rate range	Name of collateral	Book value of collateral
Commercial paper payable						
International Bills Finance	$ 846,000	$ 3,984	$ 842,016	3.032%	Land and buildings	$ 6,707,466
Mega Bills Finance	690,000	2,527	687,473	3.000%	Land and buildings	1,912,233
Mega Bills Finance	450,000	1,523	448,477	2.770%	Land and buildings	496,474
Taiwan Finance Corporation	283,300	76	283,224	3.212%	Land and buildings	892,214
	$ 2,269,300	$ 8,110	$ 2,261,190			

December 31, 2024

Guarantee institution	Face value	Discount amount	Carrying amount	Interest rate range	Name of collateral	Book value of collateral
Commercial paper payable						
International Bills Finance	$ 882,000	$ 4,228	$ 877,772	3.032%	Land and buildings	$ 6,707,466
Mega Bills Finance	690,000	873	689,127	2.850%	Land and buildings	1,864,733
China Bills Finance	500,000	1,852	498,148	2.420%	Securities	504,900
Mega Bills Finance	450,000	550	449,450	2.750%	Land and buildings	497,782
Taiwan Finance Corporation	283,300	51	283,249	3.212%	Land and buildings	892,214
	$ 2,805,300	$ 7,554	$ 2,797,746			

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	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	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 and with a total carrying amount of NTD 6,728,211 thousand.

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

(III) Long-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
Secured borrowings			
Bank borrowings	$ 12,010,864	$ 10,102,860	$ 7,685,058
Unsecured borrowings			
Bank borrowings	5,502,968	5,265,139	5,198,050
Subtotal	17,513,832	15,367,999	12,883,108
Less: Current portion	(2,730,854)	(1,971,064)	(2,488,995)
Long-term borrowings	$ 14,782,978	$ 13,396,935	$ 10,394,113
Maturity dates	June 2031	June 2031	June 2031

The bank borrowings are secured by the Group's partial bank deposits, construction in progress, buildings and land held for sale, self-owned land, buildings, and certificates of term deposit (refer to Note XXXIII). As of June 30, 2025, December 31 and June 30, 2024, the effective interest rates per annum were 2.365%-3.421%, 2.365%-3.312%, and 2.365%-3.263%, respectively.

XX. Accounts payable

	June 30, 2025	December 31, 2024	June 30, 2024
Due to operations	$ 5,983,964	$ 7,136,383	$ 6,155,725

In the accounts payable, the amounts of construction retentions payable under construction contracts as of June 30, 2025, December 31 and June 30, 2024, were NTD 3,239,299 thousand, NTD 2,958,727 thousand, and NTD 2,598,874 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, 2025	December 31, 2024	June 30, 2024
Litzer Industrial District	$ -	$ 1,642	$ 2,113
Other Industrial Districts	15,963	15,963	15,963
	$ 15,963	$ 17,605	$ 18,076

For the six months ended June 30, 2025 and 2024, the cost invested was NTD 1,642 thousand and NTD 982 thousand, respectively.

XXII. Provision

	June 30, 2025	December 31, 2024	June 30, 2024
Current			
Warranty	$ 541,112	$ 547,641	$ 500,591
Non-current			
Provision for long-term liabilities pending a final decision in the legal proceedings	$ 900,764	$ 900,764	$ 900,764

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, 2025 and 2024 were calculated at the pension cost rate actuarially determined on December 31, 2024 and 2023, respectively, and the amounts were NTD 609 thousand, NTD 893 thousand, NTD 1,217 thousand and NTD 1,786 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, 2025		
	Less than 1 year	Over 1 year	Total
Assets			
Financial assets at amortized cost - current	$ 1,232,460	$ 609,800	$ 1,842,260
Construction receivables	5,492,771	384,546	5,877,317
Contract assets - current	1,008,565	4,175,073	5,183,638
Accounts receivable on the development of industrial	-	2,355,876	2,355,876

	June 30, 2025		
	Less than 1 year	Over 1 year	Total
districts			
Inventories	233,991	-	233,991
Buildings and land held for sale, net	941,768	10,771,277	11,713,045
Construction in progress	-	19,380,213	19,380,213
Refundable deposits on construction contracts	23,530	30,870	54,400
	$ 8,933,085	$ 37,707,655	$ 46,640,740
Liabilities			
Notes payable	$ 2,378	$ -	$ 2,378
Accounts payable	5,344,271	621,138	5,965,409
Contract liabilities - current	3,142,324	3,512,787	6,655,111
Accounts payable for the development of industrial districts	-	15,963	15,963
Provision - current	52,685	488,427	541,112
Guarantee deposits on construction contracts	729,117	171,028	900,145
	$ 9,270,775	$ 4,809,343	$ 14,080,118

	December 31, 2024		
	Less than 1 year	Over 1 year	Total
Assets			
Financial assets at amortized cost - current	$ 1,869,702	$ 366,433	$ 2,236,135
Construction receivables	5,009,511	309,633	5,319,144
Contract assets - current	804,544	3,810,117	4,614,661
Accounts receivable on the development of industrial districts	-	2,359,746	2,359,746
Inventories	199,833	-	199,833
Buildings and land held for sale, net	941,769	10,771,485	11,713,254
Construction in progress	-	16,683,726	16,683,726
Refundable deposits on construction contracts	41,767	38,396	80,163
	$ 8,867,126	$ 34,339,536	$ 43,206,662
Liabilities			
Notes payable	$ 2,766	$ -	$ 2,766
Accounts payable	6,130,397	987,068	7,117,465
Contract liabilities - current	2,181,282	4,041,335	6,222,617
Accounts payable for the development of industrial districts	-	17,605	17,605
Provision - current	28,122	519,519	547,641
Guarantee deposits on construction contracts	588,566	289,890	878,456
	$ 8,931,133	$ 5,855,417	$ 14,786,550

	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

	June 30, 2024		
	Less than 1 year	Over 1 year	Total
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

XXV. EQUITY

(I) Share capital

	June 30, 2025	December 31, 2024	June 30, 2024
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

The Corporation 's capitalization of earnings into new shares amounting to NTD 770,043 thousand was resolved during the shareholders’ meeting on May 29, 2025, with a par value of NTD 10 per share. The paid-in capital after the capitalization was NTD 16,079,041 thousand. The Corporation had not yet filed a change of registration with the Ministry of Economic Affairs before the date of publication of the consolidated financial statements on August 12, 2025.

