

BES Engineering Corporation and
Its Subsidiaries

Consolidated Financial Statements
and Independent Auditors' Review
Report

For the Three Months Ended March 31, 2024
and 2023

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Independent Auditors' Review Report

To BES Engineering Corporation,

Preface

We have reviewed the consolidated statement of financial position of BES Engineering Corporation and its subsidiaries (collectively, the “Group”) for the three months ended March 31, 2024 and 2023 and the relevant consolidated statements of comprehensive income, changes in equity, and cash flows for the three months then ended, and relevant notes, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”). It is the management's responsibility to prepare financial statements that fairly present the Group's consolidated financial position in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard (IAS) 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission (FSC). Our responsibility is to draw conclusions on the consolidated financial statements as per the review results.

Scope

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

Basis for Qualified Conclusion

As mentioned in Note XIII to the consolidated financial statements, we did not review the financial statements of the same period non-material subsidiaries included in the above

consolidated financial statements, and their total assets by March 31, 2024 and 2023 were NTD 6,156,377 thousand and NTD 5,146,548 thousand, respectively, accounting for 10.85% and 10.90% of the total consolidated assets, respectively; total liabilities were NTD 448,298 thousand and NTD 560,766 thousand, respectively, representing 1.34% and 2.29% of the total consolidated liabilities, respectively; total consolidated comprehensive income for the three months ended March 31, 2024 and 2023 was NTD (19,483) thousand and NTD (10,686) thousand respectively, accounting for (18.51)% and (12.10)% 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 March 31, 2024 and 2023 were NTD 1,556,854 thousand and NTD 1,588,169 thousand, respectively, and the shares of comprehensive income (loss) of associates accounted for using the equity method for the three months ended March 31, 2024 and 2023 were NTD 27,274 thousand and NTD (3,416) thousand, respectively, which were recognized based on the unaudited financial statements of the investees for the same periods.

Qualified Conclusion

According to our review results, except that the financial statements of non-material subsidiaries described in the Basis for Qualified Conclusion paragraph may result in adjustment to the consolidated financial statements if reviewed by us, we have determined that the foregoing consolidated financial statements have been prepared in all material respects in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC, with a fair presentation of the Company’s consolidated financial position by March 31, 2024 and 2023 as well as the consolidated financial performance and consolidated cash flows for the three months ended March 31, 2024 and 2023.

Deloitte Taiwan

CPA Huang, Yao-Lin

CPA Chou, Shih- Chieh

Financial Supervisory Commission
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May 13, 2024

BES Engineering Corporation and Subsidiaries
Consolidated Statement of Financial Position
As of March 31, 2024, December 31, 2023, and March 31, 2023

Unit: NTD in thousands

Code	Assets	March 31, 2024		December 31, 2023		March 31, 2023	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and cash equivalents (Notes VI and XV)	\$ 2,862,483	5	\$ 3,634,597	7	\$ 3,261,490	7
1110	Financial assets at fair value through profit or loss - current (Note VII)	4,373	-	4,248	-	4,152	-
1120	Financial assets at fair value through other comprehensive income - current (Notes VIII and XXXIII)	967,412	2	875,959	2	1,248,751	3
1136	Financial assets at amortized cost - current (Notes IX, XXIV, and XXXIII)	6,164,039	11	6,248,734	11	3,849,737	8
1140	Contract asset-current (Notes XV, XXIV, and XXVI)	5,234,535	9	4,938,178	9	3,009,044	7
1150	Notes and trade receivables, net (Notes X, XXVI, and XXXII)	135,830	-	107,321	-	135,388	-
1180	Construction receivable (Notes X, XV, XXIV, XXVI, and XXXII)	4,334,921	8	4,034,845	7	3,826,283	8
1200	Accounts receivable for the development of industrial districts (Notes XI and XXIV)	2,327,808	4	2,811,621	5	3,002,751	6
1310	Inventories (Note XXIV)	217,877	-	214,169	-	272,903	1
1321	Buildings and land held for sale, net (Notes XII, XXIV, and XXXIII)	11,803,554	21	11,780,785	21	11,871,300	25
1324	Construction in progress (Notes XII, XXIV, and XXXIII)	11,575,813	20	10,630,431	19	6,024,858	13
1478	Refundable deposits on construction contracts (Note XXIV)	50,073	-	54,775	-	147,578	-
1479	Other current assets (Notes XV and XXXII)	<u>2,691,422</u>	<u>5</u>	<u>2,334,644</u>	<u>4</u>	<u>1,476,162</u>	<u>3</u>
11XX	Total current assets	<u>48,370,140</u>	<u>85</u>	<u>47,670,307</u>	<u>85</u>	<u>38,130,397</u>	<u>81</u>
	Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current (Notes VIII and XXXIII)	1,832,520	3	1,901,439	3	1,915,554	4
1535	Financial assets at amortized cost - non-current (Notes IX and XXXIII)	5,163	-	6,301	-	633,072	1
1550	Investments accounted for using equity method (Note XIV)	1,556,854	3	1,529,580	3	1,588,169	3
1600	Property, plant and equipment, net (Notes XVI and XXXIII)	3,231,662	6	3,209,812	6	3,083,345	7
1755	Right-of-use assets (Notes XVII and XXXII)	223,742	-	206,279	-	227,876	1
1760	Investment properties, net (Notes XVIII and XXXIII)	1,076,220	2	1,077,287	2	1,110,325	2
1840	Deferred tax assets (Note IV)	337,996	1	347,054	1	442,951	1
1920	Refundable deposits (Notes XV and XXXII)	58,066	-	59,477	-	53,271	-
1975	Defined benefit asset, net (Notes IV and XXIII)	27,934	-	16,970	-	8,266	-
1990	Other non-current assets	<u>21,238</u>	<u>-</u>	<u>24,715</u>	<u>-</u>	<u>33,699</u>	<u>-</u>
15XX	Total non-current assets	<u>8,371,395</u>	<u>15</u>	<u>8,378,914</u>	<u>15</u>	<u>9,096,528</u>	<u>19</u>
1XXX	Total assets	<u>\$ 56,741,535</u>	<u>100</u>	<u>\$ 56,049,221</u>	<u>100</u>	<u>\$ 47,226,925</u>	<u>100</u>
Code	Liabilities and Equity						
	Current liabilities						
2100	Short-term borrowings (Notes XIX and XXXIII)	\$ 5,397,100	9	\$ 5,891,500	11	\$ 4,983,400	11
2110	Short-term notes and bills payable (Notes XIX and XXXIII)	1,461,362	3	1,461,960	3	1,497,021	3
2130	Contract liabilities-current (Notes XV, XXIV, XXVI, and XXXII)	3,796,672	7	3,558,584	6	2,618,506	5
2150	Notes payable (Note XXIV)	3,734	-	13,725	-	18,814	-
2170	Accounts payable (Notes XV, XX, and XXIV)	5,426,638	10	6,371,331	11	4,987,133	11
2209	Accrued expenses (Notes XV and XXXII)	652,315	1	676,888	1	491,939	1
2219	Accounts payable for the development of industrial districts (Notes XXI and XXIV)	18,371	-	19,058	-	18,051	-
2230	Current tax liabilities (Note IV)	29,189	-	28,292	-	73,617	-
2250	Provisions - current (Notes XXII and XXIV)	504,658	1	505,734	1	492,533	1
2280	Lease liabilities - current (Notes XVII and XXXII)	90,796	-	77,121	-	77,816	-
2322	Long-term borrowings - current portion (Notes XIX and XXXIII)	895,734	2	631,181	1	77,173	-
2330	Guarantee deposits on construction contracts (Note XXIV)	823,682	1	761,530	1	604,687	1
2399	Other current liabilities (Notes XV and XXXII)	<u>221,051</u>	<u>-</u>	<u>216,074</u>	<u>1</u>	<u>303,002</u>	<u>1</u>
21XX	Total current liabilities	<u>19,321,302</u>	<u>34</u>	<u>20,212,978</u>	<u>36</u>	<u>16,243,692</u>	<u>34</u>
	Non-current liabilities						
2540	Long-term borrowings (Notes XIX and XXXIII)	11,446,508	20	9,971,322	18	5,961,297	13
2550	Provisions - non-current (Note XXII)	930,278	2	930,278	1	971,846	2
2570	Deferred tax liabilities (Note IV)	1,082,077	2	1,084,015	2	1,090,150	2
2580	Lease liabilities - non-current (Notes XVII and XXXII)	143,086	-	139,962	-	160,769	1
2645	Guarantee deposits received (Notes XXXII and XXXV)	<u>414,314</u>	<u>1</u>	<u>411,945</u>	<u>1</u>	<u>34,667</u>	<u>-</u>
25XX	Total non-current liabilities	<u>14,016,263</u>	<u>25</u>	<u>12,537,522</u>	<u>22</u>	<u>8,218,729</u>	<u>18</u>
2XXX	Total liabilities	<u>33,337,565</u>	<u>59</u>	<u>32,750,500</u>	<u>58</u>	<u>24,462,421</u>	<u>52</u>
	Equity attributable to owners of the Corporation						
3110	Ordinary share capital	<u>15,308,998</u>	<u>27</u>	<u>15,308,998</u>	<u>27</u>	<u>15,308,998</u>	<u>32</u>
3200	Capital reserve	<u>96,521</u>	<u>-</u>	<u>96,521</u>	<u>-</u>	<u>84,005</u>	<u>-</u>
	Retained earnings						
3310	Legal reserve	1,200,927	2	1,200,927	2	1,116,990	3
3320	Special reserve	2,475,958	5	2,475,958	5	2,475,958	5
3350	Undistributed earnings	<u>4,173,958</u>	<u>7</u>	<u>4,064,226</u>	<u>7</u>	<u>4,210,087</u>	<u>9</u>
3300	Total retained earnings	<u>7,850,843</u>	<u>14</u>	<u>7,741,111</u>	<u>14</u>	<u>7,803,035</u>	<u>17</u>
3490	Other equity	(<u>655,376</u>)	(<u>1</u>)	(<u>685,775</u>)	(<u>1</u>)	(<u>493,372</u>)	(<u>1</u>)
31XX	Total equity attributable to owners of the Corporation	<u>22,600,986</u>	<u>40</u>	<u>22,460,855</u>	<u>40</u>	<u>22,702,666</u>	<u>48</u>
36XX	Non-controlling Equity	<u>802,984</u>	<u>1</u>	<u>837,866</u>	<u>2</u>	<u>61,838</u>	<u>-</u>
3XXX	Total equity	<u>23,403,970</u>	<u>41</u>	<u>23,298,721</u>	<u>42</u>	<u>22,764,504</u>	<u>48</u>
	Total liabilities and equity	<u>\$ 56,741,535</u>	<u>100</u>	<u>\$ 56,049,221</u>	<u>100</u>	<u>\$ 47,226,925</u>	<u>100</u>

The notes attached are part of the consolidated financial statements.
(Please refer to the review report by Deloitte Taiwan dated May 13, 2024)

Chairman: Chou, Chih-Ming

Manager: Chou, Chih-Ming

Chief Accounting Officer: Su, Yu-Min

BES Engineering Corporation and Subsidiaries
Consolidated Statement of Comprehensive Income
Three Months Ended March 31, 2024 and 2023

		Unit: In NTD thousands except for earnings per share which is in NTD 1			
		Three Months Ended March 31, 2024		Three Months Ended March 31, 2023	
Code		Amount	%	Amount	%
	Operating revenue (Notes XV, XXVI, and XXXII)				
4520	Income from construction	\$ 4,587,168	93	\$ 3,594,123	90
4800	Business and other operating revenue	<u>333,974</u>	<u>7</u>	<u>385,927</u>	<u>10</u>
4000	Total operating revenue	<u>4,921,142</u>	<u>100</u>	<u>3,980,050</u>	<u>100</u>
	Operating cost (Notes XV, XXVII, and XXXII)				
5520	Construction costs	4,274,561	87	3,354,298	84
5800	Business and other operating costs	<u>321,845</u>	<u>6</u>	<u>350,134</u>	<u>9</u>
5000	Total operating costs	<u>4,596,406</u>	<u>93</u>	<u>3,704,432</u>	<u>93</u>
5950	Gross profit	<u>324,736</u>	<u>7</u>	<u>275,618</u>	<u>7</u>
	Operating expenses (Notes XXVII and XXXII)				
6100	Selling expenses	22,947	1	34,067	1
6200	Management expenses	90,395	2	83,252	2
6300	Research and development expenses	<u>6,829</u>	<u>-</u>	<u>5,363</u>	<u>-</u>
6000	Total operating expenses	<u>120,171</u>	<u>3</u>	<u>122,682</u>	<u>3</u>
6900	Net operating income	<u>204,565</u>	<u>4</u>	<u>152,936</u>	<u>4</u>
	Non-operating income and expenses				
7100	Interest revenue (Notes XXVII and XXXII)	10,590	-	9,804	-
7010	Other income (Notes XXVII and XXXII)	22,724	-	21,670	-
7020	Other gains and losses (Notes XXVII)	(20,516)	-	(2,255)	-

