

【Stock Code: 1110】

Southeast Cement Co., Ltd. and Subsidiaries
Consolidated Financial Statements
and Independent Auditor's Review Report
For the Nine Months Ended September 30, 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 Co., Ltd.

Introduction

We have reviewed the consolidated balance sheets of Southeast Cement Co., Ltd. and Subsidiaries as of September 30, 2024 and 2023, the consolidated statements of comprehensive income for the periods from July 1 to September 30, 2024 and 2023 and from January 1 to September 30, 2024 and 2023, consolidated statements of changes in equity, and consolidated statements of cash flow for the periods from January 1 to September 30, 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 of Review

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 for Qualified Conclusion

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 September 30, 2024 and 2023, these subsidiaries aggregately reported total assets of NT\$3,140,715 thousand and NT\$2,712,223 thousand that represented 25.02% and 23.66% of consolidated total assets, and total liabilities of NT\$1,169,275 thousand and NT\$829,539 thousand that represented 38.13% and 33.47% of consolidated total liabilities, respectively. These subsidiaries also reported total comprehensive income of NT\$171,098 thousand, NT\$(2,945) thousand, NT\$247,650 thousand and NT\$(14,534) thousand that represented 64.78%, (3.61%), 43.06% and (4.62%) of consolidated total comprehensive income for the periods from July 1 to September 30, 2024 and 2023, and from January 1 to September 30, 2024 and 2023, respectively. Furthermore, as described in Note VI (XII) of the consolidated financial statements, Southeast Cement Co., Ltd. and subsidiaries reported equity-accounted investments totaling NT\$615,045 thousand and NT\$580,623 thousand as of September 30, 2024 and 2023, that represented 4.90% and 5.07% of total assets, respectively.

Share of profit or loss from equity-accounted associated companies and joint ventures recognized for the periods from July 1 to September 30, 2024 and 2023, and from January 1 to September 30, 2024 and 2023, amounted to NT\$6,403 thousand, NT\$2,774 thousand, NT\$13,165 thousand and NT\$9,003 thousand, representing 2.56%, 3.53%, 3.41% and 5.06% of pre-tax profit, respectively; whereas share of other comprehensive income from equity-accounted associated companies and joint ventures amounted to NT\$11,505 thousand, NT\$11 thousand, NT\$24,777 thousand and NT\$3,145 thousand, representing 22.31%, 0.04%, 9.97% and 1.81% 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.

Qualified Conclusion

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 Co., Ltd. and subsidiaries as of September 30, 2024 and 2023, or the consolidated financial performance for the periods from July 1 to September 30, 2024 and 2023, and from January 1 to September 30, 2024 and 2023, and consolidated cash flow for the periods from January 1 to September 30, 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

November 8, 2024

Southeast Cement Co., Ltd. and its subsidiaries
Consolidated Balance Sheets
September 30, 2024, December 31, 2023 and September 30, 2023

Unit: NT\$1,000

Code	Assets	September 30, 2024		December 31, 2023		September 30, 2023	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and Cash Equivalents (Note VI (I))	\$ 451,456	4	\$ 287,887	2	\$ 215,718	2
1110	Current financial assets at fair value through profit or loss (Note VI (II))	219,374	2	241,358	2	282,205	2
1150	Notes Receivable, net (Note VI (III))	213,722	2	239,044	2	220,321	2
1160	Notes receivable from related entities, net (Note VII)	15,685	-	-	-	12,034	-
1170	Accounts receivable, net (Note VI (IV))	468,373	4	323,104	3	207,840	2
1180	Accounts receivable due from related entities, net (Note VII)	40,103	-	42,063	-	25,214	-
1200	Other Receivables (Note VI (V))	2,369	-	989	-	4,539	-
1220	Current tax assets	258	-	944	-	713	-
130x	Current inventories (Note VI (VI))	1,247,984	10	1,188,767	10	1,114,798	10
1410	Prepayments (Note VI (VII))	89,287	-	65,923	1	70,226	1
1476	Other current financial assets (Note VI (IX))	60,000	-	93,629	1	144,647	1
1480	Current assets recognized as incremental costs to obtain contracts with customers (Note VI (X))	2,000	-	2,000	-	2,000	-
11xx	Total current assets	<u>2,810,611</u>	<u>22</u>	<u>2,485,708</u>	<u>21</u>	<u>2,300,255</u>	<u>20</u>
	Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income (Note VI (XI))	1,589,950	13	1,421,796	12	1,403,326	12
1550	Investments accounted for using the equity method (Note VI (XII))	615,045	5	587,585	5	580,623	5
1600	Property, plant and equipment (Note VI (XIII))	1,085,025	9	980,083	8	848,474	8
1755	Right-of-use assets (Note VI (XIV))	608,189	5	627,829	5	681,398	6
1760	Investment property, net (Note VI (XV))	5,775,213	46	5,631,299	48	5,579,134	49
1780	Intangible assets	8	-	26	-	34	-
1840	Deferred tax assets	31,060	-	51,105	1	46,966	-
1920	Refundable deposits (Note VI (XVI))	33,623	-	36,131	-	22,446	-
1990	Other non-current assets - others (Note VI (V))	4,136	-	-	-	-	-
15xx	Total non-current assets	<u>9,742,249</u>	<u>78</u>	<u>9,335,854</u>	<u>79</u>	<u>9,162,401</u>	<u>80</u>
1xxx	Total assets	<u>\$ 12,552,860</u>	<u>100</u>	<u>\$ 11,821,562</u>	<u>100</u>	<u>\$ 11,462,656</u>	<u>100</u>