(II) Capital reserve

	June 30, 2025	December 31, 2024	June 30, 2024
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	10,126	10,126	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 offset deficit (2)			
Changes in percentage of ownership interests in subsidiaries	12,535	12,535	12,535
Others	56,430	56,430	56,430
	$ 96,532	$ 96,532	$ 96,521

1. Such capital reserve can be used to offset 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 offset 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. Offsetting 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 for 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 or distribute in cash.

The Corporation held the shareholders' meetings on May 29, 2025 and May 31, 2024, respectively, and approved the 2024 and 2023 earnings distribution proposals as follows:

	2024	2023
Legal reserve	$ 73,766	$ 84,805
Cash dividends	$ -	$ 796,068
Share dividends	$ 770,043	$ -
Cash dividend per share (NTD)	$ -	$ 0.520
Share dividends per share (NTD)	$ 0.503	$ -

(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, 2025	Six months ended June 30, 2024
Balance at the beginning of the period	($ 32,882)	($ 220,686)
Incurred in the current period		
Exchange differences on translation of the financial statements of foreign operations	(372,639)	(26,722)
Share of associates using the equity method	(129,193)	52,661
Ending balance	($ 534,714)	($ 194,747)

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

	Six months ended June 30, 2025	Six months ended June 30, 2024
Balance at the beginning of the period	($ 880,216)	($ 465,089)
Incurred in the current period		
Unrealized gains and losses on equity instruments	(229,346)	332,283
Transferred the accumulated gains and losses from the disposal of equity instruments to retained earnings	(403,275)	-
Ending balance	($ 1,512,837)	($ 132,806)

(VI) Non-controlling equity

	Six months ended June 30, 2025	Six months ended June 30, 2024
Balance at the beginning of the	$ 894,155	$ 837,866

	Six months ended June 30, 2025	Six months ended June 30, 2024
period		
Net income (loss) of the period	5,898	(583)
Other comprehensive income of the period		
Exchange differences on translation of the financial statements of foreign operations	(171,514)	(37,646)
Unrealized gains or losses on financial assets at fair value through other comprehensive income	(9)	12
Refund of capital reduction of subsidiary	(555,115)	-
Ending balance	$ 173,415	$ 799,649

XXVI. REVENUE

	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Revenue from customer contracts				
Income from construction	$ 4,245,636	$ 4,782,680	$ 9,051,861	$ 9,369,848
Service income	388,267	314,265	714,373	609,386
Income from property sales	-	81,814	-	81,814
Other operating income	16,205	28,396	43,863	67,249
	$ 4,650,108	$ 5,207,155	$ 9,810,097	$10,128,297

Balance of contracts

	June 30, 2025	December 31, 2024	June 30, 2024	January 1, 2024
Trade receivables (Note X)	$ 150,290	$ 117,252	$ 133,015	$ 106,992
Construction receivable (Note X)	$ 5,877,317	$ 5,319,144	$ 5,122,082	$ 4,034,845
Contract assets				
Construction contracts receivable	$ 2,577,154	$ 2,304,765	$ 3,175,438	$ 2,770,617
Construction retention receivable	2,606,484	2,309,896	2,238,844	2,167,561
	$ 5,183,638	$ 4,614,661	$ 5,414,282	$ 4,938,178
Contract liabilities				
Construction contracts payable	$ 5,868,133	$ 5,677,427	$ 3,895,953	$ 3,339,726
Property sales	786,979	545,189	390,200	202,235
Sales of service	15,629	14,149	14,985	16,623
	$ 6,670,741	$ 6,236,765	$ 4,301,138	$ 3,558,584

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

XXVII. Net profit

(I) Interest income

	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Cash in banks	$ 13,669	$ 22,171	$ 34,146	$ 26,783
Financial assets at amortized cost	22,725	12,755	32,772	16,060
Others	2,190	1,108	4,563	3,781
	$ 38,584	$ 36,034	$ 71,481	$ 46,624

(II) Other income

	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Rent income	$ 18,137	$ 20,823	$ 35,967	$ 43,547
Dividend income	10,633	9,995	10,633	9,995
Other income	169	166	169	166
	$ 28,939	$ 30,984	$ 46,769	$ 53,708

(III) Other gains and losses

	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Processing fee expenses	($ 32,048)	($ 20,385)	($ 64,309)	($ 44,517)
Gains on reversal of compensation (losses on compensation)	1,931	913	3,142	(3,234)
Gains (losses) on financial assets and financial liabilities -financial assets mandatorily classified as at fair value through profit or loss	(5)	64	(36)	189
Gains (losses) on disposal of property, plant and equipment	1,128	(19,275)	734	(20,004)
Gain from lease modification	5	7,783	11	7,783
Others	5,139	7,528	14,841	15,895
	($ 23,850)	($ 23,372)	($ 45,617)	($ 43,888)

(IV) Financial costs

	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Bank overdraft and interest on bank borrowings	$ 66,010	$ 67,867	$ 131,852	$ 134,855

	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Interest on lease liabilities	927	1,003	1,826	2,537
Interest expense of customer contracts	718	1,138	790	1,471
	$ 67,655	$ 70,008	$ 134,468	$ 138,863

Please refer to Note XII for information on interest capitalization.