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Code		Three Months Ended March 31, 2024		Three Months Ended March 31, 2023	
		Amount	%	Amount	%
7050	Financial costs (Notes XII, XIX, XXVII, and XXXII)	(\$ 68,855)	(1)	(\$ 49,844)	(1)
7060	Share of losses on associates using the equity method (Note XIV)	(9,517)	-	(1,715)	-
7000	Total non-operating income and expenses	(65,574)	(1)	(22,340)	(1)
7900	Net income before tax	138,991	3	130,596	3
7950	Income tax expense (Notes IV and XXVIII)	32,017	1	27,984	1
8200	Net income in this period	106,974	2	102,612	2
	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	22,534	-	36,660	1
8360	Items that may subsequently be reclassified to profit or loss:				
8361	Exchange differences on translation of the financial statements of foreign operations	(61,050)	(1)	(49,291)	(1)

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Code		Three Months Ended March 31, 2024		Three Months Ended March 31, 2023	
		Amount	%	Amount	%
8370	Share of other comprehensive income of associates using the equity method	<u>36,791</u> <u>(24,259)</u>	<u>1</u> <u>-</u>	<u>(1,701)</u> <u>(50,992)</u>	<u>-</u> <u>(1)</u>
8300	Other comprehensive income for the current period (net of tax)	<u>(1,725)</u>	<u>-</u>	<u>(14,332)</u>	<u>-</u>
8500	Total comprehensive income in this period	<u>\$ 105,249</u>	<u>2</u>	<u>\$ 88,280</u>	<u>2</u>
	Net income attributable to:				
8610	Owners of the Corporation	\$ 109,732	2	\$ 104,725	3
8620	Non-controlling Equity	<u>(2,758)</u>	<u>-</u>	<u>(2,113)</u>	<u>-</u>
8600		<u>\$ 106,974</u>	<u>2</u>	<u>\$ 102,612</u>	<u>3</u>
	Total comprehensive income attributable to:				
8710	Owners of the Corporation	\$ 140,131	3	\$ 90,390	2
8720	Non-controlling Equity	<u>(34,882)</u>	<u>(1)</u>	<u>(2,110)</u>	<u>-</u>
8700		<u>\$ 105,249</u>	<u>2</u>	<u>\$ 88,280</u>	<u>2</u>
	Earnings per share (Note XXIX)				
9710	Basic	<u>\$ 0.07</u>		<u>\$ 0.07</u>	
9810	Diluted	<u>\$ 0.07</u>		<u>\$ 0.07</u>	

The notes attached are part of the consolidated financial statements.

(Please refer to the review report by Deloitte Taiwan dated May 13, 2024)

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

BES Engineering Corporation and Subsidiaries
Consolidated Statement of Changes in Equity
Three Months Ended March 31, 2024 and 2023

Unit: NTD in thousands

Equity attributable to owners of the Corporation (Note XXV)														
Code		Share Capital		Retained earnings					Other equity items				Non-controlling equity (Notes XXV and XXX)	Total equity
		Number of shares (in thousands)	Amount	Capital reserve	Legal reserve	Special reserve	Undistributed earnings	Total	Exchange differences on translation of foreign operations	Unrealized gains or losses on financial assets at fair value through other comprehensive income	Total	Total		
A1	Balance on January 1, 2023	<u>1,530,899</u>	<u>\$ 15,308,998</u>	<u>\$ 74,648</u>	<u>\$ 1,116,990</u>	<u>\$ 2,475,958</u>	<u>\$ 4,105,362</u>	<u>\$ 7,698,310</u>	<u>(\$ 180,793)</u>	<u>(\$ 296,350)</u>	<u>(\$ 477,143)</u>	<u>\$ 22,604,813</u>	<u>\$ 71,411</u>	<u>\$ 22,676,224</u>
M5	Part of the equity of subsidiaries acquired	-	-	9,357	-	-	-	-	(1,205)	(689)	(1,894)	7,463	(7,463)	-
D1	Net income (loss) for three months ended March 31, 2023	-	-	-	-	-	104,725	104,725	-	-	-	104,725	(2,113)	102,612
D3	Other comprehensive income, net of taxes, for three months ended March 31, 2023	-	-	-	-	-	-	-	(50,995)	36,660	(14,335)	(14,335)	3	(14,332)
D5	Total comprehensive income for three months ended March 31, 2023	-	-	-	-	-	104,725	104,725	(50,995)	36,660	(14,335)	90,390	(2,110)	88,280
Z1	Balance on March 31, 2023	<u>1,530,899</u>	<u>\$ 15,308,998</u>	<u>\$ 84,005</u>	<u>\$ 1,116,990</u>	<u>\$ 2,475,958</u>	<u>\$ 4,210,087</u>	<u>\$ 7,803,035</u>	<u>(\$ 232,993)</u>	<u>(\$ 260,379)</u>	<u>(\$ 493,372)</u>	<u>\$ 22,702,666</u>	<u>\$ 61,838</u>	<u>\$ 22,764,504</u>
A1	Balance on January 1, 2024	<u>1,530,899</u>	<u>\$ 15,308,998</u>	<u>\$ 96,521</u>	<u>\$ 1,200,927</u>	<u>\$ 2,475,958</u>	<u>\$ 4,064,226</u>	<u>\$ 7,741,111</u>	<u>(\$ 220,686)</u>	<u>(\$ 465,089)</u>	<u>(\$ 685,775)</u>	<u>\$ 22,460,855</u>	<u>\$ 837,866</u>	<u>\$ 23,298,721</u>
D1	Net income (loss) for three months ended March 31, 2024	-	-	-	-	-	109,732	109,732	-	-	-	109,732	(2,758)	106,974
D3	Other comprehensive income, net of taxes, for three months ended March 31, 2024	-	-	-	-	-	-	-	7,862	22,537	30,399	30,399	(32,124)	(1,725)
D5	Total comprehensive income for three months ended March 31, 2024	-	-	-	-	-	109,732	109,732	7,862	22,537	30,399	140,131	(34,882)	105,249
Z1	Balance on March 31, 2024	<u>1,530,899</u>	<u>\$ 15,308,998</u>	<u>\$ 96,521</u>	<u>\$ 1,200,927</u>	<u>\$ 2,475,958</u>	<u>\$ 4,173,958</u>	<u>\$ 7,850,843</u>	<u>(\$ 212,824)</u>	<u>(\$ 442,552)</u>	<u>(\$ 655,376)</u>	<u>\$ 22,600,986</u>	<u>\$ 802,984</u>	<u>\$ 23,403,970</u>

The notes attached are part of the consolidated financial statements.
(Please refer to the review report by Deloitte Taiwan dated May 13, 2024)

Chairman: Chou, Chih-Ming

Manager: Chou, Chih-Ming

Chief Accounting Officer: Su, Yu-Min

BES Engineering Corporation and Subsidiaries

Consolidated Statement of Cash Flows

Three Months Ended March 31, 2024 and 2023

Unit: NTD in thousands

Code		Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
	Cash flow of operating activities		
A10000	Net income before tax	\$ 138,991	\$ 130,596
A20010	Income and expenses		
A20100	Depreciation expense	45,384	38,762
A20400	Losses (gains) on financial assets at fair value through profit or loss	(125)	22
A20900	Financial costs	68,855	49,844
A21200	Interest income	(10,590)	(9,804)
A22300	Share of profit or loss of associates accounted for using the equity method	9,517	1,715
A22500	Losses on disposal of property, plant and equipment	729	(10,919)
A29900	Compensation loss (reversal)	4,147	(248)
A30000	Net change in operating assets and liabilities		
A31125	Contract assets	(296,357)	(510,503)
A31150	Notes and trade receivables	(28,509)	(39,904)
A31160	Construction receivables	(300,076)	(1,223,118)
A31180	Accounts receivable on the development of industrial districts	483,813	(104,704)
A31200	Inventories	(3,708)	(17,681)
A31120	Construction in progress	(906,326)	(1,112,570)
A31990	Buildings and land held for sale	-	34,289
A31240	Other current assets	(355,721)	(122,322)
A32125	Contract liabilities	238,088	437,032
A32130	Notes payable	(9,991)	15,460
A32150	Accounts payable	(944,693)	694,464
A32180	Accounts payable for the development of industrial districts	(687)	(312)
A32190	Accrued expenses	(28,538)	(147,321)
A32200	Provision	(5,223)	240
A32240	Net defined benefit liabilities	(10,964)	(3,006)
A32230	Other current liabilities	4,977	19,483
A33000	Cash used in operations	(1,907,007)	(1,880,505)
A33100	Interest received	10,435	9,476
A33300	Interest paid	(126,637)	(65,841)
A33500	Income tax paid	(24,902)	(7,613)
AAAA	Net cash used in operating activities	(2,048,111)	(1,944,483)

(Continued on next page)

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Code		Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
	Cash flow of investing activities		
B00050	Decrease in financial assets at amortized cost	\$ 85,833	\$ 90,350
B00100	Financial assets at fair value through profit or loss acquired	-	(32)
B02700	Property, plant and equipment acquired	(40,540)	(8,463)
B02800	Proceeds from the disposal of property, plant and equipment	974	12,163
B03700	Decrease (increase) in refundable deposits	6,113	(15,703)
B06700	Decrease in other assets	<u>3,477</u>	<u>24,001</u>
BBBB	Net cash generated from investing activities	<u>55,857</u>	<u>102,316</u>
	Cash flow of financing activities		
C00200	Decrease in short-term borrowings	(494,400)	(25,600)
C00600	Increase (decrease) in short-term notes payable	(598)	446,970
C01600	Borrowing of long-term loans	1,739,739	237,253
C03100	Increase in guarantee deposits received	64,521	32,413
C04020	Repayment of principal portion of lease liability	(<u>23,751</u>)	(<u>21,298</u>)
CCCC	Net cash generated from financing activities	<u>1,285,511</u>	<u>669,738</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	(<u>65,371</u>)	(<u>50,624</u>)
EEEE	Net decrease in cash and cash equivalents	(772,114)	(1,223,053)
E00100	Opening balance of cash and cash equivalents	<u>3,634,597</u>	<u>4,189,543</u>
E00200	Ending balance of cash and cash equivalents	<u>\$ 2,862,483</u>	<u>\$ 2,966,490</u>

Reconciliation of ending balance of cash and cash equivalents

<u>Code</u>		<u>March 31, 2024</u>	<u>March 31, 2023</u>
E00210	Cash and cash equivalents in the consolidated balance sheet	\$ 2,862,483	\$ 3,261,490
E00240	Bank overdraft	<u>-</u>	(<u>295,000</u>)
E00200	Balance of cash and cash equivalents	<u>\$ 2,862,483</u>	<u>\$ 2,966,490</u>

The notes attached are part of the consolidated financial statements.
(Please refer to the review report by Deloitte Taiwan dated May 13, 2024)

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

BES Engineering Corporation and Subsidiaries
Notes to Consolidated Financial Statements
Three Months Ended March 31, 2024 and 2023
(In NTD thousands, unless specified otherwise)

I. History of the Corporation

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

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

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

II. Date and Procedure for Approval of Financial Statements

These consolidated financial statements were approved by the board of directors on May 13, 2024.

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

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

Except for the following, the application of the amendments to the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

(II) 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 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9—Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosures of Financial Statements”	January 1, 2027
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

Note 1: Unless otherwise noted, the above new, amended and revised standards and interpretations take effective in their respective annual reporting period beginning on or after their respective dates.