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Code	Liabilities and equity	September 30, 2024		December 31, 2023		September 30, 2023	
		Amount	%	Amount	%	Amount	%
	Current liabilities						
2100	Short-term loans (Note VI (XVII))	\$ 935,000	7	\$ 898,000	8	\$ 870,000	8
2110	Short-term notes payable (Note VI (XVIII))	343,768	3	294,795	3	145,877	1
2130	Current contract liabilities (Note VI (XIX))	69,911	1	43,681	-	63,331	1
2150	Notes payable	17,634	-	17,722	-	14,728	-
2170	Accounts payable	319,321	3	263,293	3	151,225	1
2200	Other payables (Note VI (XX))	134,506	1	141,645	1	99,231	1
2230	Current tax liabilities	41,701	-	39,544	-	39,121	-
2250	Current provisions (Note VI (XXI))	1,547	-	1,769	-	1,687	-
2280	Current lease liabilities (Note VI (XIV))	39,590	-	38,976	-	56,220	1
2300	Other current liabilities	2,970	-	1,286	-	4,690	-
21xx	Total current liabilities	<u>1,905,948</u>	<u>15</u>	<u>1,740,711</u>	<u>15</u>	<u>1,446,110</u>	<u>13</u>
	Non-current liabilities						
2540	Long-term loans (Note VI (XXIII))	382,972	3	265,900	2	210,800	2
2570	Deferred tax liabilities	266,779	2	269,188	2	271,080	2
2580	Non-current lease liabilities (Note VI (XIV))	495,930	4	504,194	5	533,744	5
2645	Guarantee deposits received (Note VI (XXIV))	14,997	-	16,331	-	16,731	-
25xx	Total non-current liabilities	<u>1,160,678</u>	<u>9</u>	<u>1,055,613</u>	<u>9</u>	<u>1,032,355</u>	<u>9</u>
2xxx	Total liabilities	<u>3,066,626</u>	<u>24</u>	<u>2,796,324</u>	<u>24</u>	<u>2,478,465</u>	<u>22</u>
	Equity						
	Equities attributable to owners of parent						
3100	Share capital (Note VI (XXV))						
3110	Ordinary share(s)	5,720,008	46	5,720,008	48	5,720,008	50
3200	Capital surplus (Note VI (XXVI))	188,898	1	188,688	2	188,688	2
3300	Retained earnings						
3310	Legal reserve	1,099,596	9	1,084,664	9	1,084,664	9
3320	Special reserve (Note VI (XXVIII))	810,918	6	810,918	7	810,918	7
3350	Unappropriated retained earnings (Note VI (XXVII))	566,529	5	407,894	3	416,880	3
3400	Other equity interest (Note VI (XXIX))	971,715	8	723,623	6	696,469	6
3500	Treasury shares (Note VI (XXX))	<u>(12,185)</u>	<u>-</u>	<u>(12,185)</u>	<u>-</u>	<u>(12,185)</u>	<u>-</u>
31xx	Total equities attributable to owners of parent	<u>9,345,479</u>	<u>75</u>	<u>8,923,610</u>	<u>75</u>	<u>8,905,442</u>	<u>77</u>
36xx	Non-controlling interests (Note VI (XXXI))	<u>140,755</u>	<u>1</u>	<u>101,628</u>	<u>1</u>	<u>78,749</u>	<u>1</u>
3xxx	Total equity	<u>9,486,234</u>	<u>76</u>	<u>9,025,238</u>	<u>76</u>	<u>8,984,191</u>	<u>78</u>
	Total liabilities and equity	<u>\$ 12,552,860</u>	<u>100</u>	<u>\$ 11,821,562</u>	<u>100</u>	<u>\$ 11,462,656</u>	<u>100</u>