(V) Depreciation

	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Depreciation expenses by function				
Operating costs	$ 40,187	$ 26,666	$ 75,564	$ 52,165
Operating expenses	8,998	10,895	19,520	26,681
	$ 49,185	$ 37,561	$ 95,084	$ 78,846

The depreciation expenses of investment properties for the three months and the six months ended June 30, 2025 and 2024 were NTD 3,976 thousand, NTD 4,157 thousand, NTD 8,110 thousand, and NTD 8,256 thousand, respectively, and were recognized in other income - rental income on a net basis.

(VI) Employee benefit expenses

	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Short-term employee benefits	$ 663,099	$ 567,437	$ 1,326,115	$ 1,149,071
Post-employment benefits				
Defined contribution plan	30,200	25,926	58,765	51,501
Defined benefit plan	609	893	1,217	1,786
	30,809	26,819	59,982	53,287
Other employee benefits	71,198	63,280	145,344	123,559
Total employee benefit expenses	$ 765,106	$ 657,536	$ 1,531,441	$ 1,325,917
By function				
Operating costs	$ 693,426	$ 586,862	$ 1,388,489	$ 1,185,490
Operating expenses	71,680	70,674	142,952	140,427
	$ 765,106	$ 657,536	$ 1,531,441	$ 1,325,917

(VII) Remuneration to employees, directors and supervisors

According to the Corporation's Articles, the Corporation accrues remuneration of employees and remuneration of directors and supervisors at the rates of no less than 2% and no higher than 2%, respectively, of net profit before income tax, remuneration of employees and remuneration of directors and supervisors. According to the amendment to the Securities and Exchange Act in August 2024, the Corporation amended the Articles of Incorporation in the 2025 shareholders' meeting, stipulating that if the Corporation makes a profit before tax in the current year, 3% of the profit shall be distributed as employee remuneration, and 0.75% shall be distributed as remuneration to entry-level employees.

The estimated remuneration to employees (including the remuneration to entry-level employees) and remuneration of directors and supervisors for the six months ended June 30, 2025 and 2024 is as follows:

Percentage for estimation

	Six months ended June 30, 2025	Six months ended June 30, 2024
Employee remuneration	3%	2%
Remuneration to directors and supervisors	2%	2%

Amount

	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Employee remuneration	$ 7,709	$ 4,167	$ 11,066	$ 7,094
Remuneration to directors and supervisors	$ 4,020	$ 4,642	$ 7,377	$ 7,094

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, and remuneration of directors and supervisors for 2024 and 2023 were resolved by the Board of Directors on March 13, 2025 and 2024, respectively. The details are as follows:

Amount

	2024	2023
	Cash	Cash
Employee remuneration	$ 18,379	$ 15,703
Remuneration to directors and supervisors	$ 18,379	$ 15,703

There is no difference between the actual amount of remuneration to employees and remuneration to directors and supervisors paid and the amount recognized in the consolidated financial statements for 2024 and 2023.

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. INCOME TAXES

(I) Income tax recognized in profit or loss

The main components of income tax expenses were as follows:

	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Current income tax				
Incurred in this period	$ 37,982	$ 37,057	$ 64,749	$ 61,971
Land value increment tax	-	335	-	335
Adjustment for the prior year	2,259	7,055	2,259	7,055
	40,241	44,447	67,008	69,361
Deferred tax				
Incurred in this period	1,277	6,159	9,150	13,262
Income tax expense recognized in profit or loss	$ 41,518	$ 50,606	$ 76,158	$ 82,623

(II) Income tax approval

	Income tax approval Year
BES Engineering Corporation	2022
Core Pacific World Co., Ltd.	2023
Cinemark-Core Pacific, Ltd.	2023
Chung Kung Safeguarding and Security Corp.	2023
Chung Kung Management Consultant Co., Ltd.	2023
Chung Kung Management and	2023

	Income tax approval Year
Maintenance of Apartment Co., Ltd. Core Asia Human Resources Management Co., Ltd.	2023
Elite Human Resources Management Co., Ltd.	2023
Cinema 7 Theater Co., Ltd.	2023
Huading Enterprise Co., Ltd.	2023

XXIX. Earnings per share

Unit: NTD per share

	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Basic earnings per share				
From continuing operations	$ 0.10	$ 0.10	$ 0.18	$ 0.17
The record date for distribution of bonus shares is the date after the financial statements are approved, and the EPS is adjusted retrospectively	$ 0.09	$ 0.09	$ 0.17	$ 0.16
Diluted earnings per share				
From continuing operations	$ 0.10	$ 0.10	$ 0.18	$ 0.17
The record date for distribution of bonus shares is the date after the financial statements are approved, and the EPS is adjusted retrospectively	$ 0.09	$ 0.09	$ 0.17	$ 0.16

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, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Net income used to calculate basic earnings per share	$ 149,425	$ 150,457	$ 277,375	$ 260,189

Number of shares

Unit: Thousand shares

	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
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	971	480	1,596	978
Weighted average number of ordinary shares used to calculate diluted earnings per share	1,531,870	1,531,379	1,532,495	1,531,877

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 November 28, 2024, the Group acquired part of the equity from the non-controlling shareholders of its subsidiary, Core Pacific World Co., Ltd., resulting in its continuing interest increasing from 99.95% to 99.96%.

