

Southeast Cement Corporation and Subsidiaries
Consolidated Financial Statements and Independent
Auditor's Review Report
For the First Quarters of 2024 and 2023

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Notice to Readers

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

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Independent Auditors' Review Report

To Southeast Cement Corporation

Foreword

We have reviewed the consolidated balance sheets of Southeast Cement Corporation and Subsidiaries as of March 31, 2024 and 2023, the consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flow for the periods from January 1 to March 31, 2024 and 2023, and notes to the consolidated financial statements, (including a summary of significant accounting policies). It is the responsibility of the management to prepare and ensure fair presentation of consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the version of IAS 34 - "Interim Financial Reporting" approved and published by the Financial Supervisory Commission. Our responsibility as auditor is to form a conclusion based on our review.

Scope

Except for the issues discussed in the "Basis of reservation" paragraph, we, the auditors, have performed the review in accordance with Standards on Review Engagements No. 2410 - "Financial Statement Review." The procedures executed in our review of consolidated financial statements include inquiry (mainly with employees responsible for financial and accounting affairs), analysis and other review-related processes. The scope of financial statement review is significantly smaller than a financial statement audit, therefore we may not be able to detect all material issues through the steps we have taken, and are therefore unable to provide an audit opinion.

Basis of reservation

As mentioned in Note IV(III) of the consolidated financial statements, non-material subsidiaries have been presented in the consolidated financial statements based on financial statements of the respective entities for the corresponding periods that were not reviewed by auditors. As of March 31, 2024 and 2023, these subsidiaries aggregately reported total assets of NTD 2,947,150 thousand and NTD 2,588,375 thousand that represented 24.42% and 21.28% of consolidated total assets, and total liabilities of NTD 1,099,790 thousand and NTD 776,996 thousand that represented 37.67% and 23.01% of consolidated total liabilities, respectively. These subsidiaries also reported total comprehensive income of NTD 27,759 thousand and NTD (19,328) thousand that represented 22.18% and (31.04%) of consolidated total comprehensive income for the periods from January 1 to March 31, 2024 and 2023, respectively.

Furthermore, as described in Note VI(XI) of the consolidated financial statements, Southeast Cement Corporation and subsidiaries reported equity-accounted investments totaling NTD 593,535 thousand and NTD 595,752 thousand as of March 31, 2024 and 2023, that represented 4.92% and 4.90% of total assets, respectively. Share of profit or loss from equity-accounted associated companies and joint ventures recognized for the periods from January 1 to March 31, 2024 and 2023, amounted to NTD 4,811 thousand and NTD 3,442 thousand, representing 8.87% and 17.64% of pre-tax profit,

respectively; whereas share of other comprehensive income from equity-accounted associated companies and joint ventures amounted to NTD 1,138 thousand and NTD (165) thousand, representing 1.42% and (0.38%) of other net comprehensive income, respectively. These amounts were recognized based on financial statements of the respective investees for the corresponding periods that were not reviewed by auditors. Furthermore, information relating to the abovementioned subsidiaries, as disclosed in Note XIII of the consolidated financial statements, were not CPA-reviewed.

Reservations

Based on our review, we found that none of the material disclosures of the consolidated financial statements mentioned above exhibited any misstatement that did not conform with Regulations Governing the Preparation of Financial Reports by Securities Issuers or the version of IAS 34 - "Interim Financial Reporting" approved, published, and effected by the Financial Supervisory Commission, or compromised the fair view of the consolidated financial position of Southeast Cement Corporation and subsidiaries as of March 31, 2024 and 2023, or the consolidated financial performance and consolidated cash flow for the periods from January 1 to March 31, 2024 and 2023, except for the issues discussed in the "Basis of reservation" paragraph concerning the financial statements of certain investees and disclosures of Note XIII, which may cause adjustments to the consolidated financial statements if they were CPA-reviewed.

Crowe Horwath United Certified Public

Accountant: Ching-Lin Li

Accountant: Ling-Wen Huang

Approval Document Number: FSC Securities
Review No. 10200032833

May 10, 2024

Southeast Cement Corporation and its subsidiaries
Consolidated Balance Sheets
As of March 31, 2024, December 31, 2023, and March 31, 2023

Unit: NTD 1,000

Code	Assets	March 31, 2024		December 31, 2023		March 31, 2023	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and Cash Equivalents (Note VI (I))	\$ 235,963	2	\$ 287,887	2	\$ 431,278	4
1110	Current financial assets at fair value through profit or loss (Note VI(II))	209,439	2	241,358	2	503,683	4
1150	Notes Receivable, net (Note VI(III))	201,852	2	239,044	2	225,720	2
1160	Notes receivable from related entities, net (Note VII)	19,016	-	-	-	-	-
1170	Accounts receivable, net (Note VI(IV))	413,206	3	323,104	3	125,254	1
1180	Accounts receivable due from related entities, net (Note VII)	39,952	-	42,063	-	39,554	-
1200	Other Receivables (Note VI(V))	2,305	-	989	-	2,786	-
1220	Current tax assets	1,089	-	944	-	577	-
130x	Current inventories (Note VI (VI))	1,321,617	11	1,188,767	11	1,083,845	9
1410	Prepayments (Note VI (VII))	79,356	1	65,923	1	51,151	-
1476	Other current financial assets (Note VI(VIII))	126,083	1	93,629	1	54,061	1
1480	Current assets recognized as incremental costs to obtain contracts with customers (Note VI(IX))	2,000	-	2,000	-	2,000	-
11xx	Total current assets	<u>2,651,878</u>	<u>22</u>	<u>2,485,708</u>	<u>22</u>	<u>2,519,909</u>	<u>21</u>
	Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income (Note VI (X))	1,463,251	12	1,421,796	12	1,276,960	10
1550	Investments accounted for by using equity method (Note VI(XI))	593,535	5	587,585	5	595,752	5
1600	Property, plant and equipment (Note VI(XII))	1,004,632	8	980,083	8	1,685,077	14
1755	Right-of-use assets (Note VI(XIII))	640,800	5	627,829	5	699,903	6
1760	Investment property, net (Note VI(XIV))	5,630,430	48	5,631,299	48	5,289,146	43
1780	Intangible assets	18	-	26	-	33	-
1840	Deferred tax assets	46,666	-	51,105	-	75,346	1
1920	Refundable deposits (Note VI(XV))	34,152	-	36,131	-	24,015	-
1990	Other non-current assets - others (Note VI(V))	4,806	-	-	-	-	-
15xx	Total non-current assets	<u>9,418,290</u>	<u>78</u>	<u>9,335,854</u>	<u>78</u>	<u>9,646,232</u>	<u>79</u>
1xxx	Total assets	<u>\$ 12,070,168</u>	<u>100</u>	<u>\$ 11,821,562</u>	<u>100</u>	<u>\$ 12,166,141</u>	<u>100</u>

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Code	Liabilities and equity	March 31, 2024		December 31, 2023		March 31, 2023	
		Amount	%	Amount	%	Amount	%
	Current liabilities						
2100	Current borrowings (Note VI(XVI))	\$ 1,008,000	8	\$ 898,000	8	\$ 1,630,000	14
2110	Short-term notes payable (Note VI(XVII))	239,818	3	294,795	3	269,824	2
2130	Current contract liabilities (Note VI(XVIII))	30,560	-	43,681	-	33,996	-
2150	Notes payable	8,901	-	17,722	-	5,747	-
2170	Accounts payable	334,022	3	263,293	3	224,501	2
2200	Other payables (Note VI(XIX))	133,779	1	141,645	1	165,700	1
2230	Current tax liabilities	43,669	-	39,544	-	-	-
2250	Current provisions (Note VI(XX))	1,695	-	1,769	-	1,523	-
2280	Current lease liabilities (Note VI(XIII))	44,786	-	38,976	-	69,604	1
2300	Other current liabilities	1,412	-	1,286	-	2,319	-
21xx	Total current liabilities	1,846,642	15	1,740,711	15	2,403,214	20
	Non-current liabilities						
2540	Non-current portion of non-current borrowings (Note VI(XXII))	265,900	2	265,900	2	110,000	1
2570	Deferred tax liabilities	269,630	2	269,188	2	301,863	2
2580	Non-current lease liabilities (Note VI(XIII))	521,247	5	504,194	5	550,301	5
2645	Guarantee deposits received (Note VI(XXIII))	16,365	-	16,331	-	11,828	-
25xx	Total non-current liabilities	1,073,142	9	1,055,613	9	973,992	8
2xxx	Total liabilities	2,919,784	24	2,796,324	24	3,377,206	28
	Equity						
	Equities attributable to owners of parent						
3100	Share capital (Note VI (XXIV))						
3110	Ordinary share(s)	5,720,008	47	5,720,008	48	5,720,008	47
3200	Capital surplus (Note VI (XXV))	188,688	2	188,688	2	188,583	2
3300	Retained earnings						
3310	Legal reserve	1,084,664	9	1,084,664	9	1,069,712	9
3320	Special reserve (Note VI(XXVII))	810,918	7	810,918	7	810,918	7
3350	Unappropriated retained earnings (Note VI (XXVI))	436,695	3	407,894	3	364,808	3
3400	Other equity interest (Note VI (XXVIII))	803,311	7	723,623	6	566,910	4
3500	Treasury shares (Note VI (XXIX))	(12,185)	-	(12,185)	-	(12,185)	-
31xx	Total equities attributable to owners of parent	9,032,099	75	8,923,610	75	8,708,754	72
36xx	Non-controlling interests (Note VI(XXX))	118,285	1	101,628	1	80,181	-
3xxx	Total equity	9,150,384	76	9,025,238	76	8,788,935	72
	Total liabilities and equity	\$ 12,070,168	100	\$ 11,821,562	100	\$ 12,166,141	100

(Please refer to the notes to the CFS)

Chairman: Min-Tuan Chen

Manager: Yen-Hui Wu

Chief Accountant: Hsin-Han Huang

Southeast Cement Corporation and its subsidiaries
Consolidated Statement of Comprehensive Income
For the periods from January 1 to March 31, 2024 and 2023

Unit: NTD 1,000

Code	Item(s)	January 1 to March 31, 2024		January 1 to March 31, 2023	
		Amount	%	Amount	%
4000	Operating revenue (Note VI (XXXI))	\$ 576,896	100	\$ 528,054	100
5000	Operating costs (Note VI(VI))	(478,917)	(83)	(479,145)	(91)
5900	Gross profit (loss) from operations	97,979	17	48,909	9
	Operating expenses				
6100	Sales (marketing) expenses	(4,872)	(1)	(4,301)	(1)
6200	Administrative expenses	(23,766)	(4)	(30,714)	(6)
6450	Gain (loss) on expected credit impairment (Note VI(IV))	36	-	(216)	-
6000	Total operating expenses	(28,602)	(5)	(35,231)	(7)
6900	Net operating income (loss)	69,377	12	13,678	3
	Non-operating income and expenses				
7100	Interest income (Note VI (XXXIII))	1,304	-	1,585	-
7010	Other income (Note VI (XXXIV))	1,615	-	2,013	-
7020	Other gains and losses (Note VI (XXXV))	(14,503)	(3)	9,683	2
7050	Finance costs (Note VI(XXXVI))	(8,364)	(1)	(10,887)	(2)
7070	Share of profit or loss from subsidiaries, associated companies, and joint ventures accounted for using equity method	4,811	1	3,442	1
7000	Total non-operating income and expenses	(15,137)	(3)	5,836	1
7900	Profit (loss) before tax	54,240	9	19,514	4
7950	Income tax benefit (expense) (Note VI(XXXVII))	(9,006)	(1)	(213)	-
8200	Profit (loss)	45,234	8	19,301	4
	Other comprehensive income (Note VI (XXXVIII))				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	78,774	14	43,131	8
8320	Share of other comprehensive income of related entities and joint ventures accounted for using equity method	1,138	-	(165)	-
8300	Other comprehensive income, net	79,912	14	42,966	8
8500	Total comprehensive income	\$ 125,146	22	\$ 62,267	12
8600	Profit (loss) attributable to:				
8610	Profit (loss), attributable to owners of parent	\$ 28,580	5	\$ 34,087	6
8620	Profit (loss), attributable to non-controlling interests	16,654	3	(14,786)	(3)
		\$ 45,234	8	\$ 19,301	3
8700	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	\$ 108,489	19	\$ 77,048	15
8720	Comprehensive income, attributable to non-controlling interests	16,657	3	(14,781)	(3)
		\$ 125,146	22	\$ 62,267	12
	Earnings per share				
9750	Basic earnings per share (Note VI (XXXIX))	\$ 0.05		\$ 0.06	
9850	Diluted earnings per share (Note VI (XXXIX))	\$ 0.05		\$ 0.06	

(Please refer to the notes to the CFS)

Chairman: Min-Tuan Chen

Manager: Yen-Hui Wu

Chief Accountant: Hsin-Han Huang

Southeast Cement Corporation and its subsidiaries
Consolidated Statement of Changes in Equity
For the periods from January 1 to March 31, 2024 and 2023

Unit:NTD 1,000

	Equities attributable to owners of parent									
	Retained earnings					Total other equity interest				
						Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Treasury shares	Total equity attributable to owners of parent	controlling interests	Total equity
	Ordinary share(s)	Capital surplus	Legal reserve	Special reserves	Unappropriated retained earnings					
Balance as of January 1, 2023	\$ 5,720,008	\$ 188,583	\$ 1,069,712	\$ 810,918	\$ 330,721	\$ 523,949	\$ (12,185)	\$ 8,631,706	\$ 94,962	\$ 8,726,668
Net profit (net loss) for the period from January 1 to March 31, 2023	-	-	-	-	34,087	-	-	34,087	(14,786)	19,301
Other comprehensive income for the period from January 1 to March 31, 2023	-	-	-	-	-	42,961	-	42,961	5	42,966
Total comprehensive income	-	-	-	-	34,087	42,961	-	77,048	(14,781)	62,267
Balance as of March 31, 2023	\$ 5,720,008	\$ 188,583	\$ 1,069,712	\$ 810,918	\$ 364,808	\$ 566,910	\$ (12,185)	\$ 8,708,754	\$ 80,181	\$ 8,788,935
Balance as of January 1, 2024	\$ 5,720,008	\$ 188,688	\$ 1,084,664	\$ 810,918	\$ 407,894	\$ 723,623	\$ (12,185)	\$ 8,923,610	\$ 101,628	\$ 9,025,238
Net profit (net loss) for the period from January 1 to March 31, 2024	-	-	-	-	28,580	-	-	28,580	16,654	45,234
Other comprehensive income for the period from January 1 to March 31, 2024	-	-	-	-	-	79,909	-	79,909	3	79,912
Total comprehensive income	-	-	-	-	28,580	79,909	-	108,489	16,657	125,146
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	221	(221)	-	-	-	-
Balance as of March 31, 2024	\$ 5,720,008	\$ 188,688	\$ 1,084,664	\$ 810,918	\$ 436,695	\$ 803,311	\$ (12,185)	\$ 9,032,099	\$ 118,285	\$ 9,150,384

(Please refer to the notes to the CFS)

Chairman: Min-Tuan Chen

Manager: Yen-Hui Wu

Chief Accountant: Hsin-Han Huang

Southeast Cement Corporation and its subsidiaries
Consolidated Statements of Cash Flow
For the periods from January 1 to March 31, 2024 and 2023

Unit: NTD 1,000

Item(s)	January 1 to March 31, 2024	January 1 to March 31, 2023
Cash flows from (used in) operating activities		
Profit (loss) before tax for the period	\$ 54,240	\$ 19,514
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	26,669	25,532
Amortization expense	8	7
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9 amount(s)	(36)	216
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	6,152	(11,495)
Interest expense	8,364	10,887
Interest income	(1,304)	(1,585)
Share of loss (profit) of related entities and joint ventures accounted for by using equity method	(4,811)	(3,442)
Loss (gain) on disposal of property, plants and equipment	(26)	-
Property, plants and equipment transferred to expenses	-	553
Profit from lease modification	(198)	-
Total adjustments to reconcile profit (loss)	<u>34,818</u>	<u>20,673</u>
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in financial assets at fair value through profit or loss, mandatorily measured at fair value	25,767	65,327
Decrease (increase) in notes receivable	18,205	21,054
Decrease (increase) in accounts receivable	(87,984)	(36,911)
Decrease (increase) in other receivable	(372)	29,747
Decrease (increase) in inventories	(133,689)	(67,693)
Decrease (increase) in other prepayments	(13,433)	(10,230)
Decrease (increase) in other financial assets	(32,454)	110,479
Total changes in operating assets	<u>(223,960)</u>	<u>111,773</u>
Changes in operating liabilities		
Increase (decrease) in contract liabilities	(13,121)	15,126
Increase (decrease) in notes payable	(8,821)	3,827
Increase (decrease) in accounts payable	70,729	(26,285)
Increase (decrease) in other payable	(2,091)	1,725
Increase (decrease) in provisions	(74)	82
Adjustments for increase (decrease) in other current liabilities	126	801
Total changes in operating liabilities	<u>46,748</u>	<u>(4,724)</u>
Total changes in operating assets and liabilities	<u>(177,212)</u>	<u>107,049</u>
Total adjustments	<u>(142,394)</u>	<u>127,722</u>

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Item(s)	January 1 to March 31, 2024	January 1 to March 31, 2023
Cash inflow (outflow) generated from operations	\$ (88,154)	\$ 147,236
Interest received	1,415	1,612
Dividends received	256	-
Interest paid	(8,803)	(10,587)
Income taxes refund (paid)	(145)	(119)
Net cash flows from (used in) operating activities	(95,431)	138,142
Cash flows from (used in) investing activities		
Acquisition of financial assets at fair value through other comprehensive income	(7,366)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	44,684	-
Acquisition of property, plants and equipment	(42,283)	(38,140)
Proceeds from disposal of property, plants and equipment	110	-
Increase in refundable deposits	-	(5,017)
Decrease in refundable deposits	2,931	-
Acquisition of use-of-right assets	(233)	(13,656)
Increase in long-term lease and instalment receivables	(6,127)	-
Decrease in long-term lease and instalment receivables	-	709
Net cash flows from (used in) investing activities	(8,284)	(56,104)
Cash flows from (used in) financing activities		
Increase in short-term loans	110,000	100,000
Decrease in short-term notes and bills payable	(55,000)	(150,000)
Proceeds from long-term debt	-	110,000
Increase in guarantee deposits received	34	-
Payments of lease liabilities	(3,243)	(7,134)
Net cash flows from (used in) financing activities	51,791	52,866
Net increase (decrease) in cash and cash equivalents	(51,924)	134,904
Cash and cash equivalents at beginning of period	287,887	296,374
Cash and cash equivalents at end of period	\$ 235,963	\$ 431,278

(Please refer to the notes to the CFS)

Chairman: Min-Tuan Chen

Manager: Yen-Hui Wu

Chief Accountant: Hsin-Han Huang

Southeast Cement Corporation and Subsidiaries

Notes to the Consolidated Financial Statements

For the period from January 1 to March 31, 2024 and 2023

(Unless otherwise specified, all amounts are in thousands of New Taiwan dollars, NTD 1,000)

I. Company History

Southeast Cement Corporation (hereinafter referred to as the "Group") was established in December 1956. The main business activities include manufacturing and selling cement, furnace slag powder, cement processed products, and ready-mixed concrete, among other things. Please refer to Note IV, (III)2. for the main business operations of the Company and its subsidiaries (hereinafter referred to as the Group). Furthermore, this company is the ultimate parent company of this group.