Note 2: Applicable to annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, no restatement of comparatives is required. Instead, the cumulative effects should be recognized in retained earnings or other components of equity, as appropriate, such as the cumulative translation adjustments of foreign operations, on the initial application date, with corresponding adjustments to the related assets and liabilities.

IFRS 18 “Presentation and Disclosures of Financial Statements”

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

- The income and loss items should be divided into business, investment, financing, income tax, and discontinued operations.
- The income statement should present operating profit or loss, profit or loss before financing and income tax, as well as subtotal and total profit and loss.
- Guidance is provided to reinforce the principles of aggregation and disaggregation: The Group should identify assets, liabilities, equity, income, expenses, and cash flows from individual transactions or other events, and aggregate and disaggregate them based on shared characteristics. At a minimum, each line item presented in the primary financial statements should share one

common characteristic. Items with different characteristics should be broken down in the main financial statements and notes. The Group only marks such items as “others” when no more informative name can be found.

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

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

IV. Summary of Significant Accounting Policies

(I) Statement of compliance

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

(II) Basis of preparation

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

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

1. Level 1 inputs: Quoted (unadjusted) prices in active markets for identical assets or liabilities on the measurement date.

2. Level 2 inputs: Inputs, other than quoted prices within level 1 that are observable, either directly (i.e. prices) or indirectly (i.e. derived from prices) for assets or liabilities.
3. Level 3 inputs: Unobservable inputs for assets or liabilities.

(III) Basis of consolidation

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

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

Please refer to Note XIII and Tables 4 and 5 for the details, shareholding, and scope of services of subsidiaries.

(IV) Other significant accounting policies

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

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

Current assets include:

- (1) Assets held primarily for the purpose of trading;
- (2) Assets expected to be realized within 12 months after the balance sheet date; and

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

Current liabilities include:

- (1) Liabilities held primarily for the purpose of trading;
- (2) Liabilities due to be settled within 12 months after the balance sheet date (regardless of whether refinancing or rearrangement of payment terms has been completed on a long-term basis after the balance sheet date but before the approval of the financial statements), and
- (3) At the balance sheet date, the Group has no substantive right to defer settlement of liabilities for at least 12 months after the balance sheet date.

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

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

2. Retirement benefits

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

3. Income tax expense

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

V. 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, 2023.

VI. Cash and cash equivalents

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand	\$ 6,889	\$ 7,151	\$ 6,429
Bank checks and demand deposits	2,328,413	2,974,858	2,855,061
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	527,181	652,588	400,000
	<u>\$ 2,862,483</u>	<u>\$ 3,634,597</u>	<u>\$ 3,261,490</u>

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

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial asset</u>			
Mandatorily at fair value through profit or loss			
Non-derivative financial assets			
— Mutual funds	\$ 4,373	\$ 4,248	\$ 4,120
— Stocks listed overseas	-	-	32
	<u>\$ 4,373</u>	<u>\$ 4,248</u>	<u>\$ 4,152</u>

VIII. Financial assets at fair value through other comprehensive income

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Current</u>			
Domestic investment			
Listed stocks	<u>\$ 967,412</u>	<u>\$ 875,959</u>	<u>\$ 1,248,751</u>
<u>Non-current</u>			
Domestic investment			
Listed stocks	\$ 1,718,722	\$ 1,788,277	\$ 1,802,920
Unlisted stocks	113,798	113,162	112,634
	<u>\$ 1,832,520</u>	<u>\$ 1,901,439</u>	<u>\$ 1,915,554</u>

The Group invests in common stocks of Taiwan Business Bank, China Petrochemical Development Corporation (the “China Petrochemical Development”), Century Development Corporation, and Overseas Investment & Development Corporation for the medium- to long-term strategic purposes and expects to earn profits through long-term investments. The Group’s management team believes that if the

short-term fair value fluctuations of such investments are included in profit or loss, it would be inconsistent with the above-mentioned long-term investment plan, so it elected to designate these investments in equity instruments as at fair value through other comprehensive income.

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

IX. Financial assets at amortized cost

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Current</u>			
Domestic investment			
Time deposits with original maturities of more than 3 months	\$ 3,334,315	\$ 3,407,264	\$ 1,889,237
Others (Note)	<u>2,829,724</u>	<u>2,841,470</u>	<u>1,960,500</u>
	<u>\$ 6,164,039</u>	<u>\$ 6,248,734</u>	<u>\$ 3,849,737</u>
<u>Non-current</u>			
Domestic investment			
Time deposits with original maturities of more than 3 months	\$ 3,339	\$ 3,566	\$ 3,070
Others (Note)	<u>1,824</u>	<u>2,735</u>	<u>630,002</u>
	<u>\$ 5,163</u>	<u>\$ 6,301</u>	<u>\$ 633,072</u>

Note: 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

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Notes receivables</u>	<u>\$ 196</u>	<u>\$ 329</u>	<u>\$ 122</u>
<u>Trade receivables</u>			
Measured at amortized cost			
Total carrying amount	135,972	107,330	135,666
Less: Allowance for impairment losses	(<u>338</u>)	(<u>338</u>)	(<u>400</u>)
	<u>135,634</u>	<u>106,992</u>	<u>135,266</u>
Notes and trade receivables, net	<u>\$ 135,830</u>	<u>\$ 107,321</u>	<u>\$ 135,388</u>
Construction receivables	<u>\$ 4,334,921</u>	<u>\$ 4,034,845</u>	<u>\$ 3,826,283</u>

Trade and construction receivable

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

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

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

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

Age analysis of trade and construction receivable was as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Not past due	\$ 4,451,031	\$ 4,141,030	\$ 3,959,593
60 days or fewer	19,425	807	1,842
61-90 days	<u>99</u>	<u>-</u>	<u>114</u>
Total	<u>\$ 4,470,555</u>	<u>\$ 4,141,837</u>	<u>\$ 3,961,549</u>

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

	<u>Three Months Ended March 31, 2024</u>	<u>Three Months Ended March 31, 2023</u>
Balance at the beginning of the Period	\$ 338	\$ 400
Less: Impairment loss reversed in this period	<u>-</u>	<u>-</u>
Ending balance	<u>\$ 338</u>	<u>\$ 400</u>

XI. Accounts receivable on the development of industrial districts

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Chung Hua Coastal Industrial Park	\$ 417,696	\$ 897,375	\$ 1,077,397
Yunlin Technology-Based Industrial Park	9,265	7,390	4,451
Other Industrial Districts	<u>1,900,847</u>	<u>1,906,856</u>	<u>1,920,903</u>
	<u>\$ 2,327,808</u>	<u>\$ 2,811,621</u>	<u>\$ 3,002,751</u>

For the three months ended March 31, 2024 and 2023, the Group continued to invest in the development (including interest accrued) in the amounts of NTD 272,894 thousand and NTD 263,629 thousand, respectively; the amounts recovered for the three months ended March 31, 2024 and 2023 were NTD 756,707 thousand and NTD 158,925 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 were evaluated, it is not necessary to set aside an allowance for doubtful accounts for now:

- (I) The price of land in an industrial zone is determined at the estimated total development cost, and there is a monthly adjustment mechanism to add interest accrued to the selling prices to respond to the interest accrued after the record date for the determination of the development cost as the basis for the real prices of the industrial zones in real time. The price paid by the vendors are included in interest incurred after said record date for the determination of the development cost. The development costs borne by the entity entrusted for development of the industrial zones for a land lease project carried out by the Bureau of Industrial Parks, Ministry of Economic Affairs are also calculated based on the prices in the month when a business signed a lease agreement. Income from land leases and sales is only one of the prioritized methods for repaying the advance payments for the development, and such advance payments can also be repaid through budgeting or other relevant alternative measures.
- (II) As an industrial zone development agreement is civil law appointment contract, an entity entrusted for the development does not have to bear the risk of profit or loss. This is because the fees paid by the appointed firms are legally required and

reimbursed from the appointing party which is a government agency and such an agent's credit is unquestionable.

- (III) The development agreement only stipulates that the sale price of the land is prioritized to repay the advance payments for the development made by the entrusted entity and does not stipulate that the income from land leases and sales is the only source of repayment. The development of the industrial zones is the government's policy tool to promote industrial development. If the land in an industrial zone is unable to be sold out as the rent or the sale price is higher than the market price, the government needs to adopt countermeasures to solve the problem. The collectability of advance payments made by the entrusted entity is not necessarily related to whether the land can be sold out successfully.
- (IV) No bad debt has been incurred for the Group's accounts receivable on the development of industrial districts as per the historical records. In addition, the Bureau of Industrial Parks, Ministry of Economic Affairs has not stated or indicated that it will not repay the advance payments for the development made by the Group, and the funds will be collected successively, and some of the cases have been fully collected.

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

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

Buildings constructed by the Group through investment for sale are as follows:

	Buildings and land held for sale	Construction in progress		
		Land held for construction	Construction costs	Total
<u>March 31, 2024</u>				
Self-construction on self-owned land	\$ 411,982	\$ 1,244,634	\$ 6,411,531	\$ 7,656,165
Joint construction	11,391,572	115,830	3,778,582	3,894,412
Unspecified use	-	25,236	-	25,236
	<u>\$ 11,803,554</u>	<u>\$ 1,385,700</u>	<u>\$ 10,190,113</u>	<u>\$ 11,575,813</u>
<u>December 31, 2023</u>				
Self-construction on self-owned land	\$ 411,904	\$ 1,244,634	\$ 5,739,619	\$ 6,984,253
Joint construction	11,368,881	115,830	3,505,112	3,620,942
Unspecified use	-	25,236	-	25,236
	<u>\$ 11,780,785</u>	<u>\$ 1,385,700</u>	<u>\$ 9,244,731</u>	<u>\$ 10,630,431</u>
<u>March 31, 2023</u>				
Self-construction on self-owned land	\$ 411,889	\$ 1,244,634	\$ 2,339,248	\$ 3,583,882
Joint construction and allocation of units	11,459,411	115,830	2,299,910	2,415,740
Unspecified use	-	25,236	-	25,236
	<u>\$ 11,871,300</u>	<u>\$ 1,385,700</u>	<u>\$ 4,639,158</u>	<u>\$ 6,024,858</u>

The Group's investments in the above buildings and land are specifically held for sales purposes. The allowance for valuation losses were both NTD 39,245 thousand on March 31, 2024 and on December 31 and March 31, 2023.

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

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

- (1) Regarding the site at 57-13, Subsection 1, Baoqing Section, the renewal unit planning was completed in October 2013, and was approved in December 2015, the rights transformation plan was approved in December 2018, the letter of approval of the rights transformation plan was received on January 23, 2019, the

building permit was approved on June 13, 2019, the first government coordination meeting was held on September 26, 2019, the commissioned demolition review committee was passed on December 10, 2019, relocation was completed in March 2020, demolition of the buildings was completed in July 2020, and the beam erection ceremony was held on September 6, 2022. By March 31, 2024, the interior and exterior decorations were still in progress.

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

At the end of 2015 the Group engaged in three urban renewal projects at Subsection 3, No. 316 Nangang Section, renewal unit zoning was completed in June 2015, and was approved in October 2020, the right transformation plan was held on November 28, 2020, the house selection was completed in January 2021, the hearing meeting was held on May 20, 2022, and the approval letter was received on July 11, 2023. By March 31, 2024, the review of the household relocation operation was still in progress.

On May 13, 2020, the Group's board of directors approved a land development project of Peibo section, Tucheng. The demolition of buildings was completed in June 2020 and a public hearing was held on April 27, 2021. The review on design change was completed on May 27, 2022, the construction license was approved on June 24, 2023, and the beam erection ceremony was held on August 14, 2023. By March 31, 2024, the structural work was still in progress.

On October 13, 2021, the Group won the contract for the government-led urban renewal project of public and private land around No. 290, Dongsheng Section, Shulin District, New Taipei City, completed contract with the New Taipei City Government on December 24, 2021, and filed an application for the scope of urban renewal to the Finance Department in December 2022. The house selection was completed on October 25, 2023, and the business plan and rights transformation plan have been submitted for

approval on December 22, 2023. By March 31, 2024, the negotiation was still in progress.

On May 11, 2022, the Group's board of directors approved a land urban renewal project launched by itself at 135-1, Subsection 1, Dunhua Section, Songshan District, Taipei City. On February 24, 2023, the application for the renewal of zoning was approved. The house selection was completed on October 25, 2023, and the seminars of the change of urban renewal area had been completed by March 31, 2024.