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

	Core Pacific World Co., Ltd.
Cash consideration paid	($ 160)
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	171
Equity transaction difference	$ 11

Equity transaction difference adjustment account	
Capital reserve - the difference between the price of subsidiary's equity acquired or disposed of and the book value	$ 11

XXXI. Financial instruments

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

As of June 30, 2025, and December 31 and June 30, 2024, 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, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Mutual Funds	$ 5,070	$ -	$ -	$ 5,070
Financial assets at fair value through other comprehensive income				
Investment in equity instruments				
- Domestic listed stocks	$ 1,397,514	$ -	$ -	$ 1,397,514
- Domestic unlisted stocks	-	98,643	-	98,643
- Foreign unlisted stocks	-	23,368	-	23,368
Total	$ 1,397,514	$ 122,011	$ -	$ 1,519,525

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Mutual Funds	$ 9,473	$ -	$ -	$ 9,473
Financial assets at fair value through other comprehensive income				
Investment in equity instruments				
- Domestic listed stocks	$ 2,255,491	$ -	$ -	$ 2,255,491
- Domestic unlisted stocks	-	116,025	-	116,025
- Foreign unlisted stocks	-	40,742	-	40,742
Total	$ 2,255,491	$ 156,767	$ -	$ 2,412,258

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

There were no transfers between Level 1 and Level 2 fair value measurements for the six months ended June 30, 2025 and 2024.

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.
Foreign 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: Future cash flows are discounted at a rate that reflects current borrowing interest rates of the bond issuers at the end of the year.

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, 2025	December 31, 2024	June 30, 2024
Financial asset			
Financial assets at fair value through profit or loss			
Mandatorily at fair value through profit or loss	$ 5,070	$ 9,473	$ 4,437
Financial assets at amortized cost (Note 1)	14,570,343	17,222,635	14,750,108
Financial assets at fair value through other comprehensive income			
Investment in equity instruments	1,519,525	2,412,258	3,109,693
Financial liabilities			
Financial liabilities at amortized cost (Note II)	32,116,005	31,921,225	28,228,371

Note 1: The balances include 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 balances include financial liabilities at amortized cost, which comprise short-term borrowings, short-term bills payable, notes payable, trade payables, guarantee deposits on construction contracts, long-term borrowings (expired in one year), and guarantee deposits received.

(IV) Financial risk management objective and policy

The Group’s major financial instruments included equity and debt instrument investments, trade receivables, construction receivables, accounts receivable and payable on the development of industrial districts, notes payable, account 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

The carrying amounts of the Group’s foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note XXXV.

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. 5% 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 pre-tax equity 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 impact on pre-tax equity will be the negative number of the same amount.

	CNY		HKD	
	Six months ended June 30, 2025	Six months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Equity	$ 44,734	$ 54,328	$ 19,682	$ 23,468

(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, 2025	December 31, 2024	June 30, 2024
Fair value interest rate risk			
- Financial assets	$ 4,085,028	$ 5,338,551	$ 4,557,894
- Financial liabilities	2,391,908	2,900,477	2,715,297
Cash flow interest rate risk			
- Financial assets	3,982,126	6,173,331	4,413,540
- Financial liabilities	22,563,788	20,698,399	18,212,108

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 determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. 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 the interest rates.

If the interest rate had increased by 1%, with all other variables unchanged, the Group's profit before tax for the six months ended June 30, 2025 and 2024 would decrease by NTD

92,908 thousand and NTD 68,993 thousand, respectively, mainly due to the Group’s exposure to floating interest rates of borrowing.

(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, 2025 and 2024 would have increased by NTD 75,976 thousand and NTD 155,485 thousand, respectively, due to the increase in the fair value of financial assets measured at fair value through other comprehensive income.

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, 2025 and December 31 and June 30, 2024.

	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured bank financing facilities (reviewed annually)			
-Amount drawn	$ 6,298,968	$ 6,061,139	$ 6,198,050
-Amount undrawn	3,877,249	4,727,434	5,765,923
	$ 10,176,217	$ 10,788,573	$ 11,963,973
Secured bank financing facilities			
-Amount drawn	$ 18,526,010	$ 17,435,006	$ 14,601,412
-Amount undrawn	7,547,741	8,589,872	11,350,294
	$ 26,073,751	$ 26,024,878	$ 25,951,706

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. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

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, 2025

	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		$ 1,308,482	$ 3,387,891	$ 660,445	$ 416,452	$ 213,141
Lease liabilities	2.100-4.750	6,477	10,888	40,792	65,606	15,668
Instruments at floating interest rates	2.365-3.842	1,977,938	2,741,757	3,604,073	15,340,981	17,825
Instruments at fixed interest rates	2.770-3.212	283,300	1,986,000	-	-	-
		$ 3,576,197	$ 8,126,536	$ 4,305,310	$ 15,823,039	$ 246,634

December 31, 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		$ 2,086,506	$ 3,352,171	$ 698,667	$ 813,968	$ 182,561
Lease liabilities	2.100-4.750	5,143	9,971	31,284	45,904	16,961
Instruments at floating interest rates	2.300-3.478	885,993	2,995,501	3,912,992	13,670,487	31,557
Instruments at fixed interest rates	2.420-3.212	1,423,300	1,382,000	-	-	-
		$ 4,400,942	$ 7,739,643	$ 4,642,943	$ 14,530,359	$ 231,079

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

XXXII. Related Party Transactions

Transactions, account balances, income and expenses between the Corporation and its subsidiaries (which are related parties of the Corporation) 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	Legal directors of the Corporation and its subsidiaries
Sheen Chuen-Chi Culture & Educational Foundation	Substantive related party
Yunheyue Agriculture Co., Ltd.	Substantive related party

Name of related party	Relations with the Corporation
Core Pacific Marketing Corporation	Substantive related party
HRDD Logistics Co., Ltd.	Substantive related party (Note)
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
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

Note: HRDD Logistics Co., Ltd. was an associate before July 30, 2024.