(Please refer to the notes to the CFS)

Chairman: Min-Tuan Chen

Manager: Yen-Hui Wu

Chief Accountant: Hsin-Han Huang

Southeast Cement Co., Ltd. and its subsidiaries
Consolidated Statements of Comprehensive Income
July 1 to September 30, 2024 and 2023, and January 1 to September 30, 2024 and 2023

Unit: NT\$1,000

Code	Item(s)	From July 1 to September 30, 2024		From July 1 to September 30, 2023		From January 1 to September 30, 2024		From January 1 to September 30, 2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Note VI (XXXII))	\$ 890,643	100	\$ 498,086	100	\$ 2,072,159	100	\$ 1,641,523	100
5000	Operating costs (Note VI (VI))	(699,654)	(79)	(530,758)	(107)	(1,686,064)	(81)	(1,527,142)	(93)
5900	Gross profit (loss) from operations	190,989	21	(32,672)	(7)	386,095	19	114,381	7
6100	Operating expenses								
6100	Sales (marketing) expenses	(15,805)	(1)	(5,365)	(1)	(26,411)	(1)	(14,969)	(1)
6200	Administrative expenses	(34,177)	(4)	(30,794)	(6)	(81,629)	(4)	(95,309)	(6)
6450	Gain (loss) on expected credit impairment (Note VI (IV))	(12)	-	621	-	17	-	69	-
6000	Total operating expenses	(49,994)	(5)	(35,538)	(7)	(108,023)	(5)	(110,209)	(7)
6900	Net operating income (loss)	140,995	16	(68,210)	(14)	278,072	14	4,172	-
	Non-operating income and expenses								
7100	Interest income (Note VI (XXXIV))	1,399	-	1,528	-	4,335	-	4,282	-
7010	Other income (Note VI (XXXV))	118,255	13	52,654	11	135,051	6	72,199	5
7020	Other gains and losses (Note VI (XXXVI))	(7,383)	(1)	99,048	20	(15,937)	(1)	118,950	7
7050	Finance costs (Note VI (XXXVII))	(9,899)	(1)	(9,144)	(2)	(28,086)	(1)	(30,772)	(2)
7060	Share of profit or loss from associated companies and joint ventures accounted for using equity method	6,403	1	2,774	1	13,165	1	9,003	1
7000	Total non-operating income and expenses	108,775	12	146,860	30	108,528	5	173,662	11
7900	Profit (loss) before tax	249,770	28	78,650	16	386,600	19	177,834	11
7950	Income tax benefit (expense) (Note VI (XXXVIII))	(37,236)	(4)	(22,542)	(5)	(59,896)	(3)	(36,931)	(2)
8200	Profit (loss)	212,534	24	56,108	11	326,704	16	140,903	9
8310	Other comprehensive income (Note VI (XXXIX))								
8316	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	40,068	5	25,434	5	223,659	11	170,464	11
8320	Share of other comprehensive income of related entities and joint ventures accounted for using equity method	11,505	1	11	-	24,777	1	3,145	-
8300	Other comprehensive income, net	51,573	6	25,445	5	248,436	12	173,609	11
8500	Total comprehensive income	\$ 264,107	30	\$ 81,553	16	\$ 575,140	28	\$ 314,512	20
8600	Profit (loss) attributable to:								
8610	Profit (loss), attributable to owners of parent	\$ 199,860	23	\$ 56,203	11	\$ 287,746	14	\$ 157,234	10
8620	Profit (loss), attributable to non-controlling interests	12,674	1	(95)	-	38,958	2	(16,331)	(1)
		\$ 212,534	24	\$ 56,108	11	\$ 326,704	16	\$ 140,903	9
8700	Comprehensive income attributable to:								
8710	Comprehensive income, attributable to owners of parent	\$ 251,383	28	\$ 81,608	16	\$ 536,059	26	\$ 330,831	21
8720	Comprehensive income, attributable to non-controlling interests	12,724	2	(55)	-	39,081	2	(16,319)	(1)
		\$ 264,107	30	\$ 81,553	16	\$ 575,140	28	\$ 314,512	20
	Earnings per share								
9750	Basic earnings per share (Note VI (XXXX))	\$ 0.35		\$ 0.10		\$ 0.50		\$ 0.28	
9850	Diluted earnings per share (Note VI (XXXX))	\$ 0.35		\$ 0.10		\$ 0.50		\$ 0.28	