The consolidated financial statements are expressed in the functional currency of the Company, the New Taiwan Dollar (NTD).

II. The Authorization of Financial Statements

This consolidated financial statement was issued after being approved by the Board of Directors on May 10, 2024.

III. Application of New and Revised Standards and Interpretations

(I) The impact of adopting the International Financial Reporting Standards (IFRSs), International Accounting Standards, interpretations and directives which have been approved and promulgated by the Taiwan Financial Supervisory Commission (hereinafter referred to as "FSC"):

The table below lists the new releases, amendments, and revisions of the International Financial Reporting Standards accepted by the Taiwan Financial Supervisory Commission for use in 2024

Newly Issued/Amended/Revised Standards and Interpretations	Effective date issued by IASB
"Lease liabilities in Sale and leaseback under the amendment of IFRS 16"	January 1, 2024 (Note)
Amendment to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024 (Note)
Amendment to IAS 1 "Non-current liabilities with contractual clauses"	January 1, 2024 (Note)
Amendments to IAS 7 and IFRS 7 "Supplier Financing Arrangements"	January 1, 2024 (Note)

Note: The amendment applies to annual reporting periods beginning after January 1, 2024.

1. Amendment to IFRS 16 "Lease liabilities in a sale and leaseback"

This amendment clarifies how in transactions involving sale and leaseback, if the transfer of assets is treated as a sale in accordance with IFRS 15, the seller who is also a lessee should handle liabilities arising from the leaseback in accordance with the provisions of IFRS 16 related to lease liabilities. However, if it involves lease payments not based on changes in indices or rates, the seller, who is also the lessee, should still determine and recognize lease liabilities generated by such variable payments in a way that does not recognize gains and losses related to the retained usufruct right of use. The difference between the actual amount of lease payments and decrease in the book value of lease liabilities is recognized as profit or loss.

2. Amendment to IAS 1 "Classification of Liabilities as Current or Non-current"

This amendment clarifies when determining whether liabilities are classified as non-current, the company shall assess whether it has the right to defer settlement for at least 12 months after the reporting period ends on the reporting period end date. If the company has the right at the end of the reporting period, regardless of whether the company expects to exercise the right, the liability should be classified as non-current. If an enterprise must comply with certain conditions to enjoy the right to defer repayment, it must have complied with these conditions by the end of the reporting period to classify liabilities as non-current, even if the creditor verifies at a later date whether the enterprise has complied with these conditions.

Also, this amendment stipulates that for the purpose of liabilities classification, the aforesaid redemption refers to extinguishment of liabilities by transferring cash, other economic resources, or equity instruments of this group to the trading party. However, if the terms of the Liabilities could possibly lead to settlement by a transfer of the Group's Equity instruments, at the option of the counterparty, and if such option under IAS 32 "Financial Instruments: Presentation" is separately recognized in Equity, then the aforementioned terms do not affect the classification of the Liabilities.

3. Amendment to IAS 1 "Non-current liabilities with contractual clauses"

This amendment further clarifies that only the contractual terms that need to be complied with before the end of the reporting period would affect the classification of liabilities on that day. The terms of the contract that must be complied with within 12 months after the reporting period do not affect liabilities' classification. However, for liabilities classified as non-current liabilities at the end of the reporting period, if the enterprise may not be able to comply with the terms of the contract and needs to repay within 12 months after the reporting period, the related facts and circumstances shall be disclosed in the notes.

4. Amendments to IAS 7 and IFRS 7 "Supplier Financing Arrangements"

Supplier financing arrangements consist of one or more financing providers paying the accounts payable to suppliers on behalf of the company, and the company agrees to pay the financing providers on the payment date agreed with the supplier or a later date. The amendment to IAS 7 requires that companies disclose information about their financing arrangements with suppliers, so that users of the financial statements can assess impact of such arrangements on company liabilities, cash flows, and liquidity risk exposure. The amendment to IFRS 7 includes in its application guidance that when disclosing how a company manages the liquidity risk of financial liabilities, it may also consider whether it has obtained or can obtain financing through supplier financing arrangements, and whether such arrangements might lead to a concentration of liquidity risk.

The Group has assessed that the aforementioned standards and interpretations have no significant impact on the Group's financial status and financial performance.

- (II) The impact of new releases and amendments under International Financial Reporting Standards approved by the Taiwan Financial Supervisory Commission yet to be adopted: None.
- (III) The impact of International Financial Reporting Standards issued by the International Accounting Standards Board, but not yet approved by the Taiwan Financial Supervisory Commission:

The table below lists the newly issued, amended and revised standards and interpretations of the International Financial Reporting Standards issued by the International Accounting Standards Board but not yet included in those recognized by the Taiwan Financial Supervisory Commission's.

Newly Issued/Amended/Revised Standards and Interpretations	Effective date issued by IASB
Amendments to IFRS 10 and IAS 28 regarding "Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture"	Undetermined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 - "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "First-time Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendment to IAS 21 "Lack of Exchangeability"	January 1, 2025
IFRS 18 - "Presentation and Disclosure in Financial Statements"	January 1, 2027

The Group has assessed that the aforementioned standards and interpretations have no significant impact on the Group's financial status and financial performance, except for the matters discussed below.

1. Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Related Entities or Joint Venture"

This amendment resolves the existing discrepancies between IFRS 10 and IAS 28. Sale (contribution) of assets to (from) the investor and transactions with related entities or joint ventures will have disposal gains or losses recognized on a full or partial basis depending on the nature of the transacted assets. Asset that satisfies the definition of "business" will have the entirety of disposal gains/losses recognized; for asset that does not satisfy the definition of "business," only the disposal gains/losses that are proportional to non-related investors' ownership interest in the related entity or joint venture can be recognized.

2. Amendment to IAS 21 "Lack of Exchangeability"

This amendment defines exchangeability and provides practical guidelines on how businesses should determine the spot exchange rate on the measurement date when a certain currency lacks exchangeability. This amendment also requires businesses to provide more useful information in the financial statements if one currency can not be exchanged to another currency.

3. IFRS 18 - "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS 1 and introduces an update to the structure of the statement of comprehensive income along with new disclosures for management-defined performance measures. This standard emphasizes on the aggregation and disaggregation of disclosures in key financial statements and footnotes.

As of the date of issuance of these CFS, the Group continues to assess the impact of these standards and interpretations on the Group's financial position and performance, and related impacts will be disclosed upon completion of said assessment(s).

IV. Summary of Significant Accounting Policies

Except for the statement of compliance, basis of preparation, basis of consolidation, and new explanations provided below, all other significant accounting policies are unchanged from Note IV of the 2023 consolidated financial statements. Unless otherwise stated, these policies are consistently applied throughout all reporting periods.

(I) Compliance Statement

The consolidated financial statements have been prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and the version of IAS 34 - "Interim Financial Reporting" approved, announced, and effected by FSC. These consolidated financial statements should be read in conjunction with the 2023 consolidated financial statements.

(II) Basis of preparation

1. Except for the following significant items, these CFS are prepared on a historical cost basis:
 - (1) Financial assets and liabilities at fair value through profit or loss (including derivatives) measured at fair value.
 - (2) Financial assets and liabilities measured at fair value through other comprehensive income.
 - (3) Liabilities of cash-settled share-based payment agreements measured at fair value.
2. The preparation of consolidated financial statements in accordance with the IFRSs approved by the Financial Supervisory Commission requires some significant accounting estimates. Management also needs to exercise their judgment in the application process of the Group's accounting policies. For items involving high judgment or complexity, or those involving significant assumptions and estimates of CFS, please refer to Note 5 for details.

(III) Consolidation Basis

1. Principles for CFS Preparation:

- (1) The Group includes all subsidiaries in the preparation of the CFS. A subsidiary refers to an entity (including structured entities) under the control of the Group. The Group controls the entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are included in the consolidated financial statements from the date on which the Group obtains control and cease to be consolidated from the date on which control is lost.
- (2) Intercompany transactions, balances, and unrealized profits (losses) have been eliminated within the group. The accounting policies of the subsidiaries have been appropriately adjusted to be consistent with the policies adopted by the group.
- (3) The components of profit or loss and other comprehensive income are attributable to owners of parent and non-controlling interests; the total comprehensive income, net of tax is also attributable to owners of parent and non-controlling interests even when that results in deficit balance of non-controlling interests.
- (4) Changes in holdings of subsidiaries that do not result in loss of control (transactions with non-controlling interests) are treated as equity transactions, i.e., they are considered transactions with owners. The difference between the adjustment amount of non-controlling interests and the fair value of the consideration paid or received is directly recognized in equity.
- (5) When the Group loses control over a subsidiary, the remaining investments in the former subsidiary are re-measured at fair value, which is considered as the original

recognition fair value of financial assets or original recognition cost of investment in associates and joint ventures. The difference between the fair value and the carrying amount is recognized as current profit or loss. Regarding all amounts previously recognized in Other comprehensive income related to the subsidiary, the accounting treatment is the same as when the Group directly disposes of relevant Assets or Liabilities, i.e., if the profit or loss previously recognized as Other comprehensive income, is reclassified as profit or loss when disposing of relevant Assets or Liabilities, then when control over the subsidiary is lost, that profit or loss will be reclassified from Equity to profit or loss.

2. The subsidiaries included in the CFS are as follows:

Main business items	Shareholding or investment ratio	Investments in companies/subsidiaries		
		March 31, 2024	December 31, 2023	March 31, 2023
A.Southeast Cement Corporation				
Southeast Investment Co., Ltd	Investment transfer business	99.29%	99.29%	99.29%
Southeast Paper Manufacturing Co., Ltd.	Real estate leasing business (Note)	49.71%	49.71%	49.71%
Dong Nai Construction Co., Ltd.	Residential and Building Development Lease and Sale Industry	100.00%	100.00%	100.00%
Southeast Topgood Resources Recycling Co., Ltd.	Waste Disposal Management	50.00%	50.00%	50.00%
Southeast Milo International Co., Ltd.	Real Estate Leasing Industry	50.00%	50.00%	50.00%
Da Yang Construction Co., Ltd	Construction industry	100.00%	100.00%	100.00%
B.Southeast Investment Co., Ltd				
Southeast Topgood Resources Recycling Co., Ltd.	Waste Disposal Management	1.00%	1.00%	1.00%
Southeast Milo International Co., Ltd.	Real Estate Leasing Industry	1.00%	1.00%	1.00%

Note: The parent company gained control of Southeast Paper Manufacturing Co., Ltd. due to the assignment of personnel to serve as the general manager of Southeast Paper Manufacturing Co., Ltd.

- (1) All of the subsidiaries listed above are non-material subsidiaries, and have been consolidated into the consolidated financial statements based on financial statements that were not auditor-reviewed.
- (2) Changes in consolidated subsidiaries: None.

3. Subsidiaries not included in CFS: None.
4. Adjustments and handling methods due to different accounting periods of subsidiaries: None.
5. Significant Limitations: None.
6. Contents of securities issued by the parent company held by subsidiaries: Please refer to the description in Note VI(XXIX).
7. Information on subsidiaries with significant non-controlling interests:

Shareholding Ratio	Non-controlling interests	March 31, 2024	
		controlling interests	Profit (loss) allocated to non-controlling interests
Southeast Topgood Resources Recycling Co., Ltd.	49%	\$ 91,163	\$ 14,346
Southeast Milo International Co., Ltd.	49%	11,681	2,262
Others		15,441	46
Total		<u>\$ 118,285</u>	<u>\$ 16,654</u>

Shareholding Ratio	Non-controlling interests	December 31, 2023	
		controlling interests	Profit (loss) allocated to non-controlling interests
Southeast Topgood Resources Recycling Co., Ltd.	49%	\$ 76,817	\$ 9,555
Southeast Milo International Co., Ltd.	49%	9,419	(3,218)
Others		15,392	194
Total		<u>\$ 101,628</u>	<u>\$ 6,531</u>

Shareholding Ratio	Non-controlling interests	March 31, 2023	
		controlling interests	Profit (loss) allocated to non-controlling interests
Southeast Topgood Resources Recycling Co., Ltd.	49%	\$ 63,096	\$ (4,166)
Southeast Milo International Co., Ltd.	49%	1,865	(10,773)
Others		15,220	153
Total		<u>\$ 80,181</u>	<u>\$ (14,786)</u>

- (1) For information on the main places of business and countries of incorporation of the above-mentioned subsidiaries, please refer to Note XIII.
- (2) The summarized financial information is as follows:
 - A. Balance sheets:

Southeast Topgood Resources Recycling Co., Ltd.			
Item(s)	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 297,747	\$ 216,860	\$ 209,967
Non-current assets	731,364	746,335	614,871
Current liabilities	321,655	281,885	321,683
Non-current liabilities	521,408	524,540	374,389
Equity	\$ 186,048	\$ 156,770	\$ 128,766

Southeast Milo International Co., Ltd.			
Item(s)	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 29,278	\$ 54,118	\$ 86,644
Non-current assets	2,666,269	2,649,597	2,575,064
Current liabilities	51,609	51,475	146
Non-current liabilities	2,620,099	2,633,018	2,657,756
Equity	\$ 23,839	\$ 19,222	\$ 3,806

- B. Statements of comprehensive income:

Southeast Topgood Resources Recycling Co., Ltd.		
	From January to March 2024	From January to March 2023
Revenues	\$ 183,213	\$ 45,888
Profit (loss)	\$ 29,277	\$ (8,503)
Other comprehensive income (net of tax)	-	-
Total comprehensive income	\$ 29,277	\$ (8,503)
Net profit attributable to non-controlling interests	\$ 14,346	\$ (4,166)
Comprehensive income attributable to non-controlling interests	\$ 14,346	\$ (4,166)
Dividends paid to non-controlling interests	\$ -	\$ -

	Southeast Milo International Co., Ltd.	
	From January to March 2024	From January to March 2023
Revenues	\$ 24,762	\$ 21,354
Profit (loss)	\$ 4,616	\$ (21,986)
Other comprehensive income (net of tax)	-	-
Total comprehensive income	\$ 4,616	\$ (21,986)
Net profit attributable to non-controlling interests	\$ 2,262	\$ (10,773)
Comprehensive income attributable to non-controlling interests	\$ 2,262	\$ (10,773)
Dividends paid to non-controlling interests	\$ -	\$ -

C. Statements of cash flow:

	Southeast Topgood Resources Recycling Co., Ltd.	
	From January to March 2024	From January to March 2023
Net cash flows from (used in) operating activities	\$ (23,559)	\$ (2,472)
Net cash flows from (used in) investing activities	(1,470)	(34,345)
Net cash flows from (used in) financing activities	21,242	149,084
Net increase (decrease) in cash and cash equivalents	\$ (3,787)	\$ 112,267
Cash and cash equivalents at beginning of period	9,071	4,234
Cash and cash equivalents at end of period	\$ 5,284	\$ 116,501

	Southeast Milo International Co., Ltd.	
	From January to March 2024	From January to March 2023
Net cash flows from (used in) operating activities	\$ 8,016	\$ (10,137)
Net cash flows from (used in) investing activities	-	-
Net cash flows from (used in) financing activities	(12,699)	11,316
Net increase (decrease) in cash and cash equivalents	\$ (4,683)	\$ 1,179
Cash and cash equivalents at beginning of period	10,138	1,207
Cash and cash equivalents at end of period	\$ 5,455	\$ 2,386

(IV) Income tax

The income tax expense represents the sum of the tax currently payable and deferred tax. Income taxes for the interim period are assessed by determining the tax rate applicable to expected total annual earnings, and applying the tax rate to interim pre-tax profit. Impact of tax rate change following a tax law amendment that occurs during the interim period is treated using the same accounting principles as transactions that give rise to the tax consequence, and is recognized in the period incurred.

V. Major sources of uncertainty to significant accounting judgments, estimates, and assumptions

When preparing the consolidated financial statements, the Group had made significant judgments, accounting estimates, and assumptions in a manner that was consistent with Note V of the 2023 consolidated financial statements.

VI. Descriptions of Material Accounting Items

Please also refer to Note VI of the 2023 consolidated financial statements, in addition to the following explanations.

(I) Cash and cash equivalents

Item(s)	March 31, 2024	December 31, 2023	March 31, 2023
Cash	\$ 688	\$ 534	\$ 441
Checking account deposits	4,898	3,351	3,648
Demand deposits	118,304	172,239	289,801
Cash equivalents			
Short-term notes and bills due within three months of the original maturity date	112,073	111,763	137,388
Total	<u>\$ 235,963</u>	<u>\$ 287,887</u>	<u>\$ 431,278</u>

1. The Group maintains good credit relationships with financial institutions, and transactions with multiple financial institutions are conducted to diversify credit risk, thereby minimizing the likelihood of default.