(II) Business transactions

Account	Category of related party	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Operating revenue	The Corporation's institutional director	$ 6,749	$ 5,983	$ 14,364	$ 12,302
	Subsidiary of the Corporation's institutional director	280	174	608	344
	Substantive related party	134	132	272	261
	The Corporation's affiliate	56	52	110	102
		$ 7,219	$ 6,341	$ 15,354	$ 13,009
Operating costs	The Corporation's affiliate	$ 1,068	$ 1,062	$ 2,137	$ 2,124
Operating expenses	The Corporation's affiliate	$ 2,524	$ 2,514	$ 5,045	$ 5,009
	Subsidiary of the Corporation's institutional director	396	114	553	229
	Substantive related party	275	275	549	549
	The Corporation's institutional director	-	84	-	84
		$ 3,195	$ 2,987	$ 6,147	$ 5,871

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, 2025	December 31, 2024	June 30, 2024
Construction receivables	The Corporation's institutional director	$ -	$150,745	$ 8,267
Trade receivables	The Corporation's institutional director	$ 4,688	$ 4,715	$ 3,755
	Subsidiary of the Corporation's institutional director	47	119	24
	Substantive related party	26	30	30
		$ 4,761	$ 4,864	$ 3,809
Other receivables (included in other current assets)	The Corporation's affiliate	$ 1,625	$ 1,625	$ 649
	Substantive related party	-	647	647
		$ 1,625	$ 2,272	$ 1,296

There is no guarantee received for receivables from related parties outstanding. No bad debt expense was recognized for accounts receivable from related parties during the six months ended June 30, 2025 and 2024.

(IV) Payables to related party

Account	Category of related party	June 30, 2025	December 31, 2024	June 30, 2024
Accrued expenses	Subsidiary of the Corporation's institutional director	$ 995	$ 963	$ 1,596
	The Corporation's affiliate	965	965	965
		$ 1,960	$ 1,928	$ 2,561

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, 2025	December 31, 2024	June 30, 2024
Substantive related party	$ 312,915	$ 278,966	$ 221,616

(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, 2025

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

December 31, 2024

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

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

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, 2025	Six months ended June 30, 2024
Acquisition of right-of-use assets		
The Corporation's institutional director	$ 21,297	$ -
The Corporation's affiliate	7,130	7,134
Subsidiary of the Corporation's institutional director	4,057	-
	$ 32,484	$ 7,134

Account	Category of related party	June 30, 2025	December 31, 2024	June 30, 2024
Lease liabilities	The Corporation's institutional director	$ 20,163	$ 2,465	$ 6,130
	Substantive related party	17,575	18,053	18,524
	The Corporation's affiliate	4,512	6,389	15,400
	Subsidiary of the Corporation's institutional director	3,839	-	-
		$ 46,089	$ 26,907	$ 40,054

Account	Category of related party	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Interest expense	Substantive related party	$ 106	$ 112	$ 214	$ 225
	The Corporation's affiliate	55	110	138	249
	The Corporation's institutional director	104	39	114	87
	Subsidiary of the Corporation's institutional director	15	-	15	-
		$ 280	$ 261	$ 481	$ 561

(IX) Acquisition of financial assets

Six months ended June 30, 2024

Name of related party	Account	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 (included in other current assets)

Name of related party	June 30, 2025	December 31, 2024
Agora Garden Co., Ltd.		
Other receivables		
Loans receivable - fixed rate	$ 110,000	$ 110,000
Loans receivable - interest	129	224
	$ 110,129	$ 110,224
Interest rate range	3.50%–3.80%	3.50%–3.80%
Last maturity date	December 20, 2025	December 20, 2025

Name of related party	June 30, 2025
Core Pacific Marketing Corporation	
Other receivables	
Loans receivable - fixed rate	$ 26,000
Interest rate range	3.50%
Last maturity date	April 14, 2026

Interest income

Name of related party	Three months ended June 30, 2025	Six months ended June 30, 2025
Agora Garden Co., Ltd.	$ 1,009	$ 2,006
Core Pacific Marketing Corporation	155	155
	$ 1,164	$ 2,161

On November 29 and December 20, 2024, the Group provided secured loans to its related party, Agora Garden Co., Ltd., and obtained real estate and marketable securities as collateral.

On April 14, 2025, the Group provided secured loan to its substantive related party, Core Pacific Marketing Corporation, and obtained accounts receivable rights and marketable securities as collateral.

The receivable and interest receivable of the Group from related party in substance 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 NTD 22,628 thousand for the above-mentioned in September 2022.

The Group's loans to Agora Garden Co., Ltd. and Core Pacific Marketing Corporation are secured loans with a similar interest rate to the market.

(XI) Transactions with other related parties

Interest income and rental income:

Category of related party	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
The Corporation's affiliate	$ 10,146	$ 2,813	$ 20,293	$ 4,709
Subsidiary of the Corporation's institutional director	5,332	5,319	10,664	10,638
Substantive related party	1,901	1,914	3,802	3,832
The Corporation's institutional director	1,416	1,416	2,832	2,832
	$ 18,795	$ 11,462	$ 37,591	$ 22,011

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, payments 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 balances of guarantee deposits paid on the balance sheet date were as follows:

Category of related party	June 30, 2025	December 31, 2024	June 30, 2024
The Corporation's affiliate	$ 837	$ 837	$ 837
Substantive related party	238	238	238
	$ 1,075	$ 1,075	$ 1,075

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

Category of related party	June 30, 2025	December 31, 2024	June 30, 2024
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, 2025	December 31, 2024	June 30, 2024
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, 2025 and 2024 was as follows:

	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Short-term employee benefits	$ 10,555	$ 10,132	$ 19,719	$ 19,644
Post-employment benefits	-	-	-	-
	$ 10,555	$ 10,132	$ 19,719	$ 19,644