(Please refer to the notes to the CFS)
Chairman: Min-Tuan Chen Manager: Yen-Hui Wu

Chief Accountant: Hsin-Han Huang

Southeast Cement Co., Ltd. and its subsidiaries
Consolidated Statements of Changes in Equity
January 1 to September 30, 2024 and 2023

Unit: NT\$1,000

	Equities attributable to owners of parent									
	Retained earnings					Total other equity interest	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary share(s)	Capital surplus	Legal reserve	Special reserves	Unappropriated retained earnings	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income				
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
Appropriation and distribution of earnings:										
Legal reserve	-	-	14,952	-	(14,952)	-	-	-	-	-
Cash dividends of ordinary share(s)	-	-	-	-	(57,200)	-	-	(57,200)	-	(57,200)
Net profit (net loss) for the period from January 1 to September 30, 2023	-	-	-	-	157,234	-	-	157,234	(16,331)	140,903
Other comprehensive income for the period from January 1 to September 30, 2023	-	-	-	-	-	173,597	-	173,597	12	173,609
Total comprehensive income for the period from January 1 to September 30, 2023	-	-	-	-	157,234	173,597	-	330,831	(16,319)	314,512
Dividend distribution to subsidiaries, resulting in adjustments to capital surplus	-	105	-	-	-	-	-	105	-	105
Increase/decrease in non-controlling interests	-	-	-	-	-	-	-	-	106	106
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	1,077	(1,077)	-	-	-	-
Balance as of September 30, 2023	\$ 5,720,008	\$ 188,688	\$ 1,084,664	\$ 810,918	\$ 416,880	\$ 696,469	\$ (12,185)	\$ 8,905,442	\$ 78,749	\$ 8,984,191
Balance as of January 1, 2024	\$ 5,720,008	\$ 188,688	\$ 1,084,664	\$ 810,918	\$ 407,894	\$ 23,623	\$ (12,185)	\$ 8,923,610	\$ 101,628	\$ 9,025,238
Appropriation and distribution of earnings:										
Legal reserve	-	-	14,932	-	(14,932)	-	-	-	-	-
Cash dividends of ordinary share(s)	-	-	-	-	(114,400)	-	-	(114,400)	-	(114,400)
Net profit (net loss) for the period from January 1 to September 30, 2024	-	-	-	-	287,746	-	-	287,746	38,958	326,704
Other comprehensive income for the period from January 1 to September 30, 2024	-	-	-	-	-	248,313	-	248,313	123	248,436
Total comprehensive income for the period from January 1 to September 30, 2024	-	-	-	-	287,746	248,313	-	536,059	39,081	575,140
Dividend distribution to subsidiaries, resulting in adjustments to capital surplus	-	210	-	-	-	-	-	210	-	210
Increase/decrease in non-controlling interests	-	-	-	-	-	-	-	-	46	46
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	221	(221)	-	-	-	-
Balance as of September 30, 2024	\$ 5,720,008	\$ 188,898	\$ 1,099,596	\$ 810,918	\$ 566,529	\$ 971,715	\$ (12,185)	\$ 9,345,479	\$ 140,755	\$ 9,486,234

(Please refer to the notes to the CFS)
Manager: Yen-Hui Wu

Chairman: Min-Tuan Chen

Chief Accountant: Hsin-Han Huang

Southeast Cement Co., Ltd. and its subsidiaries
Consolidated Statements of Cash Flow
January 1 to September 30, 2024 and 2023