On April 26, 2023, the Group acquired six land urban renewal projects, including land lot 60-19, Fuhe Section Sub-Section 2, Zhongzheng District, Taipei City, and signed a contract with the Taipei Housing and Urban Regeneration Center on August 24, 2023. By March 31, 2024, the house selection was still in progress.

On July 28, 2023, The Group was awarded a tender for the 14 urban renewal plans located on the land in No. 956, Gongguan Section, Banqiao District, New Taipei City. On October 25, 2023, the Group completed the contract signing with the National Housing and Urban Regeneration Center. On March 21, 2024, a public hearing for rights conversion was held, and by March 31, 2024, the house selection was still in progress.

The Group was awarded a tender for the 2 urban renewal plans located on the land in No. 246, Subsection 2, Daan Section, Da'an District, Taipei City in September 2023. In October 2023, the Group had submitted an application for the renewal of zoning, and by March 31, 2024, negotiations for integration and relevant assessments were still in progress.

The Group's interest expenses before capitalization for the three months ended March 31, 2024 and 2023 were NTD 130,602 thousand and NTD 73,468 thousand, respectively, and the capitalized interest on the construction in progress was NTD 61,747 thousand and NTD 23,624 thousand, respectively; the capitalized annual rates of interest were 2.721%-2.722% and 2.540%-2.551%, respectively.

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

XIII. Subsidiaries

Subsidiaries included in the consolidated financial statements

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

Name of investor	Name of subsidiary	Nature of business	% of equity held			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
BES Engineering Corporation	Core Pacific World Co., Ltd.	Investment	99.95	99.95	99.95	1
	BES Investment Corporation Ltd.	Overseas construction and equipment sale	100.00	100.00	100.00	1 and 5
	BES Logistics International Co., Ltd.	Investment	100.00	100.00	100.00	1
	Core Asia Human Resource Management Corporation	Business management consultancy and investment advices	100.00	100.00	100.00	1
	Chung Kung Safeguarding and Security Corp.	Security business	64.67	64.67	64.67	1
	Cinemark-Core Pacific, Ltd.	Domestic and overseas movie playing	91.76	91.76	91.76	1 and 3
	BES Construction Corporation (U.S.A)	Land development and investment	91.79	91.79	91.79	1 and 2
	BES Global Investment Co.	Overseas construction and equipment sale	100.00	100.00	100.00	1
	BESM Holding Co., Ltd.	Investment Holding	100.00	100.00	100.00	1
Core Pacific World Co., Ltd.	Huading Enterprise Co., Ltd.	Urban Renewal Reconstruction	90.00	90.00	-	1 and 4
	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
Core Asia Human Resource Management Corporation	Elite Human Resources Management Co., Ltd.	Human resource consulting	100.00	100.00	100.00	1
Chung Kung Safeguarding and Security Corp.	Chung Kung Management Consultant Co., Ltd.	Operation of parking lots and business management consultancy	100.00	100.00	100.00	1
	Chung Kung Management and Maintenance of Apartment Co., Ltd.	Management service of apartment buildings	37.00	37.00	37.00	1 and 2
Chung Kung Management Consultant Co., Ltd.	Chung Kung Management and Maintenance of Apartment Co., Ltd.	Management service of apartment buildings	63.00	63.00	63.00	1 and 2
BES Investment Corporation Ltd.	BES Construction Corporation (U.S.A.)	Land development and investment	8.21	8.21	8.21	1 and 2
	Global BES Engineering (Myanmar) Co., Ltd.	Contracting Construction	100.00	100.00	100.00	1
	BES Engineering Vietnam Company Limited	Contracting Construction	60.00	60.00	100.00	1 and 5
Chinese City International Investment Co., Ltd.	Hua Cheng Consulting (Changshu) Co., Ltd.	Engineering and design consultancy	100.00	100.00	100.00	1
Zhong Hua Cheng Development Co., Ltd.	Core Pacific Consulting (Changshu)Co., Ltd.	Engineering and design consultancy	100.00	100.00	100.00	1

Notes:

1. The financial statements of non-material subsidiaries for the three months ended March 31, 2024 and 2023 were not reviewed by CPAs.
2. The Group's holds more than 50% of the total shares with the control over the subsidiary.
3. On March 21, 2023, the Corporation subscribed the shares of Cinemark-Core Pacific, Ltd. through its seasoned equity offerings of 2023 for NTD 200,000 thousand. Due to the percentage different from its existing ownership percentage,

the shareholding increased from 78.14% to 91.76%. Please refer to Note XXX for the transaction of non-controlling shares.

4. On May 10, 2023, the Corporation's board of directors approved the establishment of Huading Enterprise Co., Ltd., and the registration of the change had been completed in June 2023. The Corporation held 90% of the total shares with the control over it; therefore, it is included as an entity in the consolidated financial statements. In addition, on July 25, 2023, the Corporation subscribed Huading Enterprise Co., Ltd. for the 2023 cash capital increase for NTD 90 thousand in proportion to the shareholding.
5. On July 27, 2023, the Corporation subscribed to a cash capital increase of its subsidiary, BES Investment Company Ltd., with an amount of USD 10 million. The subsidiary then injected USD 10 million into BES Engineering Vietnam Company Limited as a capital increase, with the relevant procedures having been completed in 2023. Furthermore, since the Corporation did not participate in the cash capital increase of BES Engineering Vietnam Company Limited in proportion to its existing ownership interest, its shareholding percentage decreased from 100.00% to 60.00%. For details on the transaction with non-controlling equity, please refer to Note XXX.

XIV. Investments accounted for using the equity method

Investment in associates

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Individually non-material associates	<u>\$ 1,556,854</u>	<u>\$ 1,529,580</u>	<u>\$ 1,588,169</u>

Aggregate information on individually non-material associates

	<u>Three Months Ended March 31, 2024</u>	<u>Three Months Ended March 31, 2023</u>
The Group's share		
Net loss in this period	(\$ 9,517)	(\$ 1,715)
Other Comprehensive Incomes and Losses	<u>36,791</u>	<u>(1,701)</u>
Total comprehensive income and losses	<u>\$ 27,274</u>	<u>(\$ 3,416)</u>

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

XV. Joint venture (JV)

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

(I) Yulon Town JV project

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

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Assets</u>			
Cash and cash equivalents	\$ 13,671	\$ 13,941	\$ 63,035
Construction receivables	-	-	10,997
Contract assets - current	-	-	86,109
Total assets	<u>\$ 13,671</u>	<u>\$ 13,941</u>	<u>\$ 160,141</u>
<u>Liabilities</u>			
Accounts payable	\$ 3,425	\$ 3,702	\$ -
Accrued expenses	-	-	269
Contract liabilities - current	28,780	28,780	74,221
Other current liabilities	3,518	3,708	3,515
Total liabilities	<u>\$ 35,723</u>	<u>\$ 36,190</u>	<u>\$ 78,005</u>
			Three months ended March 31, 2023
Income from construction			<u>\$ 1,808</u>
Construction costs			<u>\$ 1,699</u>

(II) The Twin Towers JV project

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

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Assets</u>			
Cash and cash equivalents	\$ 48,888	\$ 40,699	\$ 16,275
Construction receivables	-	3,124	527
Refundable deposits	-	721	65
Other current assets	207,335	68,806	2,867
Total assets	<u>\$ 256,223</u>	<u>\$ 113,350</u>	<u>\$ 19,734</u>
<u>Liabilities</u>			
Accounts payable	\$ 4,699	\$ 3,037	\$ -
Accrued expenses	1	8	-
Contract liabilities	-	-	-
current	230,020	92,783	440
Other current liabilities	1,347	8	701
Total liabilities	<u>\$ 236,067</u>	<u>\$ 95,836</u>	<u>\$ 1,141</u>
	Three months ended March 31, 2024	Three months ended March 31, 2023	
Income from construction	<u>\$ 192,344</u>	<u>\$ 12,574</u>	
Construction costs	<u>\$ 189,461</u>	<u>\$ 12,370</u>	

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

Subsidiaries Core Pacific Consulting (Changshu) Co., Ltd., Hua Cheng Consulting (Changshu) Co., Ltd., and Core Pacific Living City Yangzhou CBD signed a joint operation development of Core Pacific Living City Yangzhou CBD business in A6 district and a residence hotel (referred to as “Core Pacific Living City Yangzhou CBD business in A6 district”) in June 2012. According to the percentages

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

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

XVI. Property, Plant and Equipment

	March 31, 2024	December 31, 2023	March 31, 2023
Land and land improvements	\$ 2,723,055	\$ 2,723,102	\$ 2,723,280
Buildings	159,972	161,880	164,831
Machinery and equipment	290,339	269,014	137,052
Other equipment	52,418	51,123	49,737
Unfinished construction	5,878	4,693	8,445
	<u>\$ 3,231,662</u>	<u>\$ 3,209,812</u>	<u>\$ 3,083,345</u>

For the three months ended March 31, 2024 and 2023, as there was no sign of impairment, the Group did not conduct an impairment assessment.

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

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

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

XVII. Lease agreements

(I) Right-of-use assets

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Carrying amount of right-of-use assets			
Land	\$ 61,239	\$ 40,649	\$ 36,332
Buildings	116,721	122,727	160,907
Transportation equipment	<u>45,782</u>	<u>42,903</u>	<u>30,637</u>
	<u>\$ 223,742</u>	<u>\$ 206,279</u>	<u>\$ 227,876</u>
	<u>Three Months Ended March 31, 2024</u>	<u>Three Months Ended March 31, 2023</u>	
Additions of right-of-use assets	<u>\$ 40,547</u>	<u>\$ 17,566</u>	
Decrease in right-of-use assets	<u>\$ -</u>	<u>\$ 2,890</u>	
Depreciation expenses of right-of-use assets			
Land	\$ 2,965	\$ 1,535	
Buildings	13,507	14,862	
Transportation equipment	<u>6,615</u>	<u>4,691</u>	
	<u>\$ 23,087</u>	<u>\$ 21,088</u>	

Except for the additions and depreciation expenses recognized listed above, the Group did not have any significant sublease or impairment of the right-of-use assets for the three months ended March 31, 2024 and 2023.

(II) Lease liabilities

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Carrying amount of lease liabilities			
Current	<u>\$ 90,796</u>	<u>\$ 77,121</u>	<u>\$ 77,816</u>
Non-current	<u>\$ 143,086</u>	<u>\$ 139,962</u>	<u>\$ 160,769</u>

Range of discount rates for lease liabilities is as follows:

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

(III) Sublease

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

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

	March 31, 2024	December 31, 2023	March 31, 2023
1st year	\$ 1,664	\$ 1,986	\$ 1,630
2nd year	621	994	521
3rd year	-	-	200
	<u>\$ 2,285</u>	<u>\$ 2,980</u>	<u>\$ 2,351</u>

(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 March 31, 2024	Three Months Ended March 31, 2023
Short-term lease expenses	<u>\$ 4,067</u>	<u>\$ 862</u>
Low-value asset lease expenses	<u>\$ 207</u>	<u>\$ 147</u>
Changes in lease payments not included in the measurement of the lease liabilities	<u>\$ 32,024</u>	<u>\$ 38,219</u>
Total cash (outflow) of leases	<u>(\$ 61,583)</u>	<u>(\$ 62,061)</u>

XVIII. Investment property

	March 31, 2024	December 31, 2023	March 31, 2023
Investment property finished	<u>\$ 1,076,220</u>	<u>\$ 1,077,287</u>	<u>\$ 1,110,325</u>

For the three months ended March 31, 2024 and 2023, as there was no sign of impairment, the Group did not conduct an impairment assessment.

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

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

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

	March 31, 2024	December 31, 2023	March 31, 2023
Less than 1 year	\$ 84,628	\$ 92,614	\$ 75,412
1-5 years	51,936	55,287	77,019
	<u>\$ 136,564</u>	<u>\$ 147,901</u>	<u>\$ 152,431</u>

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

	March 31, 2024	December 31, 2023	March 31, 2023
Fair value	<u>\$ 6,763,189</u>	<u>\$ 6,760,559</u>	<u>\$ 5,955,314</u>

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 owned by itself. Please refer to Note XXXIII for the amount of investment properties that the Group pledged to secure borrowings.