2. The Group has not pledged any cash and cash equivalents.

(II) Financial assets at fair value through profit or loss - Current

Item(s)	March 31, 2024	December 31, 2023	March 31, 2023
Non-derivative financial assets			
Listed shares	\$ 151,234	\$ 156,532	\$ 154,612
Open-ended funds and ETFs	34,868	66,830	332,060
Bonds	23,337	17,996	17,011
Total	<u>\$ 209,439</u>	<u>\$ 241,358</u>	<u>\$ 503,683</u>

1. The net gains (losses) recognized by the Group in 2024 and 2023 were NTD (6,152) thousand and NTD 11,495 thousand, respectively.
2. The Group has not provided any pledges for financial assets at fair value through profit or loss.
3. For more details on the related credit risk management and evaluation methods, please refer to Note XII.

(III) Notes receivable, net

Item(s)	March 31, 2024	December 31, 2023	March 31, 2023
Measured at amortized cost			
Total book value	\$ 201,995	\$ 239,231	\$ 228,300
Less: Loss allowance	(143)	(187)	(2,580)
Notes receivable, net	<u>\$ 201,852</u>	<u>\$ 239,044</u>	<u>\$ 225,720</u>

1. The Group did not pledge any notes receivable.
2. For related disclosures about the allowance for bad debts of notes receivable, please refer to Note VI, (IV).

(IV) Accounts receivable, net

Item(s)	March 31, 2024	December 31, 2023	March 31, 2023
Measured at amortized cost			
Total book value	\$ 413,531	\$ 323,435	\$ 125,989
Less: Loss allowance	(325)	(331)	(735)
Accounts receivable, net	<u>\$ 413,206</u>	<u>\$ 323,104</u>	<u>\$ 125,254</u>

1. The accounts receivable of the Group that are neither past due nor impaired meet the credit standards established based on the industry characteristics, business scale, and profitability of the counterparties. The average credit period of sales from the production department is 2-3 months, while the construction and leasing departments follow the payment terms as per contracts.
2. The Group adopts the simplified approach under IFRS 9 to recognize expected credit losses on account receivables based on their lifetime expected credit losses. The expected credit losses over the lifetime are calculated using a provision matrix, which considers factors such as the customer's historical default record, current financial condition, and industry economic trends. As the historical credit loss experience of the Group indicates no significant difference in loss patterns among different customer groups, the provision matrix does not further differentiate between customer groups but sets expected credit loss rates based on the number of days past due for notes receivable and accounts receivable.

3. The Group measures the provision for loss allowance on notes receivable and account receivables (including related parties and other receivables) based on the provision matrix as follows:

March 31, 2024	Expected credit loss rate	Total book value	Loss allowance (lifetime expected credit loss)	Amortized cost
Not overdue	0%-2%	\$ 676,546	\$ (215)	\$ 676,331
Overdue 0-90 days	0%-5%	-	-	-
Overdue 91-180 days	0%-25%	-	-	-
Overdue 181-365 days	0%-50%	-	-	-
Overdue for more than 365 days	100%	-	-	-
The counterpart has shown signs of impairment	100%	300	(300)	-
Total		<u>\$ 676,846</u>	<u>\$ (515)</u>	<u>\$ 676,331</u>

December 31, 2023	Expected credit loss rate	Total book value	Loss allowance (lifetime expected credit loss)	Amortized cost
Not overdue	0%-2%	\$ 605,451	\$ (251)	\$ 605,200
Overdue 0-90 days	0%-5%	-	-	-
Overdue 91-180 days	0%-25%	-	-	-
Overdue 181-365 days	0%-50%	-	-	-
Overdue for more than 365 days	100%	-	-	-
The counterpart has shown signs of impairment	100%	300	(300)	-
Total		<u>\$ 605,751</u>	<u>\$ (551)</u>	<u>\$ 605,200</u>

March 31, 2023	Expected credit loss rate	Total book value	Loss allowance (lifetime expected credit loss)	Amortized cost
Not overdue	0%-2%	\$ 397,046	\$ (3,732)	\$ 393,314
Overdue 0-90 days	0%-5%	-	-	-
Overdue 91-180 days	0%-25%	-	-	-
Overdue 181-365 days	0%-50%	-	-	-
Overdue for more than 365 days	100%	63	(63)	-
Total		<u>\$ 397,109</u>	<u>\$ (3,795)</u>	<u>\$ 393,314</u>

4. Changes in allowance for doubtful accounts for notes receivable, accounts receivable (including related parties and other receivables) are as follows:

Item(s)	From January to March 2024	From January to March 2023
Beginning balance	\$ 551	\$ 3,579
Add: Recognition of impairment losses	-	216
Less: Reversal of impairment losses	(36)	-
Ending balance	<u>\$ 515</u>	<u>\$ 3,795</u>

The aforementioned accounts receivable held with other credit enhancements: none.

If there is evidence that the counterparty is experiencing severe financial difficulties and the Group cannot reasonably expect to recover the amount due, the Group directly writes off the related accounts receivable directly, although collection efforts will continue, with any amounts collected recognized in the profit and loss. Amounts of contract-related receivables written off for the periods from January to March, 2024 and 2023, were NTD 0 thousand.

5. For related credit risk management and evaluation methods, please refer to the detailed explanation in Note XII.
6. The Group has not pledged any accounts receivable.

(V) Other receivables

Item(s)	March 31, 2024	December 31, 2023	March 31, 2023
Lease payments receivable	\$ 1,321	\$ -	\$ 706
Interests receivable	114	225	1,095
Other receivable	870	764	985
Subtotal	\$ 2,305	\$ 989	\$ 2,786
Less: Loss allowance	-	-	-
Net	<u>\$ 2,305</u>	<u>\$ 989</u>	<u>\$ 2,786</u>

1. The composition of lease payments receivable is as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Undiscounted lease payments			
Year 1	\$ 1,428	\$ -	\$ 714
Year 2	1,428	-	-
Year 3	1,428	-	-
Year 4	1,428	-	-
Year 5	714	-	-
Total	\$ 6,426	\$ -	\$ 714
Less: Unearned finance income	(299)	-	(8)
Less: Loss allowance	-	-	-
Lease payments receivable	<u>\$ 6,127</u>	<u>\$ -</u>	<u>\$ 706</u>

Unguaranteed residual value	\$ -	\$ -	\$ -
Less: Unearned finance income	-	-	-
Present value of unguaranteed residual value	\$ -	\$ -	\$ -
The net amount of lease investments listed as finance lease receivable.	\$ 6,127	\$ -	\$ 706
Lease payments receivable (listed as other receivables)	\$ 1,321	\$ -	\$ 706
Long-term lease payments receivable (recorded under Other non-current assets)	\$ 4,806	\$ -	\$ -

The Group signed a financing lease agreement in December 2023 to sublet the 8th floor of the Southeast Building, which was under lease, to the Bureau of Employment Training of the Ministry of Labor. Since the sublease period corresponds to all the remaining periods of the main lease, the Group classifies this lease as a finance lease.

(VI) Inventories and Cost of sales

Item(s)	March 31, 2024	December 31, 2023	March 31, 2023
Manufacturing Department:			
Primary fuel	\$ 13,018	\$ 9,180	\$ 27,744
Supplies	159	45	54,251
Work in process	-	-	27,076
Finished goods	73,536	26,285	88,958
Net - Manufacturing department	\$ 86,713	\$ 35,510	\$ 198,029
Construction Division:			
Land construction	\$ 423,446	\$ 423,446	\$ 423,446
Construction in progress	811,458	729,811	462,370
Net - Construction Department	\$ 1,234,904	\$ 1,153,257	\$ 885,816
Total	\$ 1,321,617	\$ 1,188,767	\$ 1,083,845

1. The inventory-related gains/(losses) recognized in the current period as cost of goods sold are as follows:

Item(s)	From January to March 2024	From January to March 2023
Disposal of inventory cost	\$ 468,187	\$ 460,947
Other Cost of revenue	10,730	19,185
Unamortized manufacturing expenditures	-	2,552
Loss for market price decline and obsolete and slow-moving inventories recognition (gain on reversal)	-	(3,539)
Subtotal for the Manufacturing Department	\$ 478,917	\$ 479,145
Cost of buildings and land sold	-	-
Total operating costs	\$ 478,917	\$ 479,145

2. The Group raised prices on some of its products and eliminated some of the excess inventory between January and March, 2024 and 2023, and the net realizable value of inventory increased as a result; the amount of inventory devaluation and obsolescence losses (reversal gains) recognized in the respective periods were NTD 0 thousand and NTD (3,539) thousand.
3. The Group has not pledged any current inventories.

(VII) Prepayments

Item(s)	March 31, 2024	December 31, 2023	March 31, 2023
Prepayments for material purchases	\$ 11,793	\$ 11,611	\$ 11,394
Prepayments for insurance premiums	509	601	381
Offset Against Business Tax Payable	56,134	50,813	27,144
Other prepaid	10,920	2,898	12,232
Total	<u>\$ 79,356</u>	<u>\$ 65,923</u>	<u>\$ 51,151</u>

(VIII) Other financial assets - Current

Item(s)	March 31, 2024	December 31, 2023	March 31, 2023
Time deposits with an original maturity of more than 3 months:			
Time deposits in NTD	\$ 59,000	\$ 30,107	\$ 1,107
Time deposits in Foreign Currency	67,083	63,522	52,954
Total	<u>\$ 126,083</u>	<u>\$ 93,629</u>	<u>\$ 54,061</u>
Interest Rate Range	<u>0.88%-5.40%</u>	<u>0.78%-5.35%</u>	<u>0.78%-4.60%</u>

(IX) Acquisition of Incremental Costs of Contract - Current

The Group expects to recover commissions paid to sales agents or bonuses for internally selling properties under land sale contracts, hence recognized as assets. The cost is amortized at the time when income on sale of property is recognized. The amounts of selling expense recognized for the periods from January to March, 2024 and 2023, were both NTD 0 thousand.

(X) Financial Assets at Fair Value Through Other Comprehensive Income - Non-current

Item(s)	March 31, 2024	December 31, 2023	March 31, 2023
Non-current			
Equity instruments			
Domestic listed companies' stocks	\$ 244,348	\$ 281,446	\$ 282,470
Domestic unlisted company stocks	353,321	353,321	357,773
Subtotal	\$ 597,669	\$ 634,767	\$ 640,243
Valuation adjustment	865,582	787,029	636,717
Total	\$ 1,463,251	\$ 1,421,796	\$ 1,276,960

1. The Group invests in the stocks of domestic and foreign unlisted companies based on its medium to long-term strategic objectives, expecting to profit from long-term investments. The management of the Group believes that recognizing short-term fair value fluctuations of such investments in profit or loss is inconsistent with the long-term investment plan. Therefore, these investments are designated as financial assets measured at fair value through other comprehensive income.
2. In 2024 and 2023, the Group adjusted its investment positions to diversify risks and sold some stocks at fair value. The unrealized gains/(losses) of other equity investments measured at fair value through other comprehensive income were NTD 221 thousand and NTD 0 thousand, respectively, transferred to retained earnings.
3. For more details on the related credit risk management and evaluation methods, please refer to Note XII.
4. The Group has not pledged any financial assets at fair value through other comprehensive income.

(XI) Investments accounted for using equity method

Investee	March 31, 2024	December 31, 2023	March 31, 2023
Significant associates:			
Taiwan Machinery Shipyard Co., Ltd.	\$ 330,515	\$ 330,462	\$ 323,750
Penghu Cable Television Co., Ltd.	124,977	122,850	138,382
Subtotal	\$ 455,492	\$ 453,312	\$ 462,132
Individual associates that are not significant	\$ 138,043	\$ 134,273	\$ 133,620
Total	\$ 593,535	\$ 587,585	\$ 595,752

1. The basic information of the significant associates of the Group is as follows:

Company Name	Shareholding Ratio		
	March 31, 2024	December 31, 2023	March 31, 2023
Taiwan Machinery Shipyard Co., Ltd.	31.56%	31.56%	31.56%
Penghu Cable Television Co., Ltd.	40.00%	40.00%	40.00%

For the nature of business, principal place of business, and country of incorporation of the associates, please refer to Table 6 of Note XIII.

2. The basic information of significant associates of the Group is as follows:

A. Balance Sheet

	Taiwan Machinery Shipyard Co., Ltd.		
	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 431,558	\$ 433,215	\$ 428,978
Non-current assets	1,185,058	1,180,388	1,159,890
Current liabilities	(401,724)	(401,879)	(435,170)
Non-current liabilities	(129,000)	(126,000)	(94,085)
Equity	\$ 1,085,892	\$ 1,085,724	\$ 1,059,613
Share of the associate's net assets	\$ 342,745	\$ 342,692	\$ 334,451
Unrealized gain (loss) on transactions with associates	(12,230)	(12,230)	(10,701)
Book value of associates	\$ 330,515	\$ 330,462	\$ 323,750

	Penghu Cable Television Co., Ltd.		
	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 263,463	\$ 337,148	\$ 400,033
Non-current assets	122,975	122,977	114,332
Current liabilities	(41,616)	(120,666)	(134,831)
Non-current liabilities	(32,381)	(32,333)	(33,579)
Equity	\$ 312,441	\$ 307,126	\$ 345,955
Share of the associate's net assets	\$ 124,977	\$ 122,850	\$ 138,382
Book value of associates	\$ 124,977	\$ 122,850	\$ 138,382

B. Statement of Comprehensive Income

Company Name	Taiwan Machinery Shipyard Co., Ltd.	
	From January to March 2024	From January to March 2023
Operating revenue	\$ -	\$ -
Profit (loss)	\$ (4,770)	\$ (3,859)
Other comprehensive income (net of tax)	4,938	(798)
Total comprehensive income	\$ 168	\$ (4,657)
Dividends received from the associates	\$ -	\$ -

Company Name	Penghu Cable Television Co., Ltd.	
	From January to March 2024	From January to March 2023
Operating revenue	\$ 26,149	\$ 26,918
Profit (loss)	\$ 5,951	\$ 6,462
Other comprehensive income (net of tax)	(635)	283
Total comprehensive income	\$ 5,316	\$ 6,745
Dividends received from the associates	\$ -	\$ -

- (1) The aggregate amount of the Company's interests in individually immaterial associates are as follows:

	From January to March 2024	From January to March 2023
Share entitled:		
Profit (loss)	\$ 3,935	\$ 2,076
Other comprehensive income (net of tax)	(166)	(27)
Total comprehensive income	\$ 3,769	\$ 2,049

3. The Group had recognized its share of profit/loss and other comprehensive income in equity-accounted investments for the periods from January to March, 2024 and 2023, using financial statements of the respective associated companies for the corresponding periods that were not reviewed by auditors.
4. As of March 31, 2024, December 31, 2023, and March 31, 2023, the investments accounted for using the equity method by the Group were not pledged.

(XII) Property, plants and equipment

Item(s)	March 31, 2024	December 31, 2023	March 31, 2023
Land	\$ 346,728	\$ 346,728	\$ 914,128
Buildings and structures	377,488	382,316	425,687
Machinery and equipment,	998,099	996,821	1,029,304
Transportation equipment	45,400	45,475	40,345
Other facilities	67,888	67,888	63,422
Equipment under acceptance and unfinished projects	273,091	239,619	312,737
Total Cost	\$ 2,108,694	\$ 2,078,847	\$ 2,785,623
Less: Accumulated depreciation	(1,069,494)	(1,064,196)	(1,088,342)
Accumulated impairment	(34,568)	(34,568)	(12,204)
Total	\$ 1,004,632	\$ 980,083	\$ 1,685,077

	Land	Buildings and structures	Machinery and equipment,	Transportation equipment	Other facilities	Equipment under acceptance and unfinished projects	Total
Costs							
Balance as of January 1, 2024	\$ 346,728	\$ 382,316	\$ 996,821	\$ 45,475	\$ 67,888	\$ 239,619	\$ 2,078,847
Addition	-	-	-	-	-	37,203	37,203
disposal	-	(7,168)	-	(75)	-	-	(7,243)
Reclassified to refundable deposits	-	-	-	-	-	(952)	(952)
Inventory transfers	-	-	-	-	-	839	839
Reclassification	-	2,340	1,278	-	-	(3,618)	-
Balance as of March 31, 2024	\$ 346,728	\$ 377,488	\$ 998,099	\$ 45,400	\$ 67,888	\$ 273,091	\$ 2,108,694
Accumulated Depreciation and Impairment							
Balance as of January 1, 2024	\$ -	\$ 291,942	\$ 751,032	\$ 15,488	\$ 40,302	\$ -	\$ 1,098,764
Depreciation expense	-	2,006	7,906	1,781	774	-	12,467
disposal	-	(7,168)	-	(1)	-	-	(7,169)
Balance as of March 31, 2024	\$ -	\$ 286,780	\$ 758,938	\$ 17,268	\$ 41,076	\$ -	\$ 1,104,062

	Land	Buildings and structures	Machinery and equipment,	Transportation equipment	Other facilities	Equipment under acceptance and unfinished projects	Total
Costs							
Balance at January 1, 2023	\$ 913,828	\$ 425,687	\$ 1,029,857	\$ 40,345	\$ 63,422	\$ 202,724	\$ 2,675,863
Addition	300	-	-	-	-	107,155	107,455
Transferred expenses to	-	-	(553)	-	-	-	(553)
Transfer of right-of-use assets	-	-	-	-	-	2,858	2,858
Balance as of March 31, 2023	\$ 914,128	\$ 425,687	\$ 1,029,304	\$ 40,345	\$ 63,422	\$ 312,737	\$ 2,785,623
Accumulated Depreciation and Impairment							
Balance at January 1, 2023	\$ -	\$ 312,005	\$ 719,760	\$ 25,954	\$ 37,800	\$ -	\$ 1,095,519
Depreciation expense	-	922	2,656	842	607	-	5,027
Balance as of March 31, 2023	\$ -	\$ 312,927	\$ 722,416	\$ 26,796	\$ 38,407	\$ -	\$ 1,100,546