Unit: NT\$1,000

Item(s)	From January 1 to September 30, 2024	From January 1 to September 30, 2023
Cash flows from (used in) operating activities		
Profit (loss) before tax for the period	\$ 386,600	\$ 177,834
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	80,189	77,676
Amortization expense	18	23
Expected credit loss (reversal gain)	(17)	(69)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(7,657)	(5,522)
Interest expense	28,086	30,772
Interest income	(4,335)	(4,282)
Dividend income	(125,557)	(55,927)
Share of loss (profit) of related entities and joint ventures accounted for by using equity method	(13,165)	(9,003)
Loss (gain) on disposal of property, plants and equipment	(866)	1,966
Property, plants and equipment transferred to expenses	-	553
Loss (Profit) on disposal of non-current assets held for sale	-	(167,435)
Impairment of non-financial assets	-	50,002
Profit from lease modification	(1,877)	(572)
Others	210	105
Total adjustments to reconcile profit (loss)	(44,971)	(81,713)
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	29,641	280,832
Decrease (increase) in notes receivable	9,642	14,305
Decrease (increase) in accounts receivable	(143,297)	(104,758)
Decrease (increase) in other receivable	(538)	27,229
Decrease (increase) in inventories	(65,944)	(98,646)
Decrease (increase) in other prepayments	(23,364)	(29,305)
Decrease (increase) in other financial assets	33,629	19,893
Total changes in operating assets	(160,231)	109,550
Changes in operating liabilities		
Increase (decrease) in contract liabilities	26,230	44,461
Increase (decrease) in notes payable	(88)	12,808
Increase (decrease) in accounts payable	56,028	(99,561)
Increase (decrease) in other payable	(1,599)	23,367
Increase (decrease) in provisions	(222)	246
Increase (decrease) in other current liabilities	1,684	3,172
Total net changes in operating liabilities	82,033	(15,507)
Total net changes in operating assets and liabilities	(78,198)	94,043
Total adjustments	(123,169)	12,330
Cash inflow (outflow) generated from operations	263,431	190,164
Interest received	4,560	4,368
Dividends received	136,295	79,927

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Item(s)	From January 1 to September 30, 2024	From January 1 to September 30, 2023
Interest paid	\$ (28,426)	\$ (31,118)
Income taxes refund (paid)	(39,417)	(255)
Net cash flows from (used in) operating activities	<u>336,443</u>	<u>243,086</u>
Cash flows from (used in) investing activities		
Acquisition of financial assets at fair value through other comprehensive income	(27,571)	(1,135)
Proceeds from disposal of financial assets at fair value through other comprehensive income	44,684	2,102
Financial assets at fair value through other comprehensive income - return of capital due to capital reduction	38,392	-
Disposal of non-current assets held for sale	-	1,056,004
Acquisition of property, plants and equipment	(174,865)	(235,717)
Proceeds from disposal of property, plants and equipment	950	-
Increase in refundable deposits	-	(3,448)
Decrease in refundable deposits	3,460	-
Acquisition of Intangible assets	-	(17)
Acquisition of use-of-right assets	(440)	(41,471)
Acquisition of investment properties	(115,260)	(291,727)
Increase in long-term lease and instalment receivables	(5,469)	-
Decrease in long-term lease and instalment receivables	-	1,415
Net cash flows from (used in) investing activities	<u>(236,119)</u>	<u>486,006</u>
Cash flows from (used in) financing activities		
Increase in short-term loans	37,000	-
Decrease in short-term loans	-	(660,000)
Increase in short-term notes and bills payable	49,000	-
Decrease in short-term notes and bills payable	-	(274,000)
Proceeds from long-term debt	117,072	210,800
Increase in refundable deposits	-	4,903
Decrease in refundable deposits	(1,334)	-
Repayment of lease liabilities	(24,139)	(34,357)
Cash dividends paid	(114,400)	(57,200)
Changes in non-controlling interests	46	106
Net cash flows from (used in) financing activities	<u>63,245</u>	<u>(809,748)</u>
Net increase (decrease) in cash and cash equivalents	<u>163,569</u>	<u>(80,656)</u>
Cash and cash equivalents at beginning of period	<u>287,887</u>	<u>296,374</u>
Cash and cash equivalents at end of period	<u>\$ 451,456</u>	<u>\$ 215,718</u>

(Please refer to the notes to the CFS)

Chairman: Min-Tuan Chen

Manager: Yen-Hui Wu

Chief Accountant: Hsin-Han Huang

Southeast Cement Co., Ltd. and Subsidiaries

Notes to the Consolidated Financial Statements

For the Nine Months Ended September 30, 2024 and 2023

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

(I) Company History

Southeast Cement Co., Ltd.(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, the Company is the ultimate parent company of the Group.