XIX. Borrowings

(I) Short-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Secured borrowings</u>			
Bank borrowings	\$ 4,397,100	\$ 4,891,500	\$ 3,988,400
Bank overdraft	-	-	295,000
	<u>4,397,100</u>	<u>4,891,500</u>	<u>4,283,400</u>
<u>Unsecured borrowings</u>			
Borrowings with a line of credit	<u>1,000,000</u>	<u>1,000,000</u>	<u>700,000</u>
	<u>\$ 5,397,100</u>	<u>\$ 5,891,500</u>	<u>\$ 4,983,400</u>

The bank borrowings are secured by part of cash in banks, stocks, certificates of deposit, property held for sale, and self-owned land and buildings pledged by the Group (refer to Note XXXIII). The interest rates on bank revolving loans as of March 31, 2024, and December 31 and March 31, 2023 were 1.660%-3.353%, 1.660%-3.353%, and 1.660%-3.226%, respectively.

(II) Short-term notes payable

	March 31, 2024	December 31, 2023	March 31, 2023
Commercial paper payable	\$ 1,462,300	\$ 1,462,300	\$ 1,501,000
Less: Discount of short-term notes payable	(938)	(340)	(3,979)
	<u>\$ 1,461,362</u>	<u>\$ 1,461,960</u>	<u>\$ 1,497,021</u>

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

March 31, 2024

Guarantee institution	Face value	Discount amount	Carrying amount	Interest rate range	Name of collateral	Book value of collateral
<u>Commercial paper payable</u>						
Mega Bills Finance	\$ 714,000	\$ 54	\$ 713,946	2.740%	Land and buildings	\$ 1,868,593
Mega Bills Finance	450,000	34	449,966	2.740%	Land and buildings	494,421
Taiwan Finance Corporation	298,300	850	297,450	2.850%	Land and buildings	894,061
	<u>\$ 1,462,300</u>	<u>\$ 938</u>	<u>\$ 1,461,362</u>			

December 31, 2023

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

March 31, 2023

Guarantee institution	Face value	Discount amount	Carrying amount	Interest rate range	Name of collateral	Book value of collateral
<u>Commercial paper payable</u>						
Mega Bills Finance	\$ 737,000	\$ 1,978	\$ 735,022	2.540%	Land and buildings	\$ 1,841,286
Mega Bills Finance	450,000	1,621	448,379	2.540%	Land and buildings	496,026
Taiwan Finance Corporation	314,000	380	313,620	2.720%	Note	Note
	<u>\$ 1,501,000</u>	<u>\$ 3,979</u>	<u>\$ 1,497,021</u>			

Note: The loan is collateralized by land and buildings in Xinyi Section 3, Xinyi District, Taipei City and 5,207 thousand shares of Taiwan Business Bank with a total carrying amount of NTD 951,029 thousand.

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

(III) Long-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Secured borrowings</u>			
Bank borrowings	\$ 6,827,606	\$ 5,727,564	\$ 4,634,865
<u>Unsecured borrowings</u>			
Bank borrowings	5,514,636	4,874,939	1,403,605
	12,342,242	10,602,503	6,038,470
Less: Current portion	(895,734)	(631,181)	(77,173)
Long-term borrowings	<u>\$11,446,508</u>	<u>\$ 9,971,322</u>	<u>\$ 5,961,297</u>

The bank borrowings are secured by the Group's partial bank deposits, construction in progress, properly held for sale, self-owned land and buildings, and certificates of term deposit (refer to Note XXXIII). As of March 31, 2024 and December 31 and March 31, 2023, the effective interest rates per annum were 2.365%-3.132%, 2.240%-3.132%, and 2.115%-4.000%, respectively.

XX. Accounts payable

	March 31, 2024	December 31, 2023	March 31, 2023
Due to operations	<u>\$ 5,426,638</u>	<u>\$ 6,371,331</u>	<u>\$ 4,987,133</u>

In the accounts payable, the amounts of construction retention payable under construction contracts as of March 31, 2024 and December 31 and March 31, 2023, were NTD 2,410,704 thousand, NTD 2,260,542 thousand, and NTD 1,943,824 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

	March 31, 2024	December 31, 2023	March 31, 2023
Litser Industrial District	\$ 2,408	\$ 3,095	\$ 2,088
Other Industrial Districts	15,963	15,963	15,963
	<u>\$ 18,371</u>	<u>\$ 19,058</u>	<u>\$ 18,051</u>

For the three months ended March 31, 2023, the amounts of the accounts payable (receivable) for the development of industrial districts were NTD 12 thousand; the costs invested for the three months ended March 31, 2024 and 2023 were NTD 687 thousand and NTD 324 thousand, respectively.

XXII. Provision

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Current</u>			
Warranty	<u>\$ 504,658</u>	<u>\$ 505,734</u>	<u>\$ 492,533</u>
<u>Non-current</u>			
Provision for long-term liabilities pending a final decision in the legal proceedings	<u>\$ 930,278</u>	<u>\$ 930,278</u>	<u>\$ 971,846</u>

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 three months ended March 31, 2024 and 2023 were calculated at the pension cost rate actuarially determined on December 31, 2023 and 2022, respectively, and the amounts were NTD 893 thousand and NTD 1,576 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:

	March 31, 2024		
	<u>Less than 1 year</u>	<u>Over 1 year</u>	<u>Total</u>
<u>Assets</u>			
Financial assets at			
amortized cost - current	\$ 816,417	\$ 607,384	\$ 1,423,801
Construction receivables	4,229,613	105,308	4,334,921
Contract assets - current	755,390	4,479,145	5,234,535
Accounts receivable on the			
development of			
industrial districts	-	2,327,808	2,327,808
Inventories	217,877	-	217,877
Buildings and land held for			
sale, net	1,011,315	10,792,239	11,803,554
Construction in progress	-	11,575,813	11,575,813
Refundable deposits on			
construction contracts	<u>21,600</u>	<u>28,473</u>	<u>50,073</u>
	<u>\$ 7,052,212</u>	<u>\$ 29,916,170</u>	<u>\$ 36,968,382</u>
<u>Liabilities</u>			
Notes payable	\$ 2,378	\$ -	\$ 2,378
Accounts payable	4,809,154	593,709	5,402,863
Contract liabilities - current	2,557,615	1,224,300	3,781,915
Accounts payable for the			
development of			
industrial districts	-	18,371	18,371
Provision - current	60,642	444,016	504,658
Guarantee deposits on			
construction contracts	<u>617,762</u>	<u>205,920</u>	<u>823,682</u>
	<u>\$ 8,047,551</u>	<u>\$ 2,486,316</u>	<u>\$ 10,533,867</u>

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

	March 31, 2023		
	Less than 1 year	Over 1 year	Total
<u>Assets</u>			
Financial assets at			
amortized cost - current	\$ 1,311,718	\$ 422,452	\$ 1,734,170
Construction receivables	3,596,135	230,148	3,826,283
Contract assets - current	789,236	2,219,808	3,009,044
Accounts receivable on the			
development of			
industrial districts	-	3,002,751	3,002,751
Inventories	272,589	-	272,589
Buildings and land held for			
sale, net	2,156,582	9,714,718	11,871,300
Construction in progress	-	6,024,858	6,024,858
Refundable deposits on			
construction contracts	125,213	22,365	147,578
	<u>\$ 8,251,473</u>	<u>\$ 21,637,100</u>	<u>\$ 29,888,573</u>
<u>Liabilities</u>			
Notes payable	\$ 18,455	\$ -	\$ 18,455
Accounts payable	4,585,310	381,621	4,966,931

		March 31, 2023		
		Less than 1 year	Over 1 year	Total
Contract liabilities - current		1,298,312	1,301,636	2,599,948
Accounts payable for the development of industrial districts		-	18,051	18,051
Provision - current		74,520	418,013	492,533
Guarantee deposits on construction contracts		489,796	114,891	604,687
		<u>\$ 6,466,393</u>	<u>\$ 2,234,212</u>	<u>\$ 8,700,605</u>
XXV. <u>Equity</u>				
(I) Share Capital				
		March 31, 2024	December 31, 2023	March 31, 2023
Authorized shares (in thousands)		<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
Authorized share capital		<u>\$ 30,000,000</u>	<u>\$ 30,000,000</u>	<u>\$ 30,000,000</u>
Issued and fully paid shares (in thousands)		<u>1,530,899</u>	<u>1,530,899</u>	<u>1,530,899</u>
Issued shares		<u>\$ 15,308,998</u>	<u>\$ 15,308,998</u>	<u>\$ 15,308,998</u>
(II) Capital reserve				
		March 31, 2024	December 31, 2023	March 31, 2023
<u>May be used to compensate deficit, distributed as cash dividends, or transferred to share capital (1)</u>				
Share premium		\$ 11,501	\$ 11,501	\$ 11,501
Treasury shares traded		1,757	1,757	1,757
The difference between the price of subsidiary's equity acquired or disposed of and the book value		10,115	10,115	10,115
Changes in net amount of equity of associates recognized using the equity method		4,094	4,094	4,094
Donated assets received		89	89	89
<u>May only be used to compensate deficit (2)</u>				
Changes in ownership interests in subsidiaries recognized		12,535	12,535	19
Others		56,430	56,430	56,430
		<u>\$ 96,521</u>	<u>\$ 96,521</u>	<u>\$ 84,005</u>

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

(III) Retained earnings and dividend policy

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

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

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

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

The Corporation held the board meetings on March 13, 2024 and the shareholders' meetings on June 7, 2023, respectively, to propose and resolve to approve the 2023 and 2022 annual earnings distribution proposals with details as follows:

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

The 2023 earnings distribution proposal is pending a resolution at the shareholders' meetings expected to be held on May 31, 2024.

(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 statement of foreign operations

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Balance at the beginning of the Period	(\$ 220,686)	(\$ 180,793)
Incurring in the current period		
Exchange differences on translation of the financial statements of foreign operations	(28,929)	(49,294)
Share of associates using the equity method	36,791	(1,701)
Part of the equity of subsidiaries actually acquired (Note XXX)	<u>-</u>	<u>(1,205)</u>
Ending balance	<u>(\$ 212,824)</u>	<u>(\$ 232,993)</u>

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

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Balance at the beginning of the Period	(\$ 465,089)	(\$ 296,350)
Incurred in the current period		
Unrealized gains and losses on equity instruments	22,537	36,660
Part of the equity of subsidiaries actually acquired (Note XXX)	-	(689)
Ending balance	<u>(\$ 442,552)</u>	<u>(\$ 260,379)</u>

(VI) Non-controlling Equity

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Balance at the beginning of the Period	\$ 837,866	\$ 71,411
Net loss in this period	(2,758)	(2,113)
Other Comprehensive Income of the Period		
Exchange differences on translation of the financial statements of foreign operations	(32,121)	3
Unrealized gains or losses on financial assets at fair value through other comprehensive income	(3)	-
Part of the equity of subsidiaries actually acquired (Note XXX)	-	(7,463)
Ending balance	<u>\$ 802,984</u>	<u>\$ 61,838</u>

XXVI. Revenue

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Revenue from customer contracts		
Income from construction	\$ 4,587,168	\$ 3,594,123
Service income	295,121	296,614
Income from property sales	-	47,571
Other operating income	<u>38,853</u>	<u>41,742</u>
	<u>\$ 4,921,142</u>	<u>\$ 3,980,050</u>

Balance of contracts

	March 31, 2024	December 31, 2023	March 31, 2023	January 1, 2023
Trade receivables (Note X)	<u>\$ 135,634</u>	<u>\$ 106,992</u>	<u>\$ 135,266</u>	<u>\$ 95,423</u>
Construction receivable (Note X)	<u>\$ 4,334,921</u>	<u>\$ 4,034,845</u>	<u>\$ 3,826,283</u>	<u>\$ 2,603,165</u>
Contract assets				
Construction contracts receivable	\$ 2,996,105	\$ 2,770,617	\$ 1,136,095	\$ 733,340
Construction retention receivable	<u>2,238,430</u>	<u>2,167,561</u>	<u>1,872,949</u>	<u>1,765,201</u>
	<u>\$ 5,234,535</u>	<u>\$ 4,938,178</u>	<u>\$ 3,009,044</u>	<u>\$ 2,498,541</u>
Contract liabilities				
Construction contracts payable	\$ 3,529,140	\$ 3,339,726	\$ 2,485,635	\$ 2,065,899
Property sales	252,775	202,235	114,314	94,363
Sales of service	<u>14,757</u>	<u>16,623</u>	<u>18,557</u>	<u>21,212</u>
	<u>\$ 3,796,672</u>	<u>\$ 3,558,584</u>	<u>\$ 2,618,506</u>	<u>\$ 2,181,474</u>

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 March 31, 2024	Three Months Ended March 31, 2023
Cash in banks	\$ 4,612	\$ 2,406
Financial assets at amortized cost	3,305	1,716
Others	<u>2,673</u>	<u>5,682</u>
	<u>\$ 10,590</u>	<u>\$ 9,804</u>

(II) Other income

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Rent income	<u>\$ 22,724</u>	<u>\$ 21,670</u>

(III) Other gains and losses

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Processing fee expenses	<u>(\$ 24,132)</u>	<u>(\$ 22,288)</u>
Gains (losses) on disposal of property, plant and equipment	(729)	10,919
Gains on reversal of compensation (losses on compensation)	(4,147)	248
Gains (losses) on financial assets and financial liabilities		
- Financial assets mandatorily at fair value through profit or loss	125	(22)
Others	<u>8,367</u>	<u>8,888</u>
	<u>(\$ 20,516)</u>	<u>(\$ 2,255)</u>

(IV) Financial costs

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Bank overdraft and interest on bank borrowings	\$ 66,988	\$ 48,632
Interest on lease liabilities	1,534	1,176
Interest expense of customer contracts	<u>333</u>	<u>36</u>
	<u>\$ 68,855</u>	<u>\$ 49,844</u>

Please refer to Note XII for information on interest capitalization.