The remuneration to directors and other key management personnel was 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, 2025	December 31, 2024	June 30, 2024
Financial assets at fair value through other comprehensive income - current	$ -	$ 647,460	$ 655,200
Financial assets at amortized cost - current	5,125,362	4,734,862	4,565,530
Buildings and land held for sale, net	11,629,553	11,582,053	11,617,213
Construction in progress	1,244,634	1,244,634	1,244,634
Financial assets at fair value through other comprehensive income - non-current	1,185,702	1,345,050	1,575,011
Financial assets at amortized cost - non-current	594,144	643,059	4,763
Property, plant and equipment, net	1,686,432	1,689,455	1,681,148
Investment property, net	787,030	789,154	791,370
	$ 22,252,857	$ 22,675,727	$ 22,134,869

XXXIV. Material contingent liabilities and unrecognized contractual commitments

On January 6, 2025, the Corporation received a letter from the First Engineering Office of the Department of Rapid Transit Systems, Taipei City Government, regarding the damage investigation of the New Taipei Circular Line caused by the Hualien earthquake on April 3, 2024, and the claim for NTD 1.927 billion for disaster and business loss compensation. The Corporation replied to the First Engineering Office of the Department of Rapid Transit Systems, Taipei City Government on January 10, 2025, claiming that the investigation report still contained various doubts and was pending for re-examination. On February 17, 2025, the Corporation held a press conference to explain its principles and attitudes. After clarifying the facts and responsibilities, the Corporation will restart the negotiations and discussions with the Department of Rapid Transit Systems, Taipei City Government, and the New Taipei City Government, and the case will be settled by judicial means. The Taipei City Government and the New Taipei City Government formally filed a lawsuit on March 27, 2025. The Corporation received a defense statement on May 2, 2025 and the notices from the Taipei District Court on May 5 and July 23, 2025. The case is now being processed by the court. As of August 12, 2025, the case had not affected the Corporation's operations.

XXXV. Significant Assets and Liabilities Denominated in Foreign Currencies

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, 2025

	Foreign currency	Exchange rate	Carrying amount
Financial asset			
Non-monetary item			
CNY	$ 218,695	4.091 (CNY:NTD)	$ 894,681
HKD	105,479	3.732 (HKD:NTD)	393,648

December 31, 2024

	Foreign currency	Exchange rate	Carrying amount
Financial asset			
Non-monetary item			
CNY	$ 217,170	4.478 (CNY:NTD)	$ 972,489
HKD	105,398	4.222 (HKD:NTD)	444,989

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

The Group’s foreign currency exchange gains (losses) (including realized and unrealized) for the three months and the six months ended June 30, 2025 and 2024 were NTD (6,242 thousand), NTD 2,195 thousand, NTD (3,435 thousand) and NTD 6,544 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.

XXXVI. 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 Mr. Shen 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 Mr. Shen 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, 2025, 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, 2025, 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).

XXXVII. Additional Disclosures

(I) Information on Material Transactions:

1. Loan to Others: Table 1.
2. Endorsements/Guarantees Provided to Others: Table 2.
3. Major securities held at the end of the period (excluding investments in subsidiaries, associates and joint ventures): Table 3.
4. Total Purchases from or Sales to Related Parties Amounting to at Least NTD 100 million or 20% of the Paid-in Capital: None.
5. Receivables from related parties amounting to at least NTD 100 million or 20% of the paid-in capital: Table 4.
6. Other: Intercompany relationships and significant intercompany transactions: None.

(II) Information on investees: Table 5.

(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 third parties, 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 payable at the end of the year: None.

   (2) The amount and percentage of sales and the balance and percentage of the related account receivable 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 had 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.

XXXVIII. 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 properties, development and agency businesses 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, 2025	Six months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Construction Engineering Department	$ 7,879,672	$ 8,420,335	$ 396,868	$ 435,566
Construction and Development Department	1,290,448	1,135,994	20,090	25,915
Other Departments	639,977	571,968	4,264	(10,507)
Total amount of continuing operations	$ 9,810,097	$10,128,297	421,222	450,974
Interest income			71,481	46,624
Other income			46,769	53,708
Other gains and losses			(45,617)	(43,888)
Financial costs			(134,468)	(138,863)
Share of profit or loss of associates accounted for using the equity method			44	(26,326)
Income before income tax			$ 359,431	$ 342,229

The revenue of segments reported above was derived from transactions with external clients. There were no inter-segment sales for the six months ended June 30, 2025 and 2024.

Sectorial interest refers to the profit gained by individual sectors, excluding income from interest, other income, other gains and losses, financial cost and the shares of 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, 2025

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 3)	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	—	$ -	$ 868,853 (4% of BES Engineering Corporation's net equity)	$ 8,688,531 (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	-	—	-	34,631 (40% of Chung Kung Safeguarding and Security Corporation's net equity)	34,631 (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	-	-	2		Operating Turnover	-	—	-	34,631 (40% of Chung Kung Safeguarding and Security Corporation's net equity)	34,631 (40% of Chung Kung Safeguarding and Security Corporation's net equity)	
2	Cinemark-Core Pacific, Ltd.	Agora Garden Co., Ltd.	Other receivables	Yes	110,000	110,000	110,000	3.5-3.8	2		Operating Turnover	-	Real estate and marketable securities	123,804	112,230 40% of Cinemark-Core Pacific, Ltd.'s net equity	112,230 40% of Cinemark-Core Pacific, Ltd.'s net equity	Note 2
3	Core Pacific World Co., Ltd.	Chung Kung Management and Maintenance of Apartment Co., Ltd.	Other receivables from related parties	Yes	10,000	10,000	-	3.5	2		Operating Turnover	-	—	-	379,126 (30% of BES City Corporation's net worth)	379,126 (30% of BES City Corporation's net worth)	
3	Core Pacific World Co., Ltd.	Core Pacific Marketing Corporation	Other receivables from related parties	Yes	26,000	26,000	26,000	3.5	2		Operating Turnover	-	Accounts receivable rights and marketable securities	30,468	379,126 (30% of BES City Corporation's net worth)	379,126 (30% of BES City Corporation's net worth)	Note 2
4	Chung Kung Management Consultant Co., Ltd.	Chung Kung Management and Maintenance of Apartment Co., Ltd.	Payables from related party	Yes	7,000	7,000	7,000	3.5	2		Operating Turnover	-	—	-	7,381 (40% of Chung Kung Management Consultant & Security Corp.'s net worth)	7,381 (40% of Chung Kung Management Consultant & Security Corp.'s net worth)	

Note 1: The limit of loaning of funds passed by the Board of Directors of subsidiaries.