1. Current period additions of property, plant and equipment and reconciliation with the statement of cash flow:

Item(s)	From January to March 2024	From January to March 2023
Increase in property, plant and equipment	\$ 37,203	\$ 107,455
Increase or decrease in payable for machinery and equipment purchase	5,080	(69,315)
Cash paid for the purchase of property, plant and equipment	\$ 42,283	\$ 38,140

2. Capitalization amount and interest rate range of borrowing costs for property, plant and equipment: None.
3. The amounts of impairment loss provided for the periods from January to March, 2024 and 2023, were both NTD 0 thousand.
4. Information on assets provided as collateral using property, plant and equipment: None.
5. Depreciation expenses are provided on property, plant and equipment on a straight-line basis over the number of useful years shown as follows:

Buildings	2-35 years
Machinery and equipment	1-15 years
Transportation equipment	5 years
Other facilities	2-15 years

(XIII) Lease Agreement

1. Right-of-use assets

Item(s)	March 31, 2024	December 31, 2023	March 31, 2023
Land	\$ 366,333	\$ 444,571	\$ 473,408
Buildings	499,255	499,255	491,039
Transportation equipment	9,577	6,060	6,372
Total Cost	\$ 875,165	\$ 949,886	\$ 970,819
Less: Accumulated depreciation	(234,365)	(322,057)	(270,916)
Accumulated impairment	-	-	-
Net	\$ 640,800	\$ 627,829	\$ 699,903

Costs	Land	Buildings	Transportation equipment	Total
Balance as of January 1, 2024	\$ 444,571	\$ 499,255	\$ 6,060	\$ 949,886
Increase in this period	24,640	-	3,517	28,157
Decrease in the current period	(102,878)	-	-	(102,878)
Balance as of March 31, 2024	\$ 366,333	\$ 499,255	\$ 9,577	\$ 875,165
<u>Accumulated Depreciation and Impairment</u>				
Balance as of January 1, 2024	\$ 270,273	\$ 49,723	\$ 2,061	\$ 322,057
Depreciation expense	7,263	5,555	515	13,333
Decrease in the current period	(101,025)	-	-	(101,025)
Balance as of March 31, 2024	\$ 176,511	\$ 55,278	\$ 2,576	\$ 234,365

Costs	Land	Buildings	Transportation equipment	Total
Balance at January 1, 2023	\$ 482,487	\$ 475,149	\$ 6,372	\$ 964,008
Increase in this period	-	18,748	-	18,748
Decrease in the current period	(9,079)	-	-	(9,079)
Reclassified to property, plant and equipment	-	(2,858)	-	(2,858)
Balance as of March 31, 2023	\$ 473,408	\$ 491,039	\$ 6,372	\$ 970,819
<u>Accumulated Depreciation and Impairment</u>				
Balance at January 1, 2023	\$ 219,881	\$ 27,103	\$ 4,296	\$ 251,280
Depreciation expense	13,416	5,689	531	19,636
Decrease in the current period	-	-	-	-
Balance as of March 31, 2023	\$ 233,297	\$ 32,792	\$ 4,827	\$ 270,916

2. Current period additions of right-of-use assets and reconciliation with the statement of cash flow:

Item(s)	From January to March 2024	From January to March 2023
Increase in right-of-use assets	\$ 28,157	\$ 18,748
Increase in lease liabilities	(28,157)	-
Increase or decrease in payable for the purchase of right-of-use assets	233	(5,092)
Cash paid for the acquisition of right-of-use assets	\$ 233	\$ 13,656

3. Lease liabilities

Item(s)	March 31, 2024	December 31, 2023	March 31, 2023
Book value of lease liabilities			
Current	\$ 44,786	\$ 38,976	\$ 69,604
Non-current	\$ 521,247	\$ 504,194	\$ 550,301

The discount rate range of lease liabilities is as follows:

Item(s)	March 31, 2024	December 31, 2023	March 31, 2023
Land	0.78%-2.03%	0.78%-2.03%	0.78%-2.03%
Buildings	0.78%-1.76%	0.78%-1.756%	0.78%-2.03%
Transportation equipment	1.16%-2.03%	1.16%-2.13%	1.16%-2.03%

For the maturity analysis of lease liabilities, please refer to the description in Note XII (III).

4. Significant Leasing Activities and Terms

The Group leases several pieces of land, buildings, and transportation equipment for operations, factories, and external roads. The lease term is 3-20 years. Some leases include renewal options upon expiration, while others are based on segmented values and rates according to the leased land area or calculated based on the current land value announced for the year. The Group has included the renewal right of the lease that is due to expire in the lease liabilities. Furthermore, according to the terms of the contract, the Group may not sublease the leased asset to another party. As of March 31, 2024, December 31, 2023, and March 31, 2023, there were no indicators of impairment for right-of-use assets, hence no impairment assessment was conducted.

5. Sublease:

The Group has subleased the 8th floor of the Southeast Building to the Bureau of Vocational Training of the Ministry of Labor through an operating lease, and the related right-of-use assets are derecognized due to the sublease, while the lease payments receivable are recognized at the same time. Revenues from subleasing right-of-use assets for the periods from January to March, 2024 and 2023, were NTD 29 thousand and NTD 8 thousand, respectively.

6. Other lease information

- (1) The Group leases investment properties on an operating lease basis, please refer to Note VI (XIV) for details.

(2) Information related to lease expenses for the current period is as follows:

Item(s)	From January to March 2024	From January to March 2023
Short-term lease expenses	\$ 4,669	\$ 285
Leasing Expenses for Low-value Assets	\$ -	\$ -
Changes not included in the measurement of lease liabilities		
Lease Payment Expenses	\$ 22,196	\$ -
Total cash outflow from leases (Note)	\$ (30,108)	\$ (7,419)

(Note): It includes the payments of lease liabilities principal for the current period. The Group chose to apply the exemptions for short-term leases and low-value leases for the periods from January to March, 2024 and 2023, without recognizing right-of-use assets and lease liabilities related to such leases.

(XIV) Investment property

Item(s)	March 31, 2024	December 31, 2023	March 31, 2023
Land	\$ 5,582,213	\$ 5,582,213	\$ 5,239,193
Buildings and structures	154,233	154,233	759,818
Investment property under construction	1,742	1,742	-
Total Cost	\$ 5,738,188	\$ 5,738,188	\$ 5,999,011
Less: Accumulated depreciation	(107,758)	(106,889)	(499,261)
Accumulated impairment	-	-	(210,604)
Net	\$ 5,630,430	\$ 5,631,299	\$ 5,289,146

Costs	Investment			
	Land	Buildings and structures	property under construction	Total
Balance as of January 1, 2024	\$ 5,582,213	\$ 154,233	\$ 1,742	\$ 5,738,188
Addition	-	-	-	-
Balance as of March 31, 2024	\$ 5,582,213	\$ 154,233	\$ 1,742	\$ 5,738,188
Accumulated Depreciation and Impairment				
Balance as of January 1, 2024	\$ -	\$ 106,889	\$ -	\$ 106,889
Depreciation expense	-	869	-	869
Balance as of March 31, 2024	\$ -	\$ 107,758	\$ -	\$ 107,758

	Land	Buildings and structures	Investment property under construction	Total
Costs				
Balance at January 1, 2023	\$ 5,239,193	\$ 759,818	\$ -	\$ 5,999,011
Addition	-	-	-	-
Balance as of March 31, 2023	\$ 5,239,193	\$ 759,818	\$ -	\$ 5,999,011
Accumulated Depreciation and Impairment				
Balance at January 1, 2023	\$ -	\$ 708,996	\$ -	\$ 708,996
Depreciation expense	-	869	-	869
Balance as of March 31, 2023	\$ -	\$ 709,865	\$ -	\$ 709,865

1. Lease income and direct operating expenses from investment property:

Item(s)	From January to March 2024	From January to March 2023
Lease income from investment property	\$ 40,078	\$ 30,708
Direct operating expenses incurred on investment property that generated lease income in the current period	\$ 10,942	\$ 22,741
Direct operating expenses incurred on investment property that did not generate lease income in the current period.	\$ 94	\$ 94

2. The total amount of lease payments to be received in the future from leasing investment property under operating lease is as follows:

	Total significant lease payments		
	March 31, 2024	December 31, 2023	March 31, 2023
Year 1	\$ 3,590	\$ 3,573	\$ 3,494
Year 2	3,590	3,590	3,590
Year 3	3,599	3,590	3,590
Year 4	3,698	3,680	3,599
Year 5	3,698	3,698	3,698
More than 5 years	26,586	27,511	30,284
Total	\$ 44,761	\$ 45,642	\$ 48,255

3. The fair value of the investment property is partially referenced from the Real Estate Transaction Actual Price Query Service Network of the Ministry of the Interior or real estate brokerage websites, querying similar locations and types of recent transaction prices as the basis of appraisal; part of it is based on current lease contracts, considering

future cash flow discounts as the basis for appraisal. They all belong to the third level of fair value. The fair values obtained from the appraisal are as follows:

Item(s)	March 31, 2024	December 31, 2023	March 31, 2023
Fair value	\$ 17,949,724	\$ 17,949,724	\$ 18,339,079

4. As of March 31, 2024, December 31, 2023, and March 31, 2023, certain lands of the Group are temporarily registered under individual names due to legal restrictions and cannot be registered under the Company's name. However, to ensure equity, the Group has obtained the commitment of the registrant to unconditionally transfer land to the Group or create legal charge over the land once the legal restrictions are lifted.
5. For information on investment property provided as collateral, please refer to Note VIII.
6. The amounts of impairment loss (reversal gain) provided for the periods from January to March, 2024 and 2023, were both NTD 0 thousand.
7. Depreciation expenses are provided on investment property on a straight-line basis over the number of useful years shown as follows:

Buildings and structures	2-46 years
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(XV) Refundable Deposits

Item(s)	March 31, 2024	December 31, 2023	March 31, 2023
Mining deposits	\$ 562	\$ 562	\$ 562
Lease deposit	21,131	19,692	21,202
Membership deposit	165	165	165
Other deposits	12,294	15,712	2,086
Total	\$ 34,152	\$ 36,131	\$ 24,015

(XVI) Short-term loans

Nature of Loans	March 31, 2024	
	Amount	Interest rate
Mortgage loans	\$ 660,000	1.75055%~1.82%
Credit loans	348,000	1.65%-2.575%
Total	\$ 1,008,000	

Nature of Loans	December 31, 2023	
	Amount	Interest rate
Mortgage loans	\$ 608,000	1.75%-1.80%
Credit loans	290,000	1.65%-1.82378%
Total	\$ 898,000	

Nature of Loans	March 31, 2023	
	Amount	Interest rate
Mortgage loans	\$ 1,120,000	1.65%-1.675%
Credit loans	510,000	1.52%-2.40%
Total	<u>\$ 1,630,000</u>	

For short-term loans, the Group provides some of its investment properties as collateral. Please refer to Note VIII for explanation.

(XVII) Short-term notes payable

Item(s)	March 31, 2024	December 31, 2023	March 31, 2023
Commercial papers payable	\$ 240,000	\$ 295,000	\$ 270,000
Less: Unamortized discount	(182)	(205)	(176)
Net	<u>\$ 239,818</u>	<u>\$ 294,795</u>	<u>\$ 269,824</u>
Interest Rate Range	<u>1.788%-2.225%</u>	<u>1.758%-2.22%</u>	<u>1.718%-2.15%</u>

(XVIII) Contract liabilities

Item(s)	March 31, 2024	December 31, 2023	March 31, 2023
To-be-recognized Cement expenses	\$ 30,366	\$ 43,573	\$ 33,969
Advance receipts from sale of goods and property	194	108	27
Total	<u>\$ 30,560</u>	<u>\$ 43,681</u>	<u>\$ 33,996</u>

(XIX) Other payables

Item(s)	March 31, 2024	December 31, 2023	March 31, 2023
Salary and bonus payable	\$ 7,893	\$ 17,852	\$ 8,187
Payable Goods Tax	-	-	8,616
Utility payable	1,325	1,057	9,678
Tax payable	12,358	5,536	17,076
Payable on machinery and equipment - Property, plant and equipment	-	5,080	81,762
Payable on machinery and equipment - Right-of-use assets	-	233	5,925
Compensation due to employees and directors - current period	1,761	13,403	1,805
Compensation due to employees and directors - previous period	13,403	-	9,594
Dividends payable - Previous period	4,451	4,451	3,977
Accrued factory demolition expenses	55,580	55,580	-

Others	37,008	38,453	19,080
Total	<u>\$ 133,779</u>	<u>\$ 141,645</u>	<u>\$ 165,700</u>

(XX) Provisions-Current

Item(s)	March 31, 2024	December 31, 2023	March 31, 2023
Employee benefits/welfare	<u>\$ 1,695</u>	<u>\$ 1,769</u>	<u>\$ 1,523</u>

Item(s)	Employee benefits/welfare	
	From January to March 2024	From January to March 2023
Balance as of January 1	\$ 1,769	\$ 1,441
Current additions to Provisions	368	442
Current use of Provisions	(442)	(360)
Balance as of March 31	<u>\$ 1,695</u>	<u>\$ 1,523</u>

Provisions for employee benefits are estimates of the rights to short-term service leave earned by employees.

(XXI) Pension expense

1. At the end of 2004, the Group implemented voluntary retirement and resignation proceedings for employees in accordance with the Labor Standards Act. Since July 1, 2005, the Group has established a defined contribution retirement plan in accordance with the "Labor Pension Act," applicable to local employees. Regarding the portion of the employee retirement pension system under the "Labor Retirement Pension Act" chosen by employees, the Group contributes 6% of the salary monthly to the employees' individual accounts at the Labor Insurance Bureau. The payment of employee retirement benefits is made either on a monthly basis or as a lump sum, depending on the amount in the employees' individual retirement accounts and accumulated earnings.
2. The Group recognized retirement benefit costs in accordance with the above pension act, amounting to aforementioned NTD 799 thousand and NTD 986 thousand for the periods from January to March, 2024 and 2023, respectively.

(XXII) Long-term loans and long-term liabilities due in one year or one business cycle

Lender	March 31, 2024	December 31, 2023	March 31, 2023
Credit loans	\$ 265,900	\$ 265,900	\$ 110,000
Less: Due within one year	-	-	-
Non-current portion of non-current loans	\$ 265,900	\$ 265,900	\$ 110,000
Interest Rate Range	2.22%	2.095%	2.095%

(XXIII) Deposits received

Item(s)	March 31, 2024	December 31, 2023	March 31, 2023
Lease deposit	\$ 8,586	\$ 8,552	\$ 8,546
Cement deposit	2,882	2,882	3,282
Others	4,897	4,897	-
Total	\$ 16,365	\$ 16,331	\$ 11,828

For transactions involving related parties, please refer to Note VII(III)6. for further explanation.

(XXIV) Ordinary share(s)

	From January to March 2024		From January to March 2023	
	Shares (in thousands)	Amount	Shares (in thousands)	Amount
January 1st	572,000	\$ 5,720,008	572,000	\$ 5,720,008
Cash capital increase	-	-	-	-
Capitalization of earnings	-	-	-	-
March 31	572,000	\$ 5,720,008	572,000	\$ 5,720,008

As of March 31, 2024, the Company had a registered capital of NTD 8,000,000 thousand, divided into 800,000 thousand shares.

(XXV) Capital surplus

Item(s)	March 31, 2024	December 31, 2023	March 31, 2023
Additional paid-in capital	\$ 118,316	\$ 118,316	\$ 118,316
Treasury share transactions	67,161	67,161	67,056
Recognized due to investments accounted for using equity method	3,211	3,211	3,211
Total	\$ 188,688	\$ 188,688	\$ 188,583

In accordance with the Company Act, the capital surplus from the excess of issue prices over the par value of shares and capital surplus from donated assets received, apart from being used to offset losses, can be distributed as new shares or cash based on the proportion of original shareholdings when the Company has no accumulated losses. In accordance with the relevant regulations of the Securities Exchange Act, when the

aforementioned the capital surplus allocated to increase capital shall not exceed ten percent of the paid-in capital annually. When the retained earnings are insufficient to cover the capital deficit, capital surplus cannot be used to supplement it. The Company Capital surplus generated from investments accounted for using the equity method shall not be used for any purpose.

(XXVI) Retained Earnings and Dividend Policy

1. According to the Retained earnings and dividend policy stipulated in the Company's articles of association, if the Company's annual final accounts show a profit, it should first pay Taxes, offset past losses, and then set aside 10% as a Legal reserve until the Legal reserve has reached the total capital of the Company. After providing or reversing the Special reserve according to the requirements of the competent authority, the remaining balance, together with the accumulated Unappropriated retained earnings of previous years and the adjustment of Unappropriated retained earnings in the current year, serve as the distributable profits.

The Board of Directors will draw up a profit distribution plan, which will be submitted to the shareholders' meeting for resolution and then distributed as shareholder dividends. The distribution of dividends by the Company should consider the characteristics of changes in business conditions, considering the future funding needs and long-term financial planning based on the life cycle of various products or services. While aiming to maintain stable dividends, the principle is to distribute all dividends to shareholders in the form of cash dividends. However, if the Company has capital needs for capacity expansion, improving financial structure, significant investment plans, etc., more than fifty percent shall be in the form of stock dividends, with the remainder in cash dividends.