(V) Depreciation

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Depreciation expenses by function		
Operating costs	\$ 25,499	\$ 16,943
Operating expenses	<u>15,786</u>	<u>17,737</u>
	<u>\$ 41,285</u>	<u>\$ 34,680</u>

The depreciation expenses of investment properties for three months ended March 31, 2024 and 2023 amounting to NTD 4,099 thousand and NTD 4,082 thousand were recognized in other income –rental income.

(VI) Employee benefit expenses

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Short-term employee benefit expenses	<u>\$581,634</u>	<u>\$523,051</u>
Post-employment benefits		
Defined contribution plan	25,575	22,903
Defined benefit plan	<u>893</u>	<u>1,576</u>
	<u>26,468</u>	<u>24,479</u>
Other employee benefits	<u>60,279</u>	<u>54,122</u>
Total employee benefit expenses	<u>\$668,381</u>	<u>\$601,652</u>
By function		
Operating costs	\$598,628	\$538,888
Operating expenses	<u>69,753</u>	<u>62,764</u>
	<u>\$668,381</u>	<u>\$601,652</u>

(VII) Remuneration to employees, directors and supervisors

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

The estimated remuneration to employees, directors and supervisors for the three months ended March 31, 2024 and 2023 as follows:

Percentage for estimation

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Employee remuneration	2%	2%
Remuneration to directors and supervisors	2%	2%

Amount

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Employee remuneration	<u>\$ 2,927</u>	<u>\$ 2,750</u>
Remuneration to directors and supervisors	<u>\$ 2,452</u>	<u>\$ 2,750</u>

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

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

Amount

	2023 Cash	2022 Cash
Employee remuneration	<u>\$ 15,703</u>	<u>\$ 20,959</u>
Remuneration to directors and supervisors	<u>\$ 15,703</u>	<u>\$ 20,959</u>

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

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

XXVIII Taxation

(I) Income tax recognized in profit or loss

The main components of income tax expenses were as follows:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Current income tax		
Incurred in this period	\$ 24,914	\$ 519
Land value increment tax	<u>-</u>	<u>727</u>
	24,914	1,246
Deferred tax		
Incurred in this period	<u>7,103</u>	<u>26,738</u>
Income tax expense recognized in profit or loss	<u>\$ 32,017</u>	<u>\$ 27,984</u>

(II) Income tax approval

	Income Tax Approval Year
BES Engineering Corporation	2020
Core Pacific World Co., Ltd.	2022
Cinemark-Core Pacific, Ltd.	2022
Chung Kung Safeguarding and Security Corporation	2022
Chung Kung Management Consultant Corporation	2022
Chung Kung Management and Maintenance of Apartment Co., Ltd.	2022
Core Asia Human Resources Management Co., Ltd.	2021
Elite Human Resources Management Co., Ltd.	2022
Cinema 7 Theater Co., Ltd.	2022

XXIX. EARNINGS PER SHARE

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

Net income in this period

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Net income used to calculate basic earnings per share	<u>\$ 109,732</u>	<u>\$ 104,725</u>

Number of shares

Unit: Thousand shares

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Weighted average number of ordinary shares used to calculate basic earnings per share	1,530,899	1,530,899
Effect of potentially dilutive ordinary shares:		
Employee remuneration	<u>1,203</u>	<u>2,180</u>
Weighted average number of ordinary shares used to calculate diluted earnings per share	<u>1,532,102</u>	<u>1,533,079</u>

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 interests

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

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

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

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

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

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

XXXI. Financial instruments

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

1. Fair value hierarchy

March 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
Mutual funds	<u>\$ 4,373</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,373</u>
<u>Financial assets at fair value through other comprehensive income</u>				
Investment in equity instruments				
- Domestic listed stocks	\$ 2,686,134	\$ -	\$ -	\$ 2,686,134
- Domestic unlisted stocks	<u>-</u>	<u>113,798</u>	<u>-</u>	<u>113,798</u>
Total	<u>\$ 2,686,134</u>	<u>\$ 113,798</u>	<u>\$ -</u>	<u>\$ 2,799,932</u>

December 31, 2023

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

March 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at fair value through profit or loss</u>				
Stocks listed overseas	\$ 32	\$ -	\$ -	\$ 32
Mutual funds	4,120	-	-	4,120
	\$ 4,152	\$ -	\$ -	\$ 4,152
<u>Financial assets at fair value through other comprehensive income</u>				
Investment in equity instruments				
- Domestic listed stocks	\$ 3,051,671	\$ -	\$ -	\$ 3,051,671
- Domestic unlisted stocks	-	112,634	-	112,634
Total	\$ 3,051,671	\$ 112,634	\$ -	\$ 3,164,305

There were no transfers between Level 1 and Level 2 fair value measurements for the three months ended March 31, 2024 and 2023.

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

<u>Category of financial instruments</u>	<u>Valuation techniques and inputs</u>
Domestic unlisted stocks	The valuation was carried out in the comparable Corporation method under the market method based on the average historical volatility and risk-free interest rate on the valuation record date.
Others	Discounted cash flow method: Discounting at a discount rate that reflects the present implicit interest rate on income at the end of the period.

(II) Types of financial instruments

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Financial asset</u>			
Financial assets at fair value through profit or loss			
Mandatorily at fair value through profit or loss	\$ 4,373	\$ 4,248	\$ 4,152
Financial assets at amortized cost (Note 1)	13,674,407	14,202,425	11,949,580
Financial assets at fair value through other comprehensive income			
Investment in equity instruments	2,799,932	2,777,398	3,164,305
<u>Financial liabilities</u>			
Measured at amortized cost (Note 2)	27,304,008	26,950,506	19,625,875

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

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

(III) Financial risk management objective and policy

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

include market risk (including exchange rate risk, interest rate risk, and other price risks), credit risk, and liquidity risk.

1. Market risk

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

(1) Foreign exchange rate risk

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

Sensitivity analysis

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

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

	CNY		HKD	
	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Equity	\$ 54,430	\$ 56,177	\$ 23,413	\$ 23,232

(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:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Fair value interest rate risk			
- Financial assets	\$ 3,796,835	\$ 3,995,419	\$ 2,853,315
- Financial liabilities	1,695,244	1,679,043	1,743,707
Cash flow interest rate risk			
- Financial assets	5,141,054	5,804,551	4,818,588
- Financial liabilities	17,739,342	16,494,003	11,013,769

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

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

Sensitivity analysis

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

If the interest rate had increased by 1%, with all other variables unchanged, the Group's profit before tax for three months ended March 31, 2024 and 2023 would decrease by NTD 31,496 thousand and NTD 15,488 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 three months ended March 31, 2024 and 2023, would increase NTD 139,997 thousand and NTD 158,215 thousand, respectively.

2. Credit risk

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

- (1) The carrying amount of financial assets recognized in the consolidated balance sheet.
- (2) The amount of contingent liabilities arising from financial guarantees provided by the Group.

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

3. Liquidity risk

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

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

	March 31, 2024	December 31, 2023	March 31, 2023
Unsecured bank financing facilities (reviewed annually)			
-Amount drawn	\$ 6,514,636	\$ 5,874,939	\$ 2,103,605
-Amount undrawn	<u>5,763,665</u>	<u>6,280,809</u>	<u>4,430,791</u>
	<u>\$ 12,278,301</u>	<u>\$ 12,155,748</u>	<u>\$ 6,534,396</u>
Secured bank financing facilities			
-Amount drawn	\$ 12,686,068	\$ 12,081,024	\$ 10,415,286
-Amount undrawn	<u>11,235,444</u>	<u>11,917,144</u>	<u>13,306,180</u>
	<u>\$ 23,921,512</u>	<u>\$ 23,998,168</u>	<u>\$ 23,721,466</u>

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

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

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

March 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
<u>Non-derivative financial liabilities</u>						
Non-interest bearing liabilities		\$ 1,337,974	\$ 2,991,959	\$ 497,496	\$ 471,563	\$ 131,380
Lease liabilities	2.100-4.750	8,184	15,957	66,784	137,025	18,899
Instruments at floating interest rates	1.660-3.353	272,717	857,322	5,589,069	11,795,082	42,131
Instruments at fixed interest rates	2.740~2.850	<u>1,164,000</u>	<u>298,300</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>\$ 2,782,875</u>	<u>\$ 4,163,538</u>	<u>\$ 6,153,349</u>	<u>\$ 12,403,670</u>	<u>\$ 192,410</u>

December 31, 2023

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

March 31, 2023

	Interest rate range (%)	Pay on demand or less than 1 month	1-3 months	3 months-1 year	1-5 years	Over 5 years
<u>Non-derivative financial liabilities</u>						
Non-interest bearing liabilities		\$ 1,441,481	\$ 2,330,879	\$ 843,144	\$ 292,045	\$ 98,398
Lease liabilities	2.100-4.750	7,052	14,082	56,807	158,167	17,180
Instruments at floating interest rates	1.660-3.226	1,352,144	804,767	3,118,957	6,215,286	61,305
Instruments at fixed interest rates	2.150-4.000	<u>316,155</u>	<u>1,190,000</u>	<u>2,989</u>	<u>-</u>	<u>-</u>
		<u>\$ 3,116,832</u>	<u>\$ 4,339,728</u>	<u>\$ 4,021,897</u>	<u>\$ 6,665,498</u>	<u>\$ 176,883</u>

XXXII. Related Party Transactions

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

(I) Name of related party and relations

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

(II) Business transactions

<u>Account</u>	<u>Category/Name of related party</u>	<u>Three Months Ended March 31, 2024</u>	<u>Three Months Ended March 31, 2023</u>
Operating revenue	The Corporation's institutional director	\$ 6,319	\$ 7,076
	Subsidiary of the Corporation's institutional director	170	216
	Substantive related party	129	45
	The Corporation's affiliate	<u>50</u>	<u>50</u>
		<u>\$ 6,668</u>	<u>\$ 7,387</u>

(Continued on next page)

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Account	Category/Name of related party	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Operating costs	The Corporation's affiliate	<u>\$ 1,062</u>	<u>\$ 1,703</u>
Operating expenses	The Corporation's affiliate	\$ 2,495	\$ 2,741
	Substantive related party	274	319
	Subsidiary of the Corporation's institutional director	115	-
	The Corporation's institutional director	<u>-</u>	<u>30</u>
		<u>\$ 2,884</u>	<u>\$ 3,090</u>

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 of related party	March 31, 2024	December 31, 2023	March 31, 2023
Construction receivables	The Corporation's institutional director	<u>\$ 8,267</u>	<u>\$ 19,703</u>	<u>\$ 1,240</u>
Trade receivables	The Corporation's institutional director	\$ 12,694	\$ 4,909	\$ 4,302
	Subsidiary of the Corporation's institutional director	44	23	58
	Substantive related party	28	28	16
	The Corporation's affiliate	<u>-</u>	<u>12</u>	<u>12</u>
		<u>\$ 12,766</u>	<u>\$ 4,972</u>	<u>\$ 4,388</u>
Other receivables (included in other current assets)	The Corporation's affiliate	\$ 649	\$ 505	\$ 505
	Subsidiary of the Corporation's institutional director	<u>-</u>	<u>-</u>	<u>496</u>
		<u>\$ 649</u>	<u>\$ 505</u>	<u>\$ 1,001</u>

There is no guarantee received for receivables from related parties outstanding. The receivables of related parties for the three months ended March 31, 2024 and 2023 were not listed as bad debts.