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

(II) Date and Procedures for Authorization of Financial Statements

This consolidated financial statement was issued after being approved by the Board of Directors on November 8, 2024.

(III) Application of New and Amended Standards and Interpretations

1. 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
Amendment to IFRS 16 "Lease Liabilities in Sale and Leaseback"	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 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 the Company to the trading party. However, if the terms of the Liabilities could possibly lead to settlement by a transfer of the Company'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.

2. The impact of new releases and amendments under International Financial Reporting Standards approved by the Taiwan Financial Supervisory Commission yet to be adopted:

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 2025.

Newly Issued/Amended/Revised Standards and Interpretations	Effective date issued by IASB
Amendment to IAS 21 "Lack of Exchangeability"	January 1, 2025

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

3. 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 impacts 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 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture"	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
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027
Annual improvements to IFRS - Volume 11	January 1, 2026

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) These amendments, amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments," are explained as follows:
 - A. In order to clarify the date of recognition or derecognition of certain financial assets and financial liabilities, an entity is allowed to deem a financial liability (or part of a financial liability) that will be settled in cash using an electronic payment system to be discharged before the settlement date if, and only if, the entity has initiated a payment instruction that has resulted in:
 - a. The entity having no practical ability to withdraw, stop or cancel the payment instruction.
 - b. The entity having no practical ability to access the cash to be used for settlement as a result of the payment instruction.
 - c. The settlement risk associated with the electronic payment system being immaterial.
 - B. It clarifies and provides further guidance on assessing whether financial assets meet the solely payments of principal and interest (SPPI) criteria. The scope includes contractual terms that change cash flows based on contingent events (for example, interest rates linked to ESG goals), instruments with non-recourse features, and contractually linked instruments.

- C. It adds on certain tools for contracts with variable cash flow terms (for example, certain instruments with features related to achieving environmental, social, and governance (ESG) goals) that should be disclosed for qualitative description of the nature of certain matters; regarding the quantitative information on the potential range of contract cash flow variations that may arise from such contract terms; and the carrying amount of financial assets and the amortized cost of financial liabilities under such contract terms.
 - D. It updates that investments in equity instruments designated at fair value through other comprehensive income (FVTOCI) through irrevocable choices should be disclosed its fair value for each type, no longer required to disclose its fair value information per each item. In addition, an entity is required to disclose the fair value gain or loss presented in OCI during the period, showing separately the fair value gain or loss that relates to investments derecognized in the period and the fair value gain or loss that relates to investments held at the end of the period; and the cumulative gain or loss within equity during the reporting period related to the investments derecognized during that reporting period.
- (2) 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.

- (3) IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will replaces 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.

- (4) IFRS 19 "Subsidiaries without Public Accountability: Disclosures"

This standard allows qualified subsidiaries to apply IFRS accounting standards with reduced disclosure requirements.

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.

1. 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.

2. Basis of preparation

- (1) Except for the following significant items, these CFS are prepared on a historical cost basis:
 - A. Financial assets and liabilities at fair value through profit or loss (including derivatives) measured at fair value.
 - B. Financial assets and liabilities measured at fair value through other comprehensive income.
 - C. 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 V for details.

3. Consolidation Basis

(1) Principles for CFS Preparation:

- A. 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.
- B. 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.
- C. 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.
- D. 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.
- E. 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:

Investment company/subsidiary	Main business items	Investments in companies/subsidiaries		
		September 30, 2024	December 31, 2023	September 30, 2023
A. Southeast Cement Co., Ltd.				
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 Clearance and Disposal	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 Clearance and Disposal	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.

A. 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.

B. 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 (XXX).

(7) Information on subsidiaries with significant non-controlling interests:

Subsidiary Name	Percentage of shareholding	September 30, 2024	
		Non-controlling interests	Profit (loss) allocated to non-controlling interests
Southeast Topgood Resources Recycling Co., Ltd.	49%	\$ 108,233	\$ 31,416
Southeast Milo International Co., Ltd.	49%	16,423	7,004
Others		16,099	538
Total		<u>\$ 140,755</u>	<u>\$ 38,958</u>

Subsidiary Name	Percentage of shareholding	December 31, 2023	
		Non-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>

Subsidiary Name	Percentage of shareholding	September 30, 2023	
		Non-controlling interests	Profit (loss) allocated to non-controlling interests
Southeast Topgood Resources Recycling Co., Ltd.	49%	\$ 63,246	\$ (4,016)
Southeast Milo International Co., Ltd.	49%	193	(12,444)
Others		15,310	129
Total		<u>\$ 78,749</u>	<u>\$ (16,331)</u>

A. For information on the main places of business and countries of incorporation of the above-mentioned subsidiaries, please refer to Note XIII (Table 7).