2. The statutory surplus reserve may not be utilized except for offsetting company losses or issuing new shares or cash dividends in proportion to existing shareholders' equity. However, in cases where new shares or cash dividends are issued, utilization is limited to the portion of the reserve exceeding twenty-five percent of the paid-in capital.
3.
 - (1) When the Company distributes profits, the Company shall first allocate special reserves in accordance with legal regulations based on the debit balance of other equity items as of the year-end balance sheet date. Upon subsequent reversal of the debit balance of other equity items, the reversal amount may be included in distributable profits.
 - (2) In the first adoption of IFRSs, the Company, in accordance with the Financial Supervisory Commission Letter No. 1010012865 dated April 6, 2012, appropriated special reserve. Subsequently, if there is any use, disposal or

reclassification of related assets, the proportion of original special reserve appropriated can be reversed to distributable retained earnings.

4. The profit distribution resolutions and dividends per share approved during the shareholders' meetings in March 2024 and June 2023 for the years 2023 and 2022 are as follows:

	Earnings Distribution Proposal		Earnings Per Share (EPS)	
	2023	2022	2023	2022
Legal reserve	\$ 14,932	\$ 14,952		
Cash dividends of ordinary share(s)	114,400	57,200	\$0.20	\$0.10
Total	<u>\$ 129,332</u>	<u>\$ 72,152</u>		

Regarding the profit distribution for the year 2023, it is still pending for the decision in the annual shareholder meeting to be held in June 2024.

5. For the proposal of the Board of Directors and the resolution of the shareholders' meeting on the distribution of earnings for the Company, please refer to the "Market Observation Post System" of the Taiwan Stock Exchange.

(XXVII) Special reserves

Item(s)	March 31, 2024	December 31, 2023	March 31, 2023
Reserve for factory construction	\$ 500,000	\$ 500,000	\$ 500,000
Initial application of International Financial Reporting Standards (IFRSs) provision.	310,918	310,918	310,918
Total	<u>\$ 810,918</u>	<u>\$ 810,918</u>	<u>\$ 810,918</u>

1. Plant construction reserve is a special surplus reserve set aside by the Company in 1994, resolved by the shareholders' meeting to prepare for the construction of plants domestically or overseas.
2. As a result of the initial adoption of International Financial Reporting Standards (IFRSs), the Company reclassified the previously recognized unrealized revaluation increment of NTD 341,766 thousand, originally recognized under the generally accepted accounting principles in Taiwan, to retained earnings. Pursuant to the Financial Supervisory Commission's letter No. 1010012865, an equivalent amount of special surplus reserve should be provisioned. However, as the adjustment amount to retained earnings as of the transition date was only NTD 319,012 thousand, the provisioned amount for special surplus reserve was NTD 319,012 thousand.
3. The special reserve provisioned due to the initial adoption of IFRSs, as described above, may be reversed to retained earnings at a proportionate rate upon subsequent disposal,

use, or reclassification of related assets by the Company. As of March 31, 2024, \$8,094 thousand was reversed from the initially provisioned special reserve to retained earnings due to the disposal of investment properties.

(XXVIII) Total other equity interest

Item(s)	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	
	From January to March 2024	From January to March 2023
Beginning balance	\$ 723,623	\$ 523,949
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	78,774	43,131
Disposal of investments in equity instruments designated at fair value through other comprehensive income	(221)	-
Share of unrealized valuation gains (losses) from investments in equity instruments measured at fair value through other comprehensive income of associates and joint ventures accounted for using equity method	1,135	(170)
Ending balance	<u>\$ 803,311</u>	<u>\$ 566,910</u>

(XXIX) Treasury shares

- Investments in company's stock held by subsidiaries are recognized as treasury shares, the changes are summarized as follows:

January to March 2024:

Item(s)	Beginning shares	Unit: Thousand shares	
		Increase (decrease) in this period	Ending shares
Subsidiaries transferred the shares of the parent company from long-term investments to treasury shares.	\$ 2,113	\$ -	\$ 2,113

January to March 2023:

Unit: Thousand shares

Item(s)	Beginning shares	Increase (decrease) in this period	Ending shares
Subsidiaries transferred the shares of the parent company from long-term investments to treasury shares.	\$ 2,113	\$ -	\$ 2,113

2. At the end of December 2011, the Group acquired control over Southeast Paper Manufacturing Co., Ltd. resulting in the reclassification of its carrying value of NTD 24,509 thousand (representing 49.71% ownership) from an investment in the parent company (financial assets measured at fair value through other comprehensive income - non-current) to treasury stock. The amounts as of March 31, 2024, December 31, 2023, and March 31, 2023, were NTD 12,185 thousand. The market prices of the shares held by Southeast Paper Manufacturing Co., Ltd. in the Company were NTD 37,715 thousand, NTD 39,722 thousand, and NTD 37,081 thousand as of March 31, 2024, December 31, 2023, and March 31, 2023, respectively. Shares of the parent company held by subsidiaries are treated as treasury stock and retain dividend entitlements.

(XXX)Controlling interests

Item(s)	From January to March 2024	From January to March 2023
Beginning balance	\$ 101,628	\$ 94,962
Portion attributable to non-controlling interests:		
Net profit for the current year	16,654	(14,786)
Other comprehensive income for the current year	3	5
Ending balance	\$ 118,285	\$ 80,181

(XXXI)Operating revenue

Item(s)	From January to March 2024	From January to March 2023
Revenue from customer contracts		
Sales revenue	\$ 537,011	\$ 497,375
Total sales revenue from customer contracts	\$ 537,011	\$ 497,375
Less: Sales discounts and allowances	(193)	(29)
Net operating revenue from customer contracts	\$ 536,818	\$ 497,346
Rental revenue	40,078	30,708
Operating revenue, net	\$ 576,896	\$ 528,054

1. Description of customer contracts

(1) Sales revenue

The sales revenue from the cement and slag powder products of the production department is mainly sold to distributors at a fixed price stipulated in the contract.

2. Other operating income

Rental revenue from operating leases is recognized as income on a straight-line basis over the lease term.

3. The breakdown of customer contract revenue is as follows:

The Group's revenues can be segmented into the following major product lines and geographical areas:

Main Regional Markets	From January to March 2024	From January to March 2023
Taiwan	\$ 536,818	\$ 497,346
Main product line		
Cement	\$ 307,819	\$ 398,563
Hearthstone powder	45,846	52,671
Current raw materials	-	225
Ready-mixed concrete	183,153	45,887
Total	\$ 536,818	\$ 497,346
Time of Revenue Recognition		
Fulfilment of obligations at a specific point in time	\$ 536,818	\$ 497,346
Gradually fulfilment of obligations over time	-	-
Total	\$ 536,818	\$ 497,346

4. Contract balance

Receivables, contractual assets, and contractual liabilities associated with revenue from contracts with customers are as follows:

Item(s)	March 31, 2024	December 31, 2023	March 31, 2023
Receivables	\$ 674,026	\$ 604,211	\$ 390,528
Contract liabilities- Current	\$ 30,560	\$ 43,681	\$ 33,996

5. Significant changes in contract assets and contract liabilities

The changes in contract assets and contract liabilities mainly come from the difference between the timing of fulfilling performance obligations and the timing of customer payment, with no other significant changes.

6. The amount recognized as Revenues in the current period from contract Liabilities at the beginning of the period and performance obligations satisfied in prior periods is as follows:

The amount recognized as Revenues for the current period	From January to March 2024	From January to March 2023
From the beginning of period contract liabilities	\$ 32,326	\$ 12,528
From the performance obligations that have been satisfactorily fulfilled in previous periods	\$ -	\$ -

(XXXII) Employee benefits, depreciation, depletion and amortization expense

Category	From January to March 2024		
	Recognized in operating costs	Recognized in operating expenses	Total
Employee benefits expenses			
Salary Expenses	\$ 6,988	\$ 16,055	\$ 23,043
Labor and Health Insurance Expense	564	1,224	1,788
Pension expense	363	436	799
Other employee benefits expense	1,609	665	2,274
Depreciation expense	25,491	1,178	26,669
Amortization expense	-	8	8
Total	\$ 35,015	\$ 19,566	\$ 54,581

Category	From January to March 2023		
	Recognized in operating costs	Recognized in operating expenses	Total
Employee benefits expenses			
Salary Expenses	\$ 12,780	\$ 12,551	\$ 25,331
Labor and Health Insurance Expense	1,066	1,337	2,403
Pension expense	605	381	986
Other employee benefits expense	2,063	439	2,502
Depreciation expense	14,374	11,158	25,532
Amortization expense	-	7	7
Total	\$ 30,888	\$ 25,873	\$ 56,761

1. According to the Company's articles of incorporation, if the Company generates profits for the year, it shall allocate Employee Remuneration and director remuneration at rates not less than 2% and not more than 3% of the pre-tax profits for the year, respectively, before deducting employee and director remuneration. However, when the Company has accumulated losses, an amount shall be reserved for offsetting the losses. The

Group had estimated employee remuneration at 2% of pre-tax profit and director remuneration at 3% of pre-tax profit; the estimated amounts of employee remuneration and director remuneration were NTD 704 thousand and NTD 722 thousand for the period from January to March, 2024, and NTD 1,057 thousand and NTD 1,083 thousand for the period from January to March, 2023. If there are any changes in the amounts after the issuance date of the annual financial statements, adjustments will be made in the subsequent year's accounts based on accounting estimates.

- The Company's Board of Directors respectively approved the employee and director remuneration for the years 2023 and 2022, as well as the associated amounts recognized in the financial statements during the board of directors meetings held on March 14th, 2024 and 2023; the amounts are as follows:

Item(s)	2023		2022	
	Employee remuneration	Director remuneration	Employee remuneration	Director remuneration
Resolved distribution amount	\$ 5,751	\$ 5,751	\$ 4,797	\$ 4,797
Amount recognized in the annual financial report	5,751	5,751	4,797	4,797
Variance amount	\$ -	\$ -	\$ -	\$ -

The employee remuneration is all paid in cash.

- For information on employee remuneration and director remuneration resolved by the Board of Directors of the Company, please check the "Market Observation Post System" of the Taiwan Stock Exchange.

(XXXIII) Interest income

Item(s)	From January to March 2024	From January to March 2023
Interest income		
Interest income from bank deposits	\$ 1,012	\$ 1,580
Interest income on lease payments receivable	29	5
Others interest	263	-
Total	\$ 1,304	\$ 1,585

(XXXIV) Other income

Item(s)	From January to March 2024	From January to March 2023
Income from sale of electricity	\$ 507	\$ 403
Others	1,108	1,610
Total	\$ 1,615	\$ 2,013

(XXXV) Other gains and losses

Item(s)	From January to March 2024	From January to March 2023
Net (loss) gain on valuation of financial assets or liabilities at fair value through profit or loss	\$ (6,714)	\$ 11,990
Gain (loss) on disposal of financial assets at fair value through profit or loss	562	(495)
Gain (loss) on disposal of property, plant and equipment	26	-
Net foreign exchange gains (losses)	2,732	(1,156)
Profit from lease modification	198	-
Other losses	(11,307)	(656)
Total	<u>\$ (14,503)</u>	<u>\$ 9,683</u>

(XXXVI) Finance costs

Item(s)	From January to March 2024	From January to March 2023
Interest on bank loans	\$ 6,643	\$ 9,087
Interest on lease liabilities	1,682	1,764
Others interest	39	36
Subtotal	<u>\$ 8,364</u>	<u>\$ 10,887</u>
Less: Capitalized amount of assets that meet the criteria	-	-
Finance costs	<u>\$ 8,364</u>	<u>\$ 10,887</u>

(XXXVII) Income tax

1. The components of income tax expense are as follows:

	From January to March 2024	From January to March 2023
<u>Current tax</u>		
Current income tax generated	\$ 4,125	\$ -
Overestimation or underestimation of income tax in previous years	-	(14)
Current total income tax	<u>\$ 4,125</u>	<u>\$ (14)</u>
<u>Deferred income tax</u>		
Temporary differences that originated and reversed	\$ 4,881	\$ 227
Total deferred income tax	<u>\$ 4,881</u>	<u>\$ 227</u>
Tax expense (income)	<u>\$ 9,006</u>	<u>\$ 213</u>

2. Income tax expense (income) related to other comprehensive income: None.
3. The applicable tax rate for the Group under the Republic of China Income Tax Act is 20%, while the tax rate applicable to undistributed earnings is 5%.
4. In July of 2019, President of Taiwan promulgated amendments to the Industrial Innovation Act, introducing a provision whereby undistributed earnings from 2018 onwards, reinvested in specific assets or technologies up to a certain amount, are

deductible when calculating undistributed earnings. When calculating the tax on undistributed earnings, the Group has already deducted the capital expenditure amount reinvested in accordance with the specified year's undistributed earnings.

5. The corporate income tax of the Company's profitable business has been assessed by the tax authority up to 2022.

(XXXVIII) Other comprehensive income

Item(s)	From January to March 2024		
	Profit before tax	Tax (expense) income	Net of tax
Components not reclassified to profit or loss:			
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	\$ 78,774	\$ -	\$ 78,774
Share of balance from associates and joint ventures accounted for using equity method:			
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	1,138	-	1,138
Recognized in Other comprehensive income	\$ 79,912	\$ -	\$ 79,912

Item(s)	From January to March 2023		
	Profit before tax	Tax (expense) income	Net of tax
Components not reclassified to profit or loss:			
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	\$ 43,131	\$ -	\$ 43,131
Share of balance from associates and joint ventures accounted for using equity method:			
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(165)	-	(165)
Recognized in Other comprehensive income	\$ 42,966	\$ -	\$ 42,966

(XXXIX) Earnings per ordinary share

Item(s)	From January to March 2024	From January to March 2023
A. Basic earnings per share:		
Profit (loss)	\$ 28,580	\$ 34,087
Weighted average number of shares outstanding for the current period (in thousands)	569,887	569,887
Basic earnings per share (after tax) (NTD)	\$ 0.05	\$ 0.06
B. Diluted earnings per share:		
Profit (loss)	\$ 28,580	\$ 34,087
Effects of potential ordinary shares with dilutive effect	-	-
Profit for the year for calculating Diluted earnings per share	\$ 28,580	\$ 34,087
Weighted average number of shares outstanding for the current period (in thousands)	\$ 569,887	\$ 569,887
Number of Impact from Employee Remuneration (Note)	298	264
Weighted average outstanding shares (thousands) for calculation of diluted earnings per share	\$ 570,185	\$ 570,151
Diluted Earnings Per Share (After Tax) (NTD)	\$ 0.05	\$ 0.06

(Note) If the Company has the option to distribute employee remuneration in shares or cash, when calculating the Diluted earnings per share, it is assumed that Employee Remuneration will be distributed in the form of shares, and when the potential common shares have a diluting effect, they will be included in the weighted average number of shares outstanding to calculate the Diluted earnings per share. When calculating the diluted earnings per share before the resolution of the number of shares to be distributed as Employee Remuneration in the next year, the dilutive effect of such potential ordinary shares is also taken into account.

VII. Transactions with Related Parties

(I) Parent Company and Ultimate Controlling Party:

The Company is the ultimate controller of the Group.

(II) Name of the related party and the relationship

Name of related parties	Relationship with the merged company
Southeast Construction Co., Ltd.	Associates
Nan Hsia Timber Co., Ltd.	Associates
Taiwan Machinery Shipyard Co., Ltd.	Associates
Penghu Cable Television Co., Ltd.	Associates
Penghu Bay Co., Ltd.	Associates
CHC Resources Corporation	Others related parties
Baifu Investments Co., Ltd.	Others related parties
Zhengtai Cement Factory Co., Ltd.	Others related parties
Zhengtai Resource Development Co., Ltd.	Others related parties
Dong Shu Investments Co., Ltd.	Others related parties
Taiwan Concrete Industry Co., Ltd.	Others related parties
Taiwan Mixed Resource Development Co., Ltd.	Others related parties
Chen Zhao Shu Foundation	Others related parties
Tiancheng Concrete Industry Co., Ltd.	Others related parties
Dahao Enterprise Management Co., Ltd.	Others related parties
Dongyue Investment Co., Ltd.	Others related parties
Pin Yang Capital (Share) Company	Others related parties
Cheng Chen Dun-Ling	Others related parties
Li-Fei Chen	Others related parties
Mei-Yu Huang	Others related parties
Jian-Hao Chen	Others related parties

(III) Significant transactions with related parties

1. Operating revenue:

Item(s)	Category/Name of related parties	From January to March 2024	From January to March 2023
Sales revenue	Others related parties		
	Tiancheng Concrete Industry Co., Ltd.	\$ 56,460	\$ 37,035
	Others	1,471	18,295
	Total	\$ 57,931	\$ 55,330
Rental revenue	Associates	\$ 42	\$ 35
	Others related parties	12	10
	Total	\$ 54	\$ 45

(1) Sales revenue:

The Group's sales prices to the aforementioned companies are roughly equal to those of general customers, with an average collection period of about 2-3 months.

(2) Rental revenue:

The Group rents to the aforementioned companies, the lease price is determined by the contract, and the rent expense is collected monthly.

2. Purchases:

Category/Name of related parties	From January to March 2024	From January to March 2023
Others related parties		
Others	\$ 2,018	\$ 438

The Group purchases goods from the aforementioned company at prices roughly equivalent to those of general suppliers, with an average payment period of about 3 months.

3. Contract assets: None.

4. Contract liabilities:

Category/Name of related parties	March 31, 2024	December 31, 2023	March 31, 2023
Others related parties	\$ 1,554	\$ -	\$ 155

5. Receivables due from related parties (excluding loans to related parties):

Item(s)	Category/Name of related parties	March 31, 2024	December 31, 2023	March 31, 2023
Notes receivable	Others related parties			
	Tiancheng Concrete Industry Co., Ltd.	\$ 19,031	\$ -	\$ -
Less: Loss allowance		(15)	-	-
Net		\$ 19,016	\$ -	\$ -
Accounts receivable	Others related parties			
	Tiancheng Concrete Industry Co., Ltd.	\$ 39,984	\$ 33,186	\$ 28,577
	Others	-	8,910	11,457
Subtotal		\$ 39,984	\$ 42,096	\$ 40,034
Less: Loss allowance		(32)	(33)	(480)
Net		\$ 39,952	\$ 42,063	\$ 39,554
Other receivables	Associates	\$ -	\$ -	\$ 627
Refundable Deposits	Others related parties	\$ 7,346	\$ 7,346	\$ 7,346

The impairment loss (reversal gain) recognized on the aforementioned receivables due from related parties for the periods from January to March, 2024 and 2023, were NTD 14 thousand and NTD 64 thousand, respectively.