Note 2: Except for the other receivables of Cinemark-Core Pacific, Ltd. from Agora Garden Co., Ltd. and of Core Pacific World Co., Ltd. from Core Pacific Marketing Corporation, all receivables have been eliminated in the consolidated financial statements.

Note 3: 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, 2025

Table 2

Unit: NTD in thousands

No.	Endorsing/guaranteeing company name	Counterparty of endorsements and guarantees		Upper limit on endorsements/guarantees for a single enterprise	Maximum balance of endorsements and guarantees for the period	Ending balance of endorsements/ guarantees	Amount actually drafted	Amount of property pledged for endorsements/ guarantees	Ratio of cumulative amount of endorsements/ 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	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	$ 1,284,345 (Note 2)	$ 318,094	$ 318,094	$ 260,000	$ 318,094	61.92%	$ 1,541,214 (Note 7)	-	Y	-	
2	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	1,277,348 (Note 3)	318,094	318,094	260,000	318,094	62.26%	1,532,817 (Note 8)	-	Y	-	
3	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	216,443 (Note 4)	25,000	25,000	-	-	28.88%	259,731 (Note 9)	Y	-	-	
3	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	216,443 (Note 4)	25,000	25,000	-	-	28.88%	259,731 (Note 9)	Y	-	-	
3	BES Investment Corporation Ltd.	BES Engineering Corporation	Corporation holding more than 50% of ordinary shares of the Corporation directly or through a subsidiary indirectly	3,409,385 (Note 5)	973,650	973,650	973,650	973,650	57.12%	4,261,731 (Note 10)	-	Y	-	
3	Core Pacific World Co., Ltd.	BES Engineering Corporation	Corporation holding more than 50% of ordinary shares of the Corporation directly or through a subsidiary indirectly	3,159,380 (Note 6)	220,500	220,500	220,500	220,500	17.45%	3,791,256 (Note 11)	-	Y	-	

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

Note 2: The limit on the endorsement for each counterparty is equal to 250% of Hua Cheng Consulting (Changshu) Co., Ltd.'s net equity as shown in its latest financial statements.

Note 3: The limit on the endorsement for each counterparty is equal to 250% of Core Pacific Consulting (Changshu) Co., Ltd.'s net equity as shown in its latest financial statements.

Note 4: The limit on the endorsement for each counterparty is equal to 250% of Chung Kung Safeguarding & Security Corp.'s net equity as shown in its latest financial statements.

Note 5: The limit on the endorsement for each counterparty is equal to 200% of BES Investment Company Ltd.'s net equity as shown in its latest financial statements.

Note 6: The limit on the endorsement for each counterparty is equal to 250% of Core Pacific World Co., Ltd.'s net equity as shown in its latest financial statements.

Note 7: The limit on the endorsement for each counterparty is equal to 300% of Hua Cheng Consulting (Changshu) Co., Ltd.'s net equity as shown in its latest financial statements.

Note 8: The limit on the endorsement for each counterparty is equal to 300% of Core Pacific Consulting (Changshu) Co., Ltd.'s net equity as shown in its latest financial statements.

Note 9: The limit on the endorsement for each counterparty is equal to 300% of Chung Kung Safeguarding & Security Corp.'s net equity as shown in its latest financial statements.

Note 10: The limit on the endorsement for each counterparty is equal to 250% of BES Investment Company Ltd.'s net equity as shown in its latest financial statements.

Note 11: The limit on the endorsement for each counterparty is equal to 300% of Core Pacific World Co., Ltd.'s net equity as shown in its latest financial statements.

BES Engineering Corporation and Subsidiaries

Major securities held at the end of the period

(excluding investments in subsidiaries, associates and joint ventures)

June 30, 2025

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	China Petrochemical Development Corporation	The Corporation's institutional director	Financial assets at fair value through other comprehensive income - non-current	183,037,540	$ 1,197,065	4.84	$ 1,197,065	(Note 1)
		Century Development Corporation	—	Financial assets at fair value through other comprehensive income - non-current	10,633,492	74,541	3.03	74,541	(Note 1)
		HRDD Logistics Co., Ltd.	Substantive related party	Financial assets at fair value through other comprehensive income - non-current	13,600,000	23,368	14.11	23,368	(Note 1)
		Overseas Investment & Development Corporation	—	Financial assets at fair value through other comprehensive income - non-current	2,600,000	24,102	2.89	24,102	(Note 1)
		Agora Garden Co., Ltd.	The Corporation's affiliate	Financial assets at amortized cost - non-current	-	600,000	-	600,000	(Note 2)
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	200,449	0.81	200,449	(Note 1)

Note 1: The market prices of domestic and overseas listed stocks were based on the closing prices at the end of June 2025. The values of domestic and overseas unlisted stocks were based on the fair values of respective stocks at the end of June 2025.

Note 2: Bonds.

Note 3: The Company determines the securities that must be listed in accordance with the principle of materiality.