B. The summarized financial information is as follows:

a. Balance sheets:

Southeast Topgood Resources Recycling Co., Ltd.			
Item(s)	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 297,713	\$ 216,860	\$ 143,674
Non-current assets	841,683	746,335	657,606
Current liabilities	286,118	281,885	199,990
Non-current liabilities	632,395	524,540	472,217
Equity	<u>\$ 220,883</u>	<u>\$ 156,770</u>	<u>\$ 129,073</u>

Southeast Milo International Co., Ltd.			
Item(s)	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 7,509	\$ 54,118	\$ 149,786
Non-current assets	2,683,665	2,649,597	2,531,332
Current liabilities	61,166	51,475	187
Non-current liabilities	2,596,491	2,633,018	2,680,535
Equity	<u>\$ 33,517</u>	<u>\$ 19,222</u>	<u>\$ 396</u>

b. Statements of comprehensive income:

Southeast Topgood Resources Recycling Co., Ltd.		
	From July to September 2024	From July to September 2023
Revenues	<u>\$ 176,329</u>	<u>\$ 77,347</u>
Profit (loss)	<u>\$ 20,152</u>	<u>\$ 1,676</u>
Other comprehensive income (net of tax)	<u>-</u>	<u>-</u>
Total comprehensive income	<u>\$ 20,152</u>	<u>\$ 1,676</u>
Net profit attributable to non-controlling interests	<u>\$ 9,875</u>	<u>\$ 822</u>
Comprehensive income attributable to non-controlling interests	<u>\$ 9,875</u>	<u>\$ 822</u>
Dividends paid to non-controlling interests	<u>\$ -</u>	<u>\$ -</u>

Southeast Topgood Resources Recycling Co., Ltd.		
	From January to September 2024	From January to September 2023
Revenues	\$ 521,714	\$ 188,227
Profit (loss)	\$ 64,113	\$ (8,197)
Other comprehensive income (net of tax)	-	-
Total comprehensive income	\$ 64,113	\$ (8,197)
Net profit attributable to non-controlling interests	\$ 31,416	\$ (4,016)
Comprehensive income attributable to non-controlling interests	\$ 31,416	\$ (4,016)
Dividends paid to non-controlling interests	\$ -	\$ -

Southeast Milo International Co., Ltd.		
	From July to September 2024	From July to September 2023
Revenues	\$ 25,083	\$ 32,031
Profit (loss)	\$ 4,846	\$ (1,697)
Other comprehensive income (net of tax)	-	-
Total comprehensive income	\$ 4,846	\$ (1,697)
Net profit attributable to non-controlling interests	\$ 2,374	\$ (832)
Comprehensive income attributable to non-controlling interests	\$ 2,374	\$ (832)
Dividends paid to non-controlling interests	\$ -	\$ -

Southeast Milo International Co., Ltd.		
	From January to September 2024	From January to September 2023
Revenues	\$ 74,779	\$ 86,416
Profit (loss)	\$ 14,295	\$ (25,395)
Other comprehensive income (net of tax)	-	-
Total comprehensive income	\$ 14,295	\$ (25,395)
Net profit attributable to non-controlling interests	\$ 7,004	\$ (12,444)
Comprehensive income attributable to non-controlling interests	\$ 7,004	\$ (12,444)
Dividends paid to non-controlling interests	\$ -	\$ -

c. Statements of cash flow:

		Southeast Topgood Resources Recycling Co., Ltd.	
		From January to September 2024	From January to September 2023
Net cash flows from (used in) operating activities	\$	50,275	\$ (6,732)
Net cash flows from (used in) investing activities		(135,297)	(177,612)
Net cash flows from (used in) financing activities		96,205	193,932
Net increase (decrease) in cash and cash equivalents	\$	11,183	\$ 9,588
Cash and cash equivalents at beginning of period		9,071	4,234
Cash and cash equivalents at end of period	\$	20,254	\$ 13,822

		Southeast Milo International Co., Ltd.	
		From January to September 2024	From January to September 2023
Net cash flows from (used in) operating activities	\$	45,255	\$ (34,302)
Net cash flows from (used in) investing activities		-	-
Net cash flows from (used in) financing activities		(54,850)	34,094
Net increase (decrease) in cash and cash equivalents	\$	(9,595)	\$ (208)
Cash and cash equivalents at beginning of period		10,138	1,207
Cash and cash equivalents at end of period	\$	543	\$ 999

4. 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.