6. Payables to related parties (excluding loans from related parties)

Item(s)	Category/Name of related parties	March 31, 2024	December 31, 2023	March 31, 2023
Accounts payable	Others related parties			
	Others	\$ 327	\$ 611	\$ 460
Other payables	Others related parties			
	Others	\$ -	\$ -	\$ 5,925
Deposits received	Associates	\$ 60	\$ 60	\$ 60
Other current liabilities	Associates			
	Others	-	-	15
	Subtotal	-	-	15
	Others related parties	-	-	31
	Total	\$ -	\$ -	\$ 46

7. Prepayments:

Category/Name of related parties	March 31, 2024	December 31, 2023	March 31, 2023
Associates			
Others	\$ 11	\$ 2	\$ 11

8. Property transactions: None.

9. Lease agreements:

(1) Right-of-use assets acquired through lease and lease liabilities

Account item/Category of related party/Name	Leased object	From January to March 2024	From January to March 2023
Acquisition of use-of-right assets			
Others related parties			
Taiwan Mixed Resource Development Co., Ltd.	Shan De Section and other buildings	\$ -	\$ 18,748

Account item/Category of related party/Name	March 31, 2024	December 31, 2023	March 31, 2023
Lease liabilities			
Others related parties			
Zhengtai Cement Factory Co., Ltd.	\$ 5,220	\$ 7,441	\$ 47,961
Taiwan Mixed Resource Development Co., Ltd.	146,179	148,350	153,455
Others	21,851	15,249	15,219
Total	<u>\$ 173,250</u>	<u>\$ 171,040</u>	<u>\$ 216,635</u>

Account item/Category of related party/Name	From January to March 2024	From January to March 2023
Interest expense		
Others related parties		
Zhengtai Cement Factory Co., Ltd.	\$ 29	\$ 115
Taiwan Mixed Resource Development Co., Ltd.	728	765
Others	77	43
Total	<u>\$ 834</u>	<u>\$ 923</u>

(2) Lease expenses:

Account item/Category of related party/Name	From January to March 2024	From January to March 2023
Lease expenses		
Associates	<u>\$ 3</u>	<u>\$ 3</u>

The above lease terms are determined by the contract and the rent is paid monthly and semi-annually.

10. Lease Agreement: Please refer to the description in Note VII, (III)1.

11. Loans to related parties: None.

12. Loans from related parties: None.

13. Endorsement guarantee: None.

14. Others

(1) Various Revenues

Category/Name of related parties	From January to March 2024	From January to March 2023
Others related parties	\$ 31	\$ 6

(2) The Group has certain pieces of land registered under the name of related parties; details are as follows:

Related party category	Significant transaction matters
Others related parties	
Mei-Yu Huang	Renwu District Wulin Section 0681, 0733, 0739, 0741, 0834-1, 0835, 0836, 0839, 0846, 1347, 1348, 1350-1353, 1355, 1359, 1365, 1367, 1381-1382 land numbers, Renwu District Green Garden Section 112-114, 180-182 land numbers.
Jian-Hao Chen	Plot No. 0674, 0676, 0745 in Wu-Lin Section, Renwu District

(3) Establishment of significant contracts:

- A. The Group has signed a lease to acquire right-of-use assets with related parties, with details as explained in Note IX.
- B. For the contents of the jointly-constructed and sold in partitions contract agreed with related parties, please refer to Note IX.

(IV) Key Management Compensation Information

Item(s)	From January to March 2024	From January to March 2023
Salaries and other short-term employee benefits	\$ 3,747	\$ 3,985
Post-employment benefits	36	58
Other long-term employee benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
Total	\$ 3,783	\$ 4,043

VIII. Pledged Assets

The following assets have been provided as collateral for various loans and performance guarantees:

Item(s)	March 31, 2024	December 31, 2023	March 31, 2023
Investment property	\$ 3,234,628	\$ 3,234,628	\$ 2,824,470

Please refer to Note VI (XV) for details on term deposits provided as performance guarantee, which is presented under refundable deposits.

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

- (I) As of March 31, 2024, December 31, 2023, and March 31, 2023, the Group had issued the following letters of credit that were undrawn: None.
- (II) As of March 31, 2024, December 31, 2023, and March 31, 2023, the Group's amounts of refundable deposits of notes for loans and performance guarantees, as well as deposits received of notes of notes for performance guarantees, are as follows:

Item(s)	March 31, 2024	December 31, 2023	March 31, 2023
Refundable Deposits of Notes (Guarantee Notes Payable)	\$ 1,698,730	\$ 1,788,666	\$ 897,313
Deposits Received of Notes (Guarantee Notes Receivable)	192,200	229,145	118,271

- (III) The Group has signed a jointly-constructed and sold in partitions contract with Taiwan Machinery Shipyard Co., Ltd., the relevant content is as follows:

1. Taiwan Machinery Shipyard Co., Ltd, is located on land with an area of 4819.86 square meters, about 1458 pings, at No. 969, East An Section, Dongshan District, Tainan City, and is willing to offer it to the Group to build 41 townhouses. The parties have agreed to sell the houses and land separately, and collect the payment separately. The payment for the houses accounts for 75% and the Land payment accounts for 25%. The distribution of the house and land payments was decided with reference to the appraisal report issued by the professional institution.
2. Taiwan Machinery Shipyard Co., Ltd., located at No. 123, Dalian Section, Pingtung City, offers its land with an area of 4,875 square meters, approximately 1,474.69 pings, for the Group to build a 5-story building with 140 units. Both parties have agreed to sell their respective properties, each collecting their respective payments, of which 65% is for the house payment and 35% is for the land payment. The ratio of the house to land payment is determined based on the appraisal report issued by a professional institution.

- (IV) The subsidiary of the Group, Southeast Topgood Resources Recycling Co., Ltd. passed resolutions at the Board of Directors' meetings on September 27, 2022, and March 16, 2020 to lease and acquire the Right-of-use assets from the related company Taiwan Mixed Resource Development Co., Ltd. The significant matters are explained as follows:

1. Purpose and subject of lease

- (1) Target property: Land and buildings in Shande Section, Renwu District, Kaohsiung City.
- (2) Usage: It is for factory construction, manufacturing, and sales of Controlled Low Strength Material (CLSM).

2. Contract agreement

(1) Lease term: April 1, 2020 to March 31, 2040

(2) Rent:

- A. Land: The leased area is 4,488 pings, with a monthly lease of NTD 673 thousand (tax excluded), and the rent expense is set to increase by 3% every three years.
- B. Buildings: The Group has undertaken the building expenses of the leased objects amounting to NTD 64,457 thousand, and additional engineering expenses amounting to NTD 23,666 thousand.
- C. Construction Expenses: The construction and installation are fully funded by the Group and owned by the Group during the lease period. However, upon the termination or expiration of the contract, Taiwan Mixed Resources Development Co., Ltd. is not required to refund the construction expenses paid by the Group for the leased building.

(3) Second lease extension period: September 1, 2022 to March 31, 2040

The details of the rent expense are as follows:

- A. Land: The leased area is 824 pings, with a monthly rent expense of NTD 124 thousand (tax not included). From April 2023, rent will increase by 3% according to the previous year's rate. Subsequently, the rent will be adjusted to increase by 3% every three years.
- B. Buildings: The Group bears the cost of the leased property, which amounts to NTD 12,000 thousand.
- C. Construction Expenses: The lessee should first pay 10% of the total price of construction expenses for the leased building as the contract signing payment. The remaining construction expenses for the leased building will be calculated by the lessor according to the progress of the construction work, and after deducting the contract signing payment proportionally, an invoice will be issued to the lessee for payment.
- D. Basis for price determination: The real estate appraisal report issued by Mega Trust Real Estate Appraiser Office.

3. Basis for price determination: The real estate appraisal report issued by Mega Trust Real Estate Appraiser Office.

(V) Significant capital expenditures contracted for but not yet incurred:

Item(s)	March 31, 2024	December 31, 2023	March 31, 2023
Property, plants and equipment	\$ 454,770	\$ 464,284	\$ 395,079
Right-of-use assets	3,293	3,573	8,499
Total	<u>\$ 458,063</u>	<u>\$ 467,857</u>	<u>\$ 403,578</u>

- (VI) The contractor of this group - Jiongde Construction Co., Ltd., demolished the unused raw material storage warehouse on April 1, 2022, but it did not collapse as planned, crushing the power tower of Taiwan Power Company and the high-voltage cable of Taiwan High Speed Rail, causing a short circuit of the high-voltage cable of Taiwan High Speed Rail, and causing losses due to the suspension of Taiwan High Speed Rail and Taiwan Railways. The Group received letters from the Taiwan Railways Administration of the Ministry of Transportation and Communications and the Tainan City Government in April and June 2022, respectively, which claimed compensation from the Group for NTD 7,489 thousand and NTD 2,410 thousand due to the aforementioned incident. The Group has reached a consensus with the contractor - Jiongde Construction Co., Ltd., that the requests made by the Taiwan Railways Administration of the Ministry of Transportation and Communications and the Tainan City Government in accordance with the law shall be fully compensated by Jiongde Construction Co., Ltd., and the group will also urge Jiongde Construction Co., Ltd. to deal with the relevant matters of the compensation request as soon as possible. As of May 10, 2024, Jiongde Company had completed the payment of compensation to Taiwan Railways and Tainan City Government. The Group has not received any notice or request from Taiwan High Speed Rail Company and other units to pay compensation.
- (VII) Due to business operation considerations, the Board of Directors of the Group's Kaohsiung plant approved on May 11, 2023, to decrease the rented area of 5,318 square meters (about 1,608.7 pings) for storing raw supplies on land from Zhengtai Cement Factory Co., Ltd. The adjustment was retroactive from September 9, 2022, after both parties agreed. Both parties plan to make an additional "Lease Amendment Agreement" to adjust the rented area and rent expense. This could decrease the monthly rent expense by NTD 209 thousand. The overpaid rent expense during this period is planned to be refunded. The Group's Board of Directors approved the termination of the original lease contract and original agreement for the land rented from Zhengtai Cement Factory Co., Ltd. on November 9, 2023. Both parties plan to establish an "additional lease agreement" to adjust the lease period and rent expense.
- (VIII) In October 2023, the Group signed a factory demolition contract with Li Jin Enterprise Co., Ltd., with a total contract price of NTD 55,580 thousand (excluding tax). Payments will be made according to the progress of the factory demolition. As of May 10, 2024, no payment had been made yet.

X. Significant Disaster Loss: None.

XI. Significant Subsequent Events: None.

XII. Others

- (I) Explanation to the seasonality or cyclicity of interim operations

The Group's operations are not affected by seasonality or cyclicalities.

(II) Capital Risk Management

There is no significant change in the Group's capital risk management approach from that described in the 2023 consolidated financial statements. Please refer to Note XII(I) of the 2023 consolidated financial statements for related disclosures.

(III) Financial Instruments

1. Financial risks of financial instruments

Financial risk management policy

The Group's daily operations are subject to various financial risks, including market risks (such as exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk. To mitigate these related financial risks, the Group is committed to identifying, assessing, and avoiding market uncertainties to minimize the potential adverse effects of market fluctuations on the Company's financial performance.

The Board of Directors oversees the Group's significant financial activities in accordance with relevant regulations and internal control systems. During the execution of financial plans, the Group must adhere to financial operational procedures related to overall financial risk management and delineation of responsibilities.

The nature and extent of significant financial risks

(1) Market risk

A. Exchange Rate Risk

(A) This Group is exposed to the exchange rate risk generated by sales, purchases, and borrowing transactions not priced in the functional currency of this Group. The functional currency of this Group is the New Taiwan Dollar. The transactions are primarily denominated in US dollars and RMB. To mitigate the risk of depreciation in the value of foreign currency assets and fluctuations in future cash flows, the Group uses foreign currency deposits to hedge against exchange rate risk. The use of such foreign currency deposits can assist the Group in reducing, but cannot completely eliminate, the impact caused by foreign currency exchange rate fluctuations.

(B) Exchange rate exposure and sensitivity analysis

				March 31, 2024		
		Foreign currency	Exchange rate	Amounts reported (NTD)	Sensitivity Analysis	
					Fluctuation range	Impact on profit and loss
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD:NTD	2,839	32.00	90,856	Appreciated by 1%	909	-
				December 31, 2023		
		Foreign currency	Exchange rate	Amounts reported (NTD)	Sensitivity Analysis	
					Fluctuation range	Impact on profit and loss
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD:NTD	2,668	30.705	81,936	Appreciated by 1%	819	-
				March 31, 2023		
		Foreign currency	Exchange rate	Amounts reported (NTD)	Sensitivity Analysis	
					Fluctuation range	Impact on profit and loss
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD:NTD	3,640	30.450	110,826	Appreciated by 1%	1,108	-

If the value of the New Taiwan Dollar appreciates relative to the aforementioned currencies, if all other factors remain unchanged, the amounts reflected in the aforementioned currencies would have an equal but opposite impact on March 31, 2024, December 31, 2023, and March 31, 2023.

- (C) The total amounts of all foreign exchange gains (losses) (including realized and unrealized) recognized in the periods from January to March, 2024 and 2023, due to significant influence of exchange rate fluctuations on the Group's monetary items, were NTD 2,732 thousand and NTD (1,156) thousand, respectively.

B. Price Risk

The Group presents investments in equity instruments in the consolidated balance sheet as financial assets at fair value through profit or loss or financial assets at fair value through other comprehensive income. For this reason, the Group is exposed to the price risk of equity instruments.

The Group mainly invests in domestic listed and unlisted equity instruments, the prices of which are affected by the uncertainty of the future value of the investments.

If the price of equity increases or decreases by 1%, the after-tax profit or loss for the periods from January to March, 2024 and 2023, will respectively increase or decrease by NTD 2,094 thousand and NTD 5,037 thousand due to the rise or fall in the fair value of financial assets measured at fair value through profit or loss. After-tax other comprehensive income for the periods from January to March, 2024 and 2023, will respectively increase or decrease by NTD 14,633 thousand and NTD 12,770 thousand due to the rise or fall in the fair value of financial assets measured at fair value through other comprehensive income.

C. Interest Rate Risk

The book values of the Group's financial assets and financial liabilities exposed to interest rate risk as of the reporting date are as follows:

Item(s)	Book Value		
	March 31, 2024	December 31, 2023	March 31, 2023
With fair value interest rate risk:			
Financial assets	\$ 232,493	\$ 193,282	\$ 207,653
Financial liabilities	(1,813,851)	(1,735,965)	(1,239,729)
Net	<u>\$ (1,581,358)</u>	<u>\$ (1,542,683)</u>	<u>\$ (1,032,076)</u>
With cash flow interest rate risk:			
Financial assets	\$ 147,304	\$ 202,346	\$ 290,608
Financial liabilities	(265,900)	(265,900)	(1,390,000)
Net	<u>\$ (118,596)</u>	<u>\$ (63,554)</u>	<u>\$ (1,099,392)</u>

Sensitivity analysis of fair value interest rate risk

The Group has not classified any fixed interest rate financial assets and liabilities as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income, nor has it designated derivative instruments (interest rate swaps) as hedging instruments under the fair value hedge accounting model. Therefore,

changes in interest rates at the reporting date will not affect profit and loss and other comprehensive net income.

Sensitivity analysis of cash flow interest rate risk

The financial instruments with variable interest rates of the Group are floating rate assets (liabilities), hence the changes in market interest rates will cause changes in their effective interest rates and result in fluctuations in future cash flows. For every 1% increase (decrease) in the market interest rate, the net profit for the periods from January to March, 2024 and 2023, will respectively increase (decrease) by NTD (296) thousand and NTD (2,748) thousand.

(2) Credit Risk

Credit risk refers to the risk of financial loss to the Group due to a counterparty's breach of contract obligations. The Group's credit risk primarily arises from receivables generated from operating activities, and cash in banks and other financial instruments generated from investment activities. Operational credit risk and financial credit risk are managed separately.

Operating-related credit risk

To maintain the quality of Accounts receivable, the Group has established procedures for managing operational-related credit risk.

The risk assessment of individual clients takes into consideration numerous factors that may affect their payment ability, including their financial status, internal credit ratings within the Group, historical transaction records, and current economic conditions.

Financial credit risk

The credit risk of cash in banks and other financial instruments is measured and monitored by the finance department of the Group. Since the counterparties and obliger of the Group are all banks with good credit status, financial institutions, corporations, and government agencies with investment grade or above, there is no significant concern about performance, therefore, there is no major credit risk. In addition, the Group has no investments classified as amortized cost and investments in debt instruments designated at fair value through other comprehensive income.

A. Concentrated risk of Margin trading

As of March 31, 2024, December 31, 2023, and March 31, 2023, the accounts receivable balances from the top ten customers accounted for 61.03%, 52.90%, and 71.05% of the total accounts receivable balances of the Group, respectively, posing a concentrated credit risk. The concentration of credit risk from the remaining accounts receivable is comparatively not significant.