(IV) Payables to related party

Account	Category of related party	March 31, 2024	December 31, 2023	March 31, 2023
Accrued expenses	The Corporation's affiliate	\$ 965	\$ 965	\$ 965
	Subsidiary of the Corporation's institutional director	628	-	-
	The Corporation's institutional director	-	650	650
	Substantive related party	-	40	-
		<u>\$ 1,593</u>	<u>\$ 1,655</u>	<u>\$ 1,615</u>

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	March 31, 2024	December 31, 2023	March 31, 2023
Substantive related party	<u>\$ 208,850</u>	<u>\$ 113,619</u>	<u>\$ -</u>

(VI) Contract liabilities

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

March 31, 2024

Name of related party	Construction project code	Total contract price	Contract liabilities
China Petrochemical Development Corporation	A6E	<u>\$ 1,528,593</u>	<u>\$ 3,221</u>

December 31, 2023

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

March 31, 2023

<u>Name of related party</u>	<u>Construction project code</u>	<u>Total contract price</u>	<u>Contract liabilities</u>
China Petrochemical Development Corporation	A6E	<u>\$ 1,528,593</u>	<u>\$ 23,572</u>

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

(VII) Lease arrangements

<u>Category of related party</u>	<u>Three Months Ended March 31, 2024</u>	<u>Three Months Ended March 31, 2023</u>
<u>Acquisition of right-of-use assets</u>		
The Corporation's affiliate	<u>\$ 7,134</u>	<u>\$ 4,333</u>

<u>Account</u>	<u>Category of related party</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Lease liabilities	The Corporation's affiliate	\$ 19,862	\$ 17,162	\$ 30,476
	Substantive related party	18,758	18,991	19,680
	The Corporation's institutional director	<u>7,948</u>	<u>9,756</u>	<u>15,126</u>
		<u>\$ 46,568</u>	<u>\$ 45,909</u>	<u>\$ 65,282</u>

<u>Account</u>	<u>Category of related party</u>	<u>Three Months Ended March 31, 2024</u>	<u>Three Months Ended March 31, 2023</u>
Interest expense	The Corporation's affiliate	\$ 139	\$ 190
	Substantive related party	113	114
	The Corporation's institutional director	<u>48</u>	<u>85</u>
		<u>\$ 300</u>	<u>\$ 389</u>

(VIII) Loans to related parties

As of March 31, 2024, the Group's receivables and interest receivables from its affiliate, HRDD Logistics Co., Ltd., were NTD 21,550 thousand and NTD 1,078 thousand, respectively. After assessing HRDD Logistics Co., Ltd.'s operating performance and the possibility of collecting the receivables, the Group set aside an

allowance for doubtful accounts of \$22,628 thousand for the above-mentioned in September 2022.

(IX) Transactions with other related parties

Interest income and rental income:

<u>Category of related party</u>	<u>Three Months Ended March 31, 2024</u>	<u>Three Months Ended March 31, 2023</u>
Subsidiary of the Corporation's institutional director	\$ 5,319	\$ 5,605
Substantive related party	1,918	1,829
The Corporation's affiliate	1,896	1,485
The Corporation's institutional director	<u>1,416</u>	<u>1,416</u>
	<u>\$ 10,549</u>	<u>\$ 10,335</u>

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

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

<u>Category of related party</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
The Corporation's affiliate	\$ 837	\$ 837	\$ 1,293
Substantive related party	238	238	238
Subsidiary of the Corporation's institutional director	<u>-</u>	<u>10</u>	<u>10</u>
	<u>\$ 1,075</u>	<u>\$ 1,085</u>	<u>\$ 1,541</u>

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

<u>Category of related party</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Subsidiary of the Corporation's institutional director	<u>\$ 7,584</u>	<u>\$ 7,584</u>	<u>\$ 7,584</u>

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

<u>Category of related party</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Subsidiary of the Corporation's institutional director	<u>\$ 28,571</u>	<u>\$ 28,571</u>	<u>\$ 28,571</u>
(X) Remuneration to key management personnel			

The total remuneration to directors and other key management personnel for the three months ended March 31, 2024 and 2023 were as follows:

	<u>Three Months Ended March 31, 2024</u>	<u>Three Months Ended March 31, 2023</u>
Short-term employee benefit	\$ 9,512	\$ 8,935
Post-employment benefits	<u>-</u>	<u>12,168</u>
	<u>\$ 9,512</u>	<u>\$ 21,103</u>

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

XXXIII Assets Pledged

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Financial assets at fair value through other comprehensive income - current	\$ 623,390	\$ 528,820	\$ 831,304
Financial assets at amortized cost - current	4,723,367	4,819,470	3,510,732
Buildings and land held for sale, net	4,951,545	4,924,977	4,885,735
Construction in progress	1,244,634	1,244,634	1,244,634
Financial assets at fair value through other comprehensive income - non-current	1,428,923	1,486,750	1,449,674
Financial assets at amortized cost - non-current	5,163	5,909	633,072
Property, plant and equipment, net	1,698,106	1,699,286	1,717,012
Investment property, net	<u>792,478</u>	<u>794,632</u>	<u>798,140</u>
	<u>\$ 15,467,606</u>	<u>\$ 15,504,478</u>	<u>\$ 15,070,303</u>

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

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

March 31, 2024

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
<u>Financial asset</u>			
<u>Non-monetary item</u>			
CNY	\$ 246,961	4.408 (CNY:NTD)	\$ 1,088,604
HKD	114,515	4.089 (HKD:NTD)	468,250

December 31, 2023

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

March 31, 2023

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
<u>Financial asset</u>			
<u>Non-monetary item</u>			
CNY	\$ 253,563	4.431 (CNY:NTD)	\$ 1,123,537
HKD	119,781	3.879 (HKD:NTD)	464,632

The Group's foreign currency exchange gains (losses) (including realized and unrealized) for three months ended March 31, 2024 and 2023 were NTD 4,349 thousand and NTD 1,055 thousand, respectively. As there is a wide variety of foreign currency transactions and the functional currencies adopted by the Group's entities and the amounts are not material, the Group is not able to disclose the exchange gains and losses in each foreign currency with material influence.

XXXV. Others

Regarding the Taiwan New Taipei District Court Prosecutor Office's investigation results on the Corporation's Construction Turnkey Project for the Reconstruction of Buildings at the Gongguan Military Camp contracted, the former Chairman of the Corporation Shen, Jun and the other two persons were investigated and prosecuted in

accordance with the Securities and Exchange Act and the Anti-Corruption Act. For this reason, the Ministry of National Defense sent a letter on September 30, 2021 to recover the bid bond of NTD 50,000 thousand for this project. The Corporation had recognized the recovered amount as other losses (included in other gains and losses) on September 30, 2021 and paid the amount on October 18, 2021. To ensure that the Corporation's rights and interests were unharmed, we filed a lawsuit for damages and other remedies to the Taiwan Taipei District Court on October 21, 2021, against the former Chairman Shen, Jun and the other two persons. Although the Corporation suffered damage, its operations remained normal, and the finance and business were not significantly affected by the aforementioned event. As of May 13, 2024, this case is still pending in the court.

On October 12, 2023, the Group signed a letter of intent to pre-purchase building and parking spaces with Cloud Network Technology Singapore Pte., Ltd., with a total transaction amount of approximately NTD 7,549,580 thousand. As of May 13, 2024, the aforementioned transaction has not yet been finalized with a sales and purchase agreement, and the Group has received an earnest deposit of NTD 337,479 thousand (included in guaranteed deposits received).

XXXVI. Additional Disclosures

(I) Information on material transactions and investees:

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

11. Other: Intercompany relationships and significant intercompany transactions:
None.

(III) Information on Investment in Mainland China:

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 5.

(IV) Information on Major Shareholders:

The name of shareholders with a shareholding ratio of 5% or more, and the number and percentage of shares held: Table 6.

XXXVII. Segment Information

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

Construction Engineering Department: Contracting of civil engineering and
construction projects

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

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

Revenue and operating results of segments

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

	Revenue of segment		Profit or loss of segment	
	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Construction Engineering Department	\$ 4,233,846	\$ 3,423,200	\$ 229,597	\$ 171,695
Construction and Development Department	375,528	236,512	(20,118)	(11,571)
Other departments	<u>311,768</u>	<u>320,338</u>	(<u>4,914</u>)	(<u>7,188</u>)
Total amount of continuing operations	<u>\$ 4,921,142</u>	<u>\$ 3,980,050</u>	204,565	152,936
Interest income			10,590	9,804
Other income			22,724	21,670
Other gains and losses			(20,516)	(2,255)
Financial costs			(68,855)	(49,844)
Share of profit or loss of associates accounted for using the equity method			(<u>9,517</u>)	(<u>1,715</u>)
Income before income tax			<u>\$ 138,991</u>	<u>\$ 130,596</u>

The revenue of segments reported above was from transactions with external clients. There were no inter-segment sales for the three months ended March 31, 2024 and 2023.

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

BES Engineering Corporation and Subsidiaries
Loans to Others
Three Months Ended March 31, 2024

Table 1

Unit: NTD in thousands

No.	Fund loaner	Fund borrower	Financial Statement Account	Related party or not	The maximum balance in this period (Note 1)	Ending balance (Note 1)	Amount actually drafted	Interest rate range	Nature of Loaning of funds (Note 2)	Business transaction amount	Reason for short-term financing	Amount to be provided for bad loans	Collateral		Limit of loaning of funds to each counterparty	Financing Corporation's Financing Amount Limits	Note
													Name	Value			
0	BES Engineering Corporation	HRDD Logistics Co., Ltd.	Payables from related party	Yes	\$ 21,550	\$ 21,550	\$ 21,550	5	2	\$ -	Operating Turnover	\$ 21,550	—	\$ -	\$ 904,039 (4% of BES Engineering Corporation's net equity)	\$ 9,040,394 (40% of BES Engineering Corporation's net equity)	
1	Chung Kung Safeguarding and Security Corp.	Chung Kung Management Consultant Co., Ltd.	Payables from related party	Yes	15,000	15,000	-	-	2	-	Operating Turnover	-	—	-	32,940 (40% of Chung Kung Safeguarding and Security Corporation's net equity)	32,940 (40% of Chung Kung Safeguarding and Security Corporation's net equity)	
1	Chung Kung Safeguarding and Security Corp.	Chung Kung Management and Maintenance of Apartment Co., Ltd.	Payables from related party	Yes	15,000	15,000	-	-	2	-	Operating Turnover	-	—	-	32,940 (40% of Chung Kung Safeguarding and Security Corporation's net equity)	32,940 (40% of Chung Kung Safeguarding and Security Corporation's net equity)	
2	Cinemark-Core Pacific, Ltd.	Cinema 7 Theater Co., Ltd.	Payables from related party	Yes	30,000	30,000	-	3	2	-	Operating Turnover	-	—	-	138,784 (40% of net worth of Cinemark-Core Pacific, Ltd.'s net equity)	138,784 (40% of net worth of Cinemark-Core Pacific, Ltd.'s net equity)	

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

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

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

BES Engineering Corporation and Subsidiaries
Endorsements/Guarantees provided
Three Months Ended March 31, 2024