BES Engineering Corporation and Subsidiaries

Receivables from related parties amounting to at least NTD 100 million or 20% of the paid in capital

June 30, 2025

Table 4

Unit: In thousands of NTD, unless stated otherwise

Corporations listed as receivables	Name of counterparty	Relationship	Balance of receivables from related parties	Turnover rate	Overdue receivable accounts-related parties		Amount of post-term recovery of receivables from related parties	Amount to be provided for bad loans
					Amount	Treatment Method		
Cinemark-Core Pacific, Ltd.	Agora Garden Co., Ltd.	The Corporation's affiliate	Other receivables $ 110,129	Note	$ -	—	$ -	$ -

Note: It refers to the funds lent (including interest).

BES Engineering Corporation and Subsidiaries

Information on Investees (Excluding Investments in Mainland China)

Six months ended June 30, 2025

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	$ 1,530,254	$ 1,530,254	115,956,500	99.96	$ 1,142,433	($ 6,994)	($ 6,991)	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	1,403,478	13,026	13,026	Subsidiaries
	BES Logistics International Co., Ltd.	Republic of Mauritius	Investment	348,278	348,278	13,995,389	100.00	614,002	5,528	5,528	Subsidiaries
	Core Asia Human Resources 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	90,036	4,239	4,239	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	60,581	7,098	4,591	Subsidiaries
	Cinemark-Core Pacific, Ltd.	2F., No. 12, Dongxing Rd., Taipei City	Reality technology services and live house	315,380	315,380	29,455,180	91.76	242,163	(16,668)	(15,294)	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	26,271	275	252	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	213,391	3,822	3,822	Subsidiaries
	Huading Enterprise Co., Ltd.	14F., No. 12, Dongxing Rd., Taipei City	Urban renewal reconstruction	441,090	441,090	44,109,000	90.00	438,937	(737)	(664)	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	474,260	(3,563)	(3,563)	Subsidiaries
	Zhong Hua Cheng Development Co., Ltd.	Republic of Mauritius	Consultancy	330,714	330,714	9,500,000	100.00	471,767	(3,398)	(3,398)	Subsidiaries

(Continued on next page)

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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	$ 393,648	$ 745	$ 333	
	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	2,350	275	23	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	11,096	(14)	(14)	Subsidiaries
	BES Engineering Vietnam Company Limited	84 PHAN KHIEM ICH, P TAN PHONG, QUAN 7, TP HO CHI MINH, VIET NAM.	Contracting construction	130,437	1,048,410	-	60.00	104,066	12,099	7,259	Subsidiaries
(IV) Core Asia Human Resources Management Co., Ltd.	Elite Human Resources Management Co., Ltd.	2F., No. 12, Dongxing Rd., Taipei City	Human resource consulting	5,000	5,000	500,000	100.00	16,259	5,342	5,342	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	22,739	4,286	4,286	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	7,161	5,940	2,198	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	73,654	(14,917)	(7,399)	
	Cinema 7 Theater Co., Ltd.	2F., No. 12, Dongxing Rd., Taipei City	Movie broadcasting and retail sale of food, grocery and beverage	250,183	250,183	125,000	100.00	17,365	(1,054)	(1,054)	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	12,193	5,940	3,742	Subsidiaries

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

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, 2025

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	$ 14,510 thousand CNY 3,308 thousand	39.20%	$ 5,688 thousand CNY 1,297 thousand	$ 656,822 thousand CNY 160,553 thousand	$ 273,391 thousand USD 8,915 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	($ 3,498 thousand) (CNY 798 thousand)	100.00%	($ 3,498 thousand) (CNY 798 thousand)	$ 463,520 thousand CNY 113,302 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	($ 3,663 thousand) (CNY 835 thousand)	100.00%	($ 3,663 thousand) (CNY 835 thousand)	$ 465,922 thousand CNY 113,890 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	$ 14,510 thousand CNY 3,308 thousand	9.80%	$ 1,422 thousand CNY 324 thousand	$ 164,205 thousand CNY 40,138 thousand	$ 77,600 thousand USD 2,541 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)	($ 464 thousand) (CNY 114 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	$ 166 thousand CNY 38 thousand	24.30%	$ 40 thousand CNY 9 thousand	$ 22,068 thousand CNY 5,394 thousand	
HRDD Logistics Co., Ltd.	General warehousing, refrigerated warehousing, and automobile cargo carrier	$ 436,649 thousand CNY 96,370 thousand	(1) (Note 8)	$ 166,730 thousand CNY 34,000 thousand	-	-	$ 166,730 thousand CNY 34,000 thousand	- -	14.11%	- -	$ 23,368 thousand CNY 5,712 thousand	
Cinemark-Core (Suzhou) Pacific 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	($13,385 thousand) (CNY 3,052 thousand)	49.60%	($6,639 thousand) (CNY 1,514 thousand)	$ 18,702 thousand CNY 4,572 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	USD 12,103 thousand CNY 74,900 thousand	USD23,809 thousand	$ 13,136,846
Core Pacific World Co., Ltd.	USD 18,000 thousand	USD 19,000 thousand	758,252
Cinemark-Core Pacific, Ltd.	USD 7,875 thousand	USD 7,875 thousand	168,344

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: The Corporation did not participate in the cash capital increase of HRDD in proportion to its shareholding. The registration was completed on July 30, 2024, the changes in percentage of ownership interests resulted in a decrease of the Group’s continuing interest from 23.61% to 14.11%, with no significant influence and changed to financial assets measured at fair value through other comprehensive income.

Note 9: Except Xiamen Bonded Area Airport Logistics Park Construction Co., Ltd., Cinemark-Core (Shanghai) Pacific Management and Consulting, and Yunnan Core Pacific City, all gains and losses have been eliminated in the consolidated financial statements.

Note 10: The basis for recognition of investment gain or loss is based on the investee’s financial statements that were not reviewed by a CPA for the same period and the Corporation's shareholding.