B. Measurement of Expected credit losses

- (A) Accounts receivable: Simplified procedure is adopted, please refer to Note VI (IV) for explanation.
- (B) Basis for judging whether credit risk has significantly increased: None.
(The Group has neither investments measured at amortized cost nor investments in debt instruments designated at fair value through other comprehensive income.)
- C. Increase in collateral held and other credit enhancements adopted to mitigate the credit risk of financial assets:

The financial impacts related to the maximum exposure to credit risk concerning financial assets recognized in the consolidated statement of financial position, collaterals held by the Group as guarantees, total net settlement agreements, and other credit enhancements are illustrated in the table below:

March 31, 2024	Decrease in maximum exposure to credit risk				
	Book Value	Collateral	Net Settlement Agreement		Total
			Total	Other Credit Enhancements	
Financial instruments that are subject to the impairment rules of IFRS 9 and have been credit-impaired	\$ -	\$ -	\$ -	\$ -	\$ -
Financial instruments that are not subject to the impairment rules of IFRS 9:					
Financial assets at fair value through profit or loss	209,439	-	-	-	-
Financial assets at fair value through other comprehensive income	1,463,251	-	-	-	-
Total	\$ 1,672,690	\$ -	\$ -	\$ -	\$ -

December 31, 2023	Decrease in maximum exposure to credit risk				
	Book Value	Collateral	Net Settlement Agreement		Total
			Total	Other Credit Enhancements	
Financial instruments that are subject to the impairment rules of IFRS 9 and have been credit-impaired	\$ -	\$ -	\$ -	\$ -	\$ -
Financial instruments that are not subject to the impairment rules of IFRS 9:					
Financial assets at fair value through profit or loss	241,358	-	-	-	-
Financial assets at fair value through other comprehensive income	1,421,796	-	-	-	-
Total	\$ 1,663,154	\$ -	\$ -	\$ -	\$ -

March 31, 2023	Decrease in maximum exposure to credit risk				
	Book Value	Collateral	Net Settlement Agreement Total	Other Credit Enhancements	Total
Financial instruments that are subject to the impairment rules of IFRS 9 and have been credit-impaired	\$ -	\$ -	\$ -	\$ -	\$ -
Financial instruments that are not subject to the impairment rules of IFRS 9:					
Financial assets at fair value through profit or loss	503,683	-	-	-	-
Financial assets at fair value through other comprehensive income	1,276,960	-	-	-	-
Total	\$ 1,780,643	\$ -	\$ -	\$ -	\$ -

(3) Liquidity risk

A. Management of liquidity risk

The objective of managing liquidity risk for this group is to maintain cash and cash equivalents, high-liquidity securities, and sufficient bank financing lines needed for operations, to ensure that the group has sufficient financial flexibility.

B. Maturity Analysis of Financial Liabilities

The following table summarizes the analysis of the financial liabilities of the Group already agreed on the repayment period, arranged by due date and undiscounted amount due:

Non-derivative financial liabilities	March 31, 2024						Book Value
	Within 6 months	7-12 months	1-2 years	2-5 years	More than 5 years	Contract Cash Flow	
Short-term loans	\$ 1,008,000	\$ -	\$ -	\$ -	\$ -	\$ 1,008,000 #	\$ 1,008,000
Short-term notes and bills payable	240,000	-	-	-	-	240,000	239,818
Notes payable	8,901	-	-	-	-	8,901	8,901
Accounts payable	334,022	-	-	-	-	334,022	334,022
Lease liabilities	27,140	23,214	44,636	120,674	403,149	618,813	566,033
Other payables	132,018	1,761	-	-	-	133,779	133,779
Long-term loans (including current portion maturing within one year)	-	-	100	114,129	151,671	265,900	265,900
Deposits received	11,415	1,223	1,572	1,130	1,025	16,365	16,365
Total	\$ 1,761,496	\$ 26,198	\$ 46,308	\$ 235,933	\$ 555,845	\$ 2,625,780	\$ 2,572,818

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

	Less than 1 year	1-5 years	5-10 years	10-15 years	Undiscounted total lease payments
Lease liabilities	\$ 50,354	\$ 165,310	\$ 166,224	\$ 236,925	\$ 618,813

December 31, 2023							
Non-derivative financial liabilities	Within 6 months	7-12 months	1-2 years	2-5 years	More than 5 years	Contract Cash Flow	Book Value
Short-term loans	\$ 898,000	\$ -	\$ -	\$ -	\$ -	\$ 898,000	\$ 898,000
Short-term notes and bills payable	295,000	-	-	-	-	295,000	294,795
Notes payable	17,722	-	-	-	-	17,722	17,722
Accounts payable	262,293	-	-	-	-	262,293	262,293
Lease liabilities	23,137	21,436	36,354	104,018	411,063	596,008	543,170
Other payables	130,143	11,502	-	-	-	141,645	141,645
Long-term loans (including current portion maturing within one year)	-	-	50	104,668	161,182	265,900	265,900
Deposits received	6,623	4,903	2,650	1,130	1,025	16,331	16,331
Total	\$ 1,632,918	\$ 37,841	\$ 39,054	\$ 209,816	\$ 573,270	\$ 2,492,899	\$ 2,439,856

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

	Less than 1 year	1-5 years	5-10 years	10-15 years	Undiscounted total lease payments
Lease liabilities	\$ 44,573	\$ 140,372	\$ 166,070	\$ 244,993	\$ 596,008

March 31, 2023							
Non-derivative financial liabilities	Within 6 months	7-12 months	1-2 years	2-5 years	More than 5 years	Contract Cash Flow	Book Value
Short-term loans	\$ 1,630,000	\$ -	\$ -	\$ -	\$ -	\$ 1,630,000	\$ 1,630,000
Short-term notes and bills payable	270,000	-	-	-	-	270,000	269,824
Notes payable	5,747	-	-	-	-	5,747	5,747
Accounts payable	224,501	-	-	-	-	224,501	224,501
Lease liabilities	32,779	38,704	52,984	117,914	431,161	673,542	619,905
Other payables	163,895	1,805	-	-	-	165,700	165,700
Long-term loans (including current portion maturing within one year)	-	-	-	31,429	78,571	110,000	110,000
Deposits received	4,293	2,730	1,122	2,248	1,435	11,828	11,828
Total	\$ 2,331,215	\$ 43,239	\$ 54,106	\$ 151,591	\$ 511,167	\$ 3,091,318	\$ 3,037,505

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

	Less than 1 year	1-5 years	5-10 years	10-15 years	Undiscounted total lease payments
Lease liabilities	\$ 71,483	\$ 170,898	\$ 166,066	\$ 265,095	\$ 673,542

The Group does not anticipate that the timing of cash flows in the maturity date analysis will be significantly accelerated or that the actual amount will be significantly different.

2. Types of financial instruments

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial assets</u>			
Financial assets at amortized cost			
Cash and cash equivalents	\$ 235,963	\$ 287,887	\$ 431,278
Notes and accounts receivable (including related parties)	674,026	604,211	390,528
Other receivables	2,305	989	2,786
Other financial assets - Current	126,083	93,629	54,061
Refundable Deposits	34,152	36,131	24,015
Financial assets at fair value through profit or loss - Current	209,439	241,358	503,683
Financial Assets at Fair Value Through Other Comprehensive Income - Non-current	1,463,251	1,421,796	1,276,960
<u>Financial liabilities</u>			
Financial liabilities at amortized cost			
Short-term loans	1,008,000	898,000	1,630,000
Short-term notes and bills payable	239,818	294,795	269,824
Notes payable and Accounts payable (including related parties)	342,923	281,015	230,248
Other payables	133,779	141,645	165,700
Long-term loans	265,900	265,900	110,000
Lease liabilities (current and non-current)	566,033	543,170	619,905
Deposits received	16,365	16,331	11,828

(IV) Fair value information:

1. Please refer to Note XII (IV) 3. for fair value information of the Group's financial assets and financial liabilities not measured at fair value. Please refer to Note VI (XIV) for fair value information of the investment property measured at cost by the Group.
2. Definition of the three levels of fair value

Level 1:

The input value of this level refers to the active market quotes for identical instruments in active markets. An active market refers to a market that meets all the following conditions: the goods traded in the market are homogeneous; willing buyers and sellers can be found in the market at any time, and price information is accessible to the public. The beneficial certificates invested by the Group all belongs to those with active market public quotations.

Level 2:

The input values of this level, in addition to the active market public quotation, include observable prices obtained directly (such as prices) or indirectly (derived from prices) from the active market.

Level 3:

The inputs of this level refer to the parameters measuring fair value, which are not based on observable market-available inputs.

3. Financial instruments not measured at fair value:

The book values of the Group's financial instruments not measured at fair value, such as cash and cash equivalents, notes and accounts receivable, other financial assets, refundable deposits, short-term loans, short-term notes and bills payable, payables, lease liabilities (including current and non-current), long-term loans, and deposits received, are reasonable approximations of their fair values.

4. Fair value hierarchy information:

The financial instruments of the Group measured at fair value are all based on a recurring basis. The information on fair value hierarchy is as shown in the table below:

Item(s)	March 31, 2024			
	Level 1	Level 2	Level 3	Total
Assets:				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Listed shares	\$ 151,234	\$ -	\$ -	\$ 151,234
Open-ended funds and ETFs	34,868	-	-	34,868
Bonds	23,337	-	-	23,337
Financial assets at fair value through other comprehensive income				
Domestic listed company stocks	1,094,253	-	-	1,094,253
Domestic unlisted company stocks	-	-	368,998	368,998
Total	<u>\$1,303,692</u>	<u>\$ -</u>	<u>\$ 368,998</u>	<u>\$1,672,690</u>

Item(s)	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Assets:				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Listed shares	\$ 156,532	\$ -	\$ -	\$ 156,532
Open-ended Fund	66,830	-	-	66,830
Bonds	17,996	-	-	17,996
Financial assets at fair value through other comprehensive income				
Domestic listed company stocks	1,051,030	-	-	1,051,030
Domestic unlisted company stocks	-	-	370,766	370,766
Total	<u>\$1,292,388</u>	<u>\$ -</u>	<u>\$ 370,766</u>	<u>\$1,663,154</u>

Item(s)	March 31, 2023			
	Level 1	Level 2	Level 3	Total
Assets:				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Listed shares	\$ 154,612	\$ -	\$ -	\$ 154,612
Open-ended Fund	332,060	-	-	332,060
Bonds	17,011	-	-	17,011
Financial assets at fair value through other comprehensive income				
Domestic listed company stocks	920,970	-	-	920,970
Domestic unlisted company stocks	-	-	355,990	355,990
Total	<u>\$1,424,653</u>	<u>\$ -</u>	<u>\$ 355,990</u>	<u>\$1,780,643</u>

5. Fair value measurement techniques for instruments measured at fair value:

- (1) If there is an active market quotation for financial instruments, the fair value is the public quotation from the active market. The market prices announced by the Taipei Exchange and deemed as popular securities on the Government Bond Over-the-Counter Market are used as the basis for the fair value of listed (OTC) equity instruments and debt instruments with active market quotations.
If public quotes for financial instruments can be obtained promptly and frequently from exchanges, brokers, underwriters, trade unions, pricing service organizations, or competent authorities, and if the price represents actual and frequent fair market traders, then the financial instruments have active market public quotes. If the above conditions are not met, the market is considered

inactive. Generally, a large bid-ask spread, a significant increase in the bid-ask spread, or a very small trade volume, are all indicators of an inactive market.

The fair values of the financial instruments held by the Group, which are traded in an active market, are presented by category and characteristics as follows:

- A. Listed company stocks: closing price.
- B. Open-end Fund: Net Value.

- (2) For financial instruments other than those with active markets, fair values are obtained using valuation techniques or reference to quotes from counterparties in the transaction. The fair value obtained through valuation techniques can be referred to the current fair value of financial instruments with similar conditions and characteristics, the discounted cash flow method, or other valuation techniques, including those derived from applying models using market information available at the balance sheet date.

The fair value of unlisted (counter) company shares held by the Group, for which there is no active market, is primarily estimated by the market approach and the asset approach. The determination is referenced to the valuations of similar companies, third-party quotes, company net assets and operational status assessment. The significant unobservable input used for fair value measurement is as shown in the table below:

March 31, 2024:

Item(s)	Evaluation Technology	Significant unobservable inputs	Interval	Input value and fair value relationship
Financial assets at fair value through other comprehensive income - Stocks	Asset Method	1. Lack of Control Discount Rate	10.71%~18.17%	The higher the discount for control, the lower the fair value estimate.
		2. Lack of Marketability Discount Rate	17.65%~27.52%	The higher the liquidity discount, the lower the estimated fair value.
Financial assets at fair value through other comprehensive income - Stocks	Market Approach	Lack of Marketability Discount Rate	17.06%~32.27%	The higher the liquidity discount, the lower the estimated fair value.

December 31, 2023:

Item(s)	Evaluation Technology	Significant unobservable inputs	Interval	Input value and fair value relationship
Financial assets at fair value through other comprehensive income - Stocks	Asset Method	1. Lack of Control Discount Rate	10.71%~18.17%	The higher the discount for control, the lower the fair value estimate.
		2. Lack of Marketability Discount Rate	17.65%~27.52%	The higher the liquidity discount, the lower the estimated fair value.
Financial assets at fair value through other comprehensive income - Stocks	Market Approach	Lack of Marketability Discount Rate	17.06%~32.27%	The higher the liquidity discount, the lower the estimated fair value.

March 31, 2023:

Item(s)	Evaluation Technology	Significant unobservable inputs	Interval	Input value and fair value relationship
Financial assets at fair value through other comprehensive income - Stocks	Asset Method	1. Lack of Control Discount Rate	10.71%~18.17%	The higher the discount for control, the lower the fair value estimate.
		2. Lack of Marketability Discount Rate	17.65%~27.52%	The higher the liquidity discount, the lower the estimated fair value.
Financial assets at fair value through other comprehensive income - Stocks	Market Approach	Lack of Marketability Discount Rate	17.06%~32.27%	The higher the liquidity discount, the lower the estimated fair value.

6. Movement between Level 1 and Level 2: None.

7. Level 3 Change Detail Table:

Item(s)	Financial assets at fair value through other comprehensive income - Unlisted stocks	Item(s)	Financial assets at fair value through other comprehensive income - Unlisted stocks
January 1, 2024	\$ 370,766	January 1, 2023	\$ 364,932
Recognized in Other comprehensive income	(1,768)	Recognized in Other comprehensive income	(8,942)
March 31, 2024	<u>\$ 368,998</u>	March 31, 2023	<u>\$ 355,990</u>

8. Valuation process for fair value categorized in Level 3:

The Group relies on independent sources of information to ensure that the outcomes of Level 3 fair value assessment closely resemble the market condition. Financial instruments are subject to independent fair value validation and verification to ensure that the results generated are reasonable.

(V) Transfer of Financial Assets: None.

(VI) Offsetting of financial assets and financial liabilities: None.

XIII. Supplementary Disclosure

(I) Information on significant transactions:

1. Funds lent to others: Table 1.
2. Endorsement and guarantee for others: Table 2.
3. Marketable securities held by end of period: Table 3.
4. Accumulated purchases or sales of the same marketable securities of prices of at least NTD 300 million or 20% of the paid-In capital: none.
5. Acquisition of real estate properties at prices of at least NTD 300 million or 20% of the paid-In capital: None.
6. Disposal of real estate properties at prices of at least NTD 300 million or 20% of the paid-in capital: None.
7. Total purchases from or sales to related parties of 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: See Table 4.
9. Information about the derivative financial instruments' transaction: None.
10. Business relationships and significant transactions between parent and subsidiaries: Table 5.

(II) Information on reinvestment business: Table 6.

(III) Information on investments in Mainland China: Not applicable.

(IV) Information on major shareholders (name, number of shares held, and shareholding percentage of shareholders with shareholding percentage exceeding 5%): Table 7.

Table 1

Southeast Cement Co., Ltd. and Subsidiaries

Details of Funds Lent to Others

March 31, 2024

Unit: NTD 1,000

Number	Name of the Company lending funds to others	Counter-party	Financial Statement Account	Related party	Maximum balance for this period	Ending balance	Amount Actually Drawn	Interest Rate Range	Nature for Financing	Transactions Amounts	Reasons for short-term financing	Provision for allowance for bad debts amount	Collateral		Financing limit for individual entities	Maximum leasing limit
													Name	Value		
0	Southeast Cement Co., Ltd.	Dong Nai Construction Co., Ltd.	Other receivables due from related parties	Yes	200,000	200,000	75,000	1.9021%-1.913%	2	-	Operating turnover	-	-	-	451,605 (Note 1)	903,210 (Note 2)

Note 1: Financing limit for individual entities:

- (1) Those who have business dealings with the Company:

The lending amount shall not exceed the amount of business transactions with the Company in the most recent fiscal year. The term business transaction amounts refer to the total amount of sales, purchases, and services provided between the two parties, and shall not exceed 5% of the current net value of our company.

- (2) Those who have a need for short-term funding from the Company:

Up to a limit of 5% of the current net worth.

Note 2: Maximum loan limit:

- (1) Those who have business dealings with the Company:

Up to a limit of 10% of the current net worth.

- (2) Those who have a need for short-term funding from the Company:

Up to a limit of 10% of the current net worth.

Note 3: The method of filling in the nature of funds lending is as follows:

- (1) Fill 1 for those who have business transactions.

- (2) Those who need short-term financing funds fill in 2.

Note 4: The aforementioned transactions between the parent and subsidiaries have been offset.

Table 2

Southeast Cement Co., Ltd. and Subsidiaries
Endorsement and guarantee for others
March 31, 2024

Unit: NTD 1,000

Number	Endorser Company Name	Object of endorsements		Endorsement and guarantee limit for a single enterprise	The maximum balance of endorsements and guarantees for the current period	Endorsement and Guarantee Balance at the End of the Period	Amount Actually Drawn	Endorsement guarantee amount secured by property	The ratio of the accumulated amount of endorsements and guarantees to the net value of the most recent financial statements	Maximum endorsement guarantee limit	Endorsements and guarantees to subsidiaries by the parent company	Endorsement guarantees by subsidiaries to parent company	Endorsements and guarantees to mainland China
		Company Name	Relationship (Note 1)										
0	Southeast Cement Co., Ltd.	Southeast Topgood Resources Recycling Co., Ltd.	2	1,806,420 (Note 2)	335,580	335,580	-	-	3.72%	3,612,840 (Note 3)	Y	-	-
0	Southeast Cement Co., Ltd.	Southeast Milo International Co., Ltd.	2	1,806,420 (Note 2)	244,800	244,800	-	-	2.71%	3,612,840 (Note 3)	Y	-	-
1	Southeast Investment Co., Ltd.	Southeast Cement Co., Ltd.	3	196,775 (Note 4)	704	704	-	-	0.11%	262,367 (Note 5)	-	Y	-

(Note 1): The relationship between the endorser and the endorsed entity can be categorized into the following seven types; simply indicate the type:

1. Companies related to the business.
2. A company that directly and indirectly holds more than fifty percent of the voting shares.
3. Directly and indirectly holds over fifty percent of the voting shares in the Company.
4. Between companies that directly and indirectly hold more than ninety percent of voting shares.
5. Companies that mutually guarantee each other based on contract regulations among peers or co-builders for the needs of contracted projects.
6. Due to the joint investment relationship, the Company is endorsed and guaranteed by all shareholders according to their shareholding ratio.
7. The industry provides joint guarantees for the performance of pre-sale house sales contracts in accordance with consumer protection regulations.