Table 2

Unit: NTD in thousands

No.	Endorsing/guaranteeing company name	Counterparty of endorsements and guarantees		Limit of endorsements and guarantees to one single enterprise	Maximum balance of endorsements and guarantees for the period	Ending balance of endorsements/ guarantees	Amount actually drafted	Amount of endorsement/ guarantees secured with properties	Ratio of cumulative amount of endorsements/ guarantees to the net worth in the latest financial statement	Maximum endorsements/ guarantees	Endorsements and guarantees from the parent company to subsidiaries	Endorsements and guarantees from subsidiaries to the parent company	Endorsements and guarantees in Mainland China	Note
		Name of the Corporation	Relationship											
1	Cinemark-Core Pacific, Ltd.	Cinema 7 Theater Co., Ltd.	Subsidiary in which parent Corporation holds more than 50% voting rights directly or indirectly	\$ 346,960 (Note 2)	\$ 110,000	\$ 110,000	\$ 85,635	\$ 115,331	31.70%	\$ 1,040,881 (Note 6)	Y	-	-	
2	Hua Cheng Consulting (Changshu) Co., Ltd.	BES Engineering Corporation	Corporation holding more than 50% of ordinary shares of the Corporation directly or through a subsidiary indirectly	497,169 (Note 3)	312,073	312,073	260,000	312,073	62.77%	994,338 (Note 7)	-	Y	-	
3	Core Pacific Consulting (Changshu) Co., Ltd.	BES Engineering Corporation	Corporation holding more than 50% of ordinary shares of the Corporation directly or through a subsidiary indirectly	493,698 (Note 4)	312,073	312,073	260,000	312,073	63.21%	987,396 (Note 8)	-	Y	-	
4	Chung Kung Safeguarding and Security Corp.	Chung Kung Management Consultant Co., Ltd.	Subsidiary in which parent Corporation holds more than 50% voting rights directly or indirectly	205,875 (Note 5)	25,000	25,000	-	-	30.36%	247,050 (Note 9)	Y	-	-	
4	Chung Kung Safeguarding and Security Corp.	Chung Kung Management and Maintenance of Apartment Co., Ltd.	Subsidiary in which parent Corporation holds more than 50% voting rights directly or indirectly	205,875 (Note 5)	25,000	25,000	2,000	-	30.36%	247,050 (Note 9)	Y	-	-	

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

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

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

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

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

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

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

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

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

BES Engineering Corporation and Subsidiaries
Securities Held at the End of the Period (Excluding Investment in Subsidiaries, Associates, and Joint Ventures).
March 31, 2024

Table 3

Unit: NTD in thousands

Securities holder		Name of securities	Relations between the securities issuer and the Corporation	Account	End of period				Note
No.	Name				Number of shares or units	Carrying amount	Shareholding (%)	Fair value	
0	BES Engineering Corporation	Taishin ESG Emerging Markets Bond Fund	—	Financial assets at fair value through profit or loss - current	500,000	\$ 4,373	-	\$ 4,373	(Note 1)
		Taiwan Business Bank, Ltd.	—	Financial assets at fair value through other comprehensive income - current	40,613,608	655,910	0.49	655,910	(Note 1)
		China Petrochemical Development Corporation	The Corporation's institutional director	Financial assets at fair value through other comprehensive income - non-current	183,037,540	1,718,722	4.84	1,718,722	(Note 1)
		Century Development Corporation	—	Financial assets at fair value through other comprehensive income - non-current	10,633,492	85,068	3.03	85,068	(Note 1)
		Overseas Investment & Development Corp.	—	Financial assets at fair value through other comprehensive income - non-current	2,600,000	28,730	2.89	28,730	(Note 1)
		Zowie Technology Corp.	—	Financial assets at fair value through other comprehensive income - non-current	6,611	-	0.02	-	
		Fortemedia	—	Financial assets at fair value through other comprehensive income - non-current	4,137	-	-	-	
		Fortemedia	—	Financial assets at fair value through other comprehensive income - non-current	62,282	-	-	-	(Note 2)
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	287,800	0.81	287,800	(Note 1)
		Taiwan Business Bank, Ltd.	—	Financial assets at fair value through other comprehensive income - current	1,467,608	23,702	0.02	23,702	(Note 1)

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

Note 2: Preference shares.

BES Engineering Corporation and Subsidiaries
Information on Investees (excluding investments in mainland China)
Three Months Ended March 31, 2024

Table 4

Unit: NTD in thousands

Name of investor	Name of investee	Location	Principle business	Initial investment amount		Holding at the end of the period			Investee profit (loss) for the year	Investment income or loss recognized for this year (Note 1)	Note
				End of period	Beginning of period	Number of shares	Percentage (%)	Carrying amount			
(I) BES Engineering Corporation	Core Pacific World Co., Ltd.	6F, No. 12, Dongxing Rd., Taipei City	Investment	\$ 1,530,094	\$ 1,530,094	115,942,000	99.95	\$ 1,411,927	(\$ 2,947)	(\$ 2,945)	Subsidiaries
	BES Investment Corporation Ltd.	Unit 1607, 16 th 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	1,596,018	(7,290)	(7,290)	Subsidiaries
	BES Logistics International Co., Ltd.	Republic of Mauritius	Investment	348,278	348,278	13,995,389	100.00	738,950	3,223	3,223	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	90,202	1,165	1,165	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	54,212	1,478	956	Subsidiaries
	Cinemark-Core Pacific, Ltd.	4F., No. 102, Guangfu S. Rd, Taipei City	Domestic and overseas movie playing	315,380	315,380	29,455,180	91.76	304,727	(14,872)	(13,646)	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	27,657	(306)	(281)	Subsidiaries
	BES Global Investment Co.	4F., Ellen Skelton Building 3076 Sir Francis Drake Highway, Tortola, Bristish Virgin Islands	Overseas construction and equipment sale	51,313	51,313	1,510,100	100.00	17,686	230	230	Subsidiaries
	BA & BES Contracting (L.L.C.)	P.O. Box 92237, Dubai-UAE	Contracting Construction	10,696	10,696	1,200,000	40.00	-	-	-	Subsidiaries
	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	246,820	759	759	
(II) Core Pacific World Co., Ltd.	Huading Enterprise Co., Ltd.	14F., No. 12, Dongxing Rd., Taipei City	Urban Renewal Reconstruction	441,090	441,090	44,109,000	90.00	439,554	(924)	(831)	Subsidiaries
	Chinese City International Investment Co., Ltd.	Republic of Mauritius	Consultancy	330,714	330,714	9,500,000	100.00	514,244	(1,104)	(1,104)	Subsidiaries
	Zhong Hua Cheng Development Co., Ltd.	Republic of Mauritius	Consultancy	330,714	330,714	9,500,000	100.00	510,631	(1,094)	(1,094)	Subsidiaries
(III) BES Investment Corporation Ltd.	Wei-Jing Holdings Ltd.	British Virgin Islands	Investment Holding	463,104	463,104	14,400,000	44.67	468,250	(9,387)	(4,193)	
	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	2,474	(306)	(25)	Subsidiaries
	Global BES Engineering (Myanmar) Co., Ltd.	NO.153/KA, Kyun Shwe Myaing Lane (2), 23 Ward, (Thuwanna), Thingangyun Township, Yangon, Myanmar	Contracting Construction	15,478	15,478	500,000	100.00	12,282	(113)	(113)	Subsidiaries
	BES Engineering Vietnam Company Limited	84 PHAN KHIEM ICH, P TAN PHONG, QUAN 7, TP HO CHI MINH, VIET NAM.	Contracting Construction	1,048,410	1,048,410	-	60.00	1,044,691	(4,902)	(2,941)	Subsidiaries

(Continued on next page)

(Continued from previous page)

Name of investor	Name of investee	Location	Principle business	Initial investment amount		Holdings at the end of the year			Investee profit (loss) for the year	Investment income or loss recognized for this year (Note 1)	Note
				End of year	Beginning of period	Number of shares	Percentage (%)	Carrying amount			
(IV) Core Asia Human Resources Management Co., Ltd.	Elite Human Resource Management Co., Ltd.	2F, No. 12, Dongxing Rd., Taipei City	Human resource consulting	\$ 5,000	\$ 5,000	500,000	100.00	\$ 17,373	\$ 2,079	\$ 2,079	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	15,678	1,059	1,059	Subsidiaries
	Chung Kung Management and Maintenance of Apartment Co., Ltd.	2F, No. 12, Dongxing Rd., Taipei City	Management service of apartment buildings	3,700	3,700	-	37.00	4,394	525	194	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	90,196	(5,248)	(2,603)	
	Cinema 7 Theater Co., Ltd.	8-11F., No. 52, Hang-Zhong Street, Taipei City	Motion broadcasting and retail sale of food, grocery and beverage	150,183	150,183	25,000	100.00	(66,477)	(5,924)	(5,924)	Subsidiaries
(VII) Chung Kung Management Consultant Co., Ltd.	Chung Kung Management and Maintenance of Apartment Co., Ltd.	2F, No. 12, Dongxing Rd., Taipei City	Management service of apartment buildings	6,300	6,300	-	63.00	7,482	525	331	Subsidiaries

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

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

BES Engineering Corporation and Subsidiaries
Information on Investment in Mainland China
Three Months Ended March 31, 2024

Table 5

Unit: In thousands of NTD, unless stated otherwise

Name of the Investee in Mainland China	Principle business	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	\$8,220 thousand CNY 1,883 thousand	39.20%	\$ 3,222 thousand CNY 738 thousand	\$ 784,705 thousand CNY 178,018 thousand	\$186,210 thousand USD 6,162 thousand
Core Pacific Consulting (Changshu) Co., Ltd.	Engineering and design consultancy	305,982 thousand USD 9,000 thousand	(2) (Note 4)	305,982 thousand USD 9,000 thousand	-	-	305,982 thousand USD 9,000 thousand	(1,094 thousand) (CNY 251 thousand)	100.00%	(1,094 thousand) (CNY 251 thousand)	501,835 thousand CNY 113,846 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	(1,104 thousand) (CNY 253 thousand)	100.00%	(1,104 thousand) (CNY 253 thousand)	505,362 thousand CNY 114,647 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 CNY40,900 thousand	-	-	167,565 thousand CNY40,900 thousand	8,220 thousand CNY 1,883 thousand	9.80%	806 thousand CNY 185 thousand	196,176 thousand CNY 44,505 thousand	55,775 thousand USD1,853 thousand
Cinemark-Core (Shanghai) Pacific Management and Consulting	Management of movie theaters; consultancy for procurement and management	27,602 thousand USD 900 thousand	(2) (Note 7)	27,577 thousand USD 900 thousand	-	-	27,577 thousand USD 900 thousand	- -	49.60%	- -	(NTD 492 thousand) (CNY 112 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	(75 thousand) (CNY 17 thousand)	24.30%	(18 thousand) (CNY 4 thousand)	26,459 thousand CNY 6,003 thousand	
HRDD Logistics Co., Ltd.	General warehousing, refrigerated warehousing, and automobile cargo carrier	653,328 thousand CNY 144,000 thousand	(1)	166,730 thousand CNY 34,000 thousand	-	-	166,730 thousand CNY 34,000 thousand	(28,585 thousand) (CNY 6,548 thousand)	23.61%	(6,749 thousand) (CNY 1,546 thousand)	17,527 thousand CNY 3,976 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	(4,577 thousand) (CNY 1,048 thousand)	49.60%	(2,270 thousand) (CNY 520 thousand)	37,208 thousand CNY 8,441 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	\$USD 23,809 thousand	\$ 14,042,382
	CNY74,900 thousand		
Core Pacific World Co., Ltd.	USD18,000 thousand	USD19,000 thousand	842,861
Cinemark-Core Pacific, Ltd.	USD7,875 thousand	USD7,875 thousand	208,176

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

- (1) Direct investment in mainland China.
- (2) Indirect investment in mainland China through a third-region corporation (please indicate the investor in the third region).
- (3) Other methods.

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

- (1) If companies still in the preparatory stage and therefore have no gains or losses, it shall be indicated.
- (2) The basis for recognition of investment income or loss is divided into the following three types, which shall be indicated.
 - A. Financial statements are audited and certified by an international accounting firm with a partnership with an accounting firm of the Republic of China.
 - B. Financial statements are audited and certified by a licensed CPA appointed by the parent Corporation in Taiwan.
 - C. Others.

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

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

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

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

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

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

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

BES Engineering Corporation and Subsidiaries
Information on Major Shareholders
March 31, 2024

Table 6

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

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

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