(Note 2): Up to 20% of the net worth of the Company's most recent financial statements audited or reviewed by the accountant.

(Note 3): Up to 40% of the net worth of the Company's most recent financial statements audited or reviewed by the accountant.

(Note 4): Limited to not more than 30% of the net worth of the subsidiary's most recent financial statements audited or reviewed by the accountant.

(Note 5): Limited to not more than 40% of the net worth of the subsidiary's most recent financial statements audited or reviewed by the accountant.

Table 3

Southeast Cement Co., Ltd. and Subsidiaries
Statement of Marketable Securities Held at End of Period
March 31, 2024

Unit: Thousand shares; NTD 1,000

Company held	Types and Names of Securities	Relationship with the issuer of securities	Account Item	End of period				Remarks
				Number of shares	Book Value	Non-controlling interests	Fair value	
Southeast Cement Co., Ltd.	Shares - Goldsun Building Materials	None	Financial assets at fair value through other comprehensive income	3,356	127,203	0.28	127,203	
	Shares - CHC Resources	The Company is the corporate director of that company.	Financial assets at fair value through other comprehensive income	13,084	795,495	5.26	795,495	
	Shares - Chunghwa Telecom	None	Financial assets at fair value through other comprehensive income	360	45,360	-	45,360	
	Shares - Yuanta	None	Financial assets at fair value through other comprehensive income	572	17,385	-	17,385	
	Shares - TXC	None	Financial assets at fair value through other comprehensive income	80	9,040	0.03	9,040	
	Shares - Zero One Tech	None	Financial assets at fair value through other comprehensive income	100	7,180	0.06	7,180	
	Shares - China Steel	None	Financial assets at fair value through other comprehensive income	600	14,340	-	14,340	
	Shares - Taiwan Hon Chuan Enterprise	None	Financial assets at fair value through other comprehensive income	202	29,079	0.07	29,079	
	Shares - Fubon Financial Holding	None	Financial assets at fair value through other comprehensive income	509	35,512	-	35,512	
	Shares - YONYU PLASTIC	None	Financial assets at fair value through other comprehensive income	52	1,609	0.06	1,609	
	Shares - CHINA STEEL CHEMICAL	None	Financial assets at fair value through other comprehensive income	100	12,050	0.04	12,050	
	Shares - Kaohsiung MRT	None	Financial assets at fair value through other comprehensive income	11,117	90,526	3.99	90,526	
Southeast Cement Co., Ltd.	Shares - EnviroLink Corporation	The Company is the corporate director of that company.	Financial assets at fair value through other comprehensive income	2,333	43,423	16.67	43,423	
	Shares - iPASS	The Company is the corporate director of that company.	Financial assets at fair value through other comprehensive income	3,828	13,602	3.36	13,602	
		Total			1,241,804		1,241,804	

	Bonds - Boeing Company	None	Financial assets at fair value through profit or loss	500	11,169	-	11,169	
	Bonds - Pfizer	None	Financial assets at fair value through profit or loss	200	6,052	-	6,052	
	Bonds - Goldman Sachs	None	Financial assets at fair value through profit or loss	194	6,116	-	6,116	
	ETF - Cathay U.S. PHLX Semiconductor Sector	None	Financial assets at fair value through profit or loss	111	4,904	-	4,904	
		Total			28,241		28,241	
Southeast Investment Co., Ltd	Shares - Zhengtai Cement Factory	The chairman of the Company is also the chairman of the Company.	Financial assets at fair value through other comprehensive income	2,383	137,809	13.86	137,809	
	Shares - Taiwan Concrete	The chairman is an immediate relative within the second degree of kinship to the chairman of the Company.	Financial assets at fair value through other comprehensive income	1	41,569	4.21	41,569	
	Shares-Taiwan Implant Technology	None	Financial assets at fair value through other comprehensive income	815	4,995	4.14	4,995	
	Shares - Dushan Forest Development	None	Financial assets at fair value through other comprehensive income	3,840	37,074	8.00	37,074	
		Total			221,447		221,447	
	Funds-Cathay No. 2	None	Financial assets at fair value through profit or loss	500	8,400	-	8,400	
	Shares - Fubon Financial Holding	None	Financial assets at fair value through profit or loss	146	10,143	-	10,143	
	Shares - Formosa Chemicals and Fibre	None	Financial assets at fair value through profit or loss	17	957	-	957	
	Shares - TAIWAN SECOM	None	Financial assets at fair value through profit or loss	292	35,663	0.06	35,663	
Southeast Investment Co., Ltd	Shares -Taiwan Cement	None	Financial assets at fair value through profit or loss	2,926	94,075	0.04	94,075	
	Shares - CHC Resources	None	Financial assets at fair value through profit or loss	30	1,842	0.01	1,842	
	Shares - Mega Financial Holding	None	Financial assets at fair value through profit or loss	211	8,554	-	8,554	
		Total			159,634		159,634	
Southeast Paper Manufacturing Co., Ltd.	Shares -Southeast Cement	The parent company of this corporation	Financial assets at fair value through other comprehensive income	2,113	37,715	0.37	37,715	Note
Southeast Milo International Co., Ltd.	Funds - Fubon Chi-Hsiang Money	None	Financial assets at fair value through profit or loss	1,335	21,564	-	21,564	

Note: The shares of the parent company held by the aforementioned investee company have been reclassified as treasury shares according to the percentage of shareholding.

Table 4

Southeast Cement Co., Ltd. and Subsidiaries
 Receivables from related parties amounting to at least NTD 100 million or 20% of the paid-in capital
 March 31, 2024

Unit: NTD 1,000

The Company that lists Receivables.	Name of the counterparty	Relation	Balance of receivables due from related parties	Turnover rate	Overdue receivables from related parties		Amounts Received in Subsequent Period (Note 1)	Allowance for Bad Debt
					Amount	Processing Method		
Southeast Cement Co., Ltd.	Southeast Milo International Co., Ltd.	Subsidiary	179,561	(Note 2)	-	-	8,468	-

Note 1: The amount recovered up until May 10, 2024.

Note 2: As it is an item for lease equalization, it is not applicable to the calculation of turnover rate.

Note 3: The aforementioned transactions between the parent and subsidiaries have been offset.

Table 5

Southeast Cement Co., Ltd. and Subsidiaries
Business relationships and significant transactions between parent and subsidiaries

March 31, 2024

Individual transactions amounting to less than NTD 10,000 thousand (inclusive) are not disclosed; moreover, disclosures are made in terms of Assets and Revenues, and their respective transactions are no longer disclosed.

Unit: NTD 1,000

No. (Note 1)	Counterparty	Nature of Relationship (Note 2)	Intercompany Transactions	Financial Statements Item			
				Account	Amount	Transaction terms	Percentage to total consolidated revenue or total assets (Note 3)
0	Southeast Cement Co., Ltd.	Southeast Topgood Resources Recycling Co., Ltd.	1	Sales revenue	45,328	Roughly equivalent to general customers, the average collection period is about 2-3 months.	7.86%
				Accounts receivable	52,178		0.43%
		Southeast Milo International Co., Ltd.	1	Sales revenue	28,985	Note 5	5.02%
				Accounts receivable	179,561		1.49%
		Dong Nai Construction Co., Ltd.	1	Other receivables	75,000	Note 6	0.62%
1	Southeast Topgood Resources Recycling Co., Ltd.	Southeast Cement Co., Ltd.	2	Right-of-use assets	109,390	Note 7	0.91%
2	Southeast Milo International Co., Ltd.	Southeast Cement Co., Ltd.	2	Investment property, right-of-use assets	911,525	Note 5	7.55%
				Refundable Deposits	24,000		0.20%

3	Dong Nai Construction Co., Ltd.	Da Yang Construction Co., Ltd	3	Construction in progress	92,025	According to the pricing defined in the contract signed by both parties, the collection period is set according to the content of the contract.	0.76%
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Note 1: The information on business transactions between the parent company and its subsidiaries is indicated separately in the designated column, with the numbering method as follows:

- (1) The parent company fills in 0.
- (2) The subsidiaries are sequentially numbered starting from Arabic numeral 1 according to the parent company.

Note 2: There are three types of relationships with the transaction party, mark two types:

- (1) Parent company to subsidiaries.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: The calculation of the ratio of transaction turnover amount to total revenue and total assets in the consolidated financial statements is determined as follows: for items appearing on the balance sheet, it is calculated based on the year-end balance as a percentage of total assets in the consolidated financial statements; for items appearing on the income statement, it is calculated based on the cumulative amount as a percentage of total revenue in the consolidated financial statements.

Note 4: The aforementioned transactions between the parent and subsidiaries have been offset.

Note 5: The subsidiary leases land from the parent company for future mall operations. The contract restrictions and other important agreements are as follows:

- (1) The lease period is 30 years, with monthly rent payment (the total monthly rent is NTD 8,065 thousand, increasing 3% every 3 years).
- (2) Upon the expiration of the 30-year lease, if it continues to be used for existing mall operations, the lessee is given the pre-emptive right to lease for another 10 years.
- (3) Upon the expiration or early termination of the lease, the lessee must dismantle the above-ground objects or transfer them free of charge as instructed by the lessor. Owned by the lessor, the lessee shall not claim any demolition expenses and any expenses or assert any rights from the lessor.

Note 6: Mainly for financing.

Note 7: The subsidiary leases land from the parent company for the construction of factories. The contract restrictions and other important agreements are as follows:

- (1) The lease period is 20 years, with monthly rent payment (the total monthly rent is NTD 5,850 thousand, increasing 3% every 3 years).
- (2) The lessee has the priority right to lease upon expiration of the lease term.

Table 6

Southeast Cement Co., Ltd. and Subsidiaries
Information on Reinvestment Business
March 31, 2024

Unit: Thousand shares; NTD 1,000

Name of investment company	Name of Investee Company	Location	Main bussiness items	Original investment amount		Held at the end of the period			Net Income (Losses) of the Investee company	Investment income (loss) recognized	Remarks
				End of the period	the end of last year	Number of shares	ratio	Book Value			
Southeast Cement Corporation	Southeast Investment Co., Ltd	Kaohsiung City	Securities investment	297,870	297,870	499	99.29	636,589	(2,116)	(2,101)	(Note)
	Southeast Construction Co., Ltd.	Kaohsiung City	Construction industry	11,361	11,361	36	31.01	75,402	3,792	1,175	
	Southeast Paper Manufacturing Co., Ltd.	Kaohsiung City	Cement Paper Bag	4,971	4,971	5	49.71	22,936	122	61	(Note)
	Nan Hsia Timber Co., Ltd.	Kaohsiung City	Wooden products	8,540	8,540	1	27.55	14,820	8,441	2,325	
	Dong Nai Construction Co., Ltd.	Kaohsiung City	Construction industry	790,000	790,000	79,000	100.00	780,957	(1,627)	(1,627)	(Note)
	Taiwan Machinery Shipyard Co., Ltd	Kaohsiung City	Engineering industry	328,492	328,492	25,611	31.01	324,541	(4,770)	(1,479)	
	Southeast Topgood Resources Recycling Co., Ltd.	Kaohsiung City	Waste Clearance and Disposal	85,000	85,000	8,500	50.00	94,103	29,277	14,859	(Note)
	Southeast Milo International Co., Ltd.	Kaohsiung City	Real Estate Leasing Industry	50,000	50,000	5,000	50.00	10,681	4,616	(166)	(Note)

Name of investment company	Name of Investee Company	Location	Main bussiness items	Original investment amount		Held at the end of the period			Net Income (Losses) of the Investee company	Investment income (loss) recognized	Remarks
				End of the period	the end of last year	Number of shares	ratio	Book Value			
	Da Yang Construction Co.,Ltd	Kaohsiung City	Construction industry	120,300	120,300	11,000	100.00	117,824	(973)	(298)	(Note)
	Subtotal							2,077,853	36,762	12,749	
	Less: Reclassification of parent company shares held by subsidiaries to treasury shares							(12,185)			
	Total							2,065,668	36,762	12,749	
Southeast Investment Co., Ltd	Penghu Cable Television Co., Ltd.	Penghu County	Cable TV	51,093	51,093	8,000	40.00	124,977	5,951	2,380	
	Penghu Bay Co., Ltd.	Penghu County	Beach	60,347	60,347	1,663	38.68	16,663	(3)	(1)	
	Southeast Construction Co., Ltd.	Kaohsiung City	Construction industry	29,381	29,381	12	10.92	31,158	3,792	437	
	Taiwan Machinery Shipyard Co. ,Ltd	Kaohsiung City	Engineering industry	5,826	5,826	454	0.55	5,974	(4,770)	(26)	
	Southeast Topgood Resources Recycling Co., Ltd.	Kaohsiung City	Waste Clearance and Disposal	1,700	1,700	170	1.00	1,860	29,277	293	(Note)
	Southeast Milo International Co., Ltd.	Kaohsiung City	Real Estate Leasing Industry	1,000	1,000	100	1.00	238	4,616	46	(Note)
	Total							180,870	38,863	3,129	

Note: The above transactions between parent company and its subsidiaries have been eliminated.

Table 7

Southeast Cement Co., Ltd. and Subsidiaries
Information on major shareholders
March 31, 2024

Name of major shareholders	Total shares owned	Percentage of shareholding
Tong Shu Investments Co., Ltd.	80,496,816	14.07%
Taiwan Machinery Shipyard Co., Ltd.	49,292,761	8.62%
Evergreen Co., Ltd.	40,070,010	7.01%
Fukang Cultural and Education Foundation	38,829,350	6.79%
Baifu Investments Co., Ltd.	36,283,148	6.34%
Southeast Cultural Foundation	33,421,803	5.84%

Note: The main shareholder information in this table is calculated by the Taiwan Depository & Clearing Corporation on the last business day of each quarter, based on the number of shares held by shareholders where the Company has completed delivery without physical registration (including treasury shares) of combined common and preference shares reaching over five percent. As for the share capital recorded in the Company's financial reports and the actual number of shares the Company has completed delivery without physical registration, there may be differences due to The compilation is based on different or has variances.

XIV. Department Information

(I) General Information:

For management purposes, the Group's operation decision-maker (the president) divides the operating units based on different business types, and is divided into the following reportable segments:

1. Production Department: Mainly engaged in the production and sales of cement and furnace slag powder.
2. Lease Department: Mainly engaged in the rental business of properties such as land and factories.
3. Construction Department: Mainly engaged in the construction and sale of residences.

(II) Measurement basis:

The decision-makers of this group monitor the operational results of each operating unit to establish decisions on resource allocation and performance evaluation. The performance of each department is evaluated based on net operating income (loss) and is measured in a manner consistent with the operating income and loss in the consolidated financial statements. However, the administrative expenses and non-operating income and expenses of the consolidated financial statements are managed on a group basis and are not allocated to the operating departments.

(III) Segment Financial Information:

January to March 2024:

	Production Department	Construction Department	Engineering Department	Leasing Department	Adjustment and write-off	Total
Net revenues						
Revenues from external customers	\$ 536,818	\$ -	\$ -	\$ 40,078	\$ -	\$ 576,896
Interdepartmental Revenues	45,162	-	4,041	23,956	(73,159)	-
Total net revenue	\$ 581,980	\$ -	\$ 4,041	\$ 64,034	\$ (73,159)	\$ 576,896
Departmental profit	\$ 63,971	\$ -	\$ (674)	\$ 45,001	\$ (15,191)	93,107
General operating expenses of the Company						(23,730)
Non-operating income and expenses						(15,137)
Profit before tax						\$ 54,240
Income tax benefit (expense)						(9,006)
Profit after tax						\$ 45,234
Segment Assets						\$ 12,070,168
Segment Liabilities						\$ 2,919,784

January to March 2023:

	<u>Production Department</u>	<u>Construction Department</u>	<u>Engineering Department</u>	<u>Leasing Department</u>	<u>Adjustment and write-off</u>	<u>Total</u>
Net revenues						
Revenues from external customers	\$ 497,346	\$ -	\$ -	\$ 30,708	\$ -	\$ 528,054
Interdepartmental Revenues	13,904	-	9,270	30,763	(53,937)	-
Total net revenue	<u>\$ 511,250</u>	<u>\$ -</u>	<u>\$ 9,270</u>	<u>\$ 61,471</u>	<u>\$ (53,937)</u>	<u>\$ 528,054</u>
Departmental profit	<u>\$ 37,479</u>	<u>\$ -</u>	<u>\$ 831</u>	<u>\$ 38,730</u>	<u>\$ (32,432)</u>	<u>44,608</u>
General operating expenses of the Company						(30,930)
Non-operating income and expenses						5,836
Profit before tax						<u>\$ 19,514</u>
Income tax benefit (expense)						(213)
Profit after tax						<u>\$ 19,301</u>
Segment Assets						<u>\$ 12,166,141</u>
Segment Liabilities						<u>\$ 3,377,206</u>

- (IV) Product and service information: Disclosure is not required for interim financial statements.
- (V) Location information: Disclosure is not required for interim financial statements.
- (VI) Information on major customers: Disclosure is not required for interim financial statements.