1. Cash and cash equivalents

Item(s)	September 30, 2024	December 31, 2023	September 30, 2023
Cash	\$ 724	\$ 534	\$ 575
Checking account deposits	3,710	3,351	4,286
Demand deposits	245,285	172,239	72,822
Cash equivalents			
Short-term notes and bills due within three months of the original maturity date	201,737	111,763	138,035
Total	<u>\$ 451,456</u>	<u>\$ 287,887</u>	<u>\$ 215,718</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.

2. Financial assets at fair value through profit or loss - Current

Item(s)	September 30, 2024	December 31, 2023	September 30, 2023
Non-derivative financial assets			
Listed shares	\$ 163,403	\$ 156,532	\$ 147,446
Open-ended funds and ETFs	32,261	66,830	117,768
Bonds	23,710	17,996	16,991
Total	<u>\$ 219,374</u>	<u>\$ 241,358</u>	<u>\$ 282,205</u>

(1) The net gains (losses) recognized by the Group from July to September, 2024 and 2023, and from January to September, 2024 and 2023 were NT\$1,373 thousand, NT\$(16,431) thousand, NT\$7,657 thousand and NT\$5,522 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.

3. Notes receivable, net

Item(s)	September 30, 2024	December 31, 2023	September 30, 2023
Measured at amortized cost			
Total book value	\$ 213,891	\$ 239,231	\$ 222,869
Less: Loss allowance	(169)	(187)	(2,548)
Notes receivable, net	<u>\$ 213,722</u>	<u>\$ 239,044</u>	<u>\$ 220,321</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).

4. Accounts receivable, net

Item(s)	September 30, 2024	December 31, 2023	September 30, 2023
Measured at amortized cost			
Total book value	\$ 468,693	\$ 323,435	\$ 208,287
Less: Loss allowance	(320)	(331)	(447)
Accounts receivable, net	<u>\$ 468,373</u>	<u>\$ 323,104</u>	<u>\$ 207,840</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 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:

September 30, 2024	Expected credit loss rate	Total book value	Loss allowance (lifetime expected credit loss)	Amortized cost
Not overdue	0%-2%	\$ 740,486	\$ (234)	\$ 740,252
Overdue 0-90 days	0%-5%	-	-	-
Overdue 91-180 days	0%-25%	-	-	-
Overdue 181-365 days	0%-50%	-	-	-
Overdue for more than 365 days	0%-100%	-	-	-
The counterpart has shown signs of impairment	100%	300	(300)	-
Total		<u>\$ 740,786</u>	<u>\$ (534)</u>	<u>\$ 740,252</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	0%-100%	-	-	-
The counterpart has shown signs of impairment	100%	300	(300)	-
Total		<u>\$ 605,751</u>	<u>\$ (551)</u>	<u>\$ 605,200</u>

September 30, 2023	Expected credit loss rate	Total book value	Loss allowance (lifetime expected credit loss)	Amortized cost
Not overdue	0%-2%	\$ 473,395	\$ (3,447)	\$ 469,948
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%	-	-	-
Total		<u>\$ 473,395</u>	<u>\$ (3,447)</u>	<u>\$ 469,948</u>

- (4) The statement of changes in the loss allowance on notes receivable, accounts receivable (including related parties and other receivables) are as follows:

Item(s)	From January to September 2024	From January to September 2023
Beginning balance	\$ 551	\$ 3,579
Add: Recognition of impairment losses	-	-
Less: Reversal of impairment losses	(17)	(69)
Less: Write-off due to uncollectibility	-	(63)
Ending balance	<u>\$ 534</u>	<u>\$ 3,447</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. Accounts receivable with contract amounts written off for the periods from January to September, 2024 and 2023, were NT\$0 and NT\$63 thousand, respectively.

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

5. Other receivables

Item(s)	September 30, 2024	December 31, 2023	September 30, 2023
Dividends receivable	\$ -	\$ 256	\$ -
Lease payments receivable	1,333	-	-
Reduction payments receivable	-	-	3,099
Interests receivable	-	225	1,036
Other receivable	<u>1,036</u>	<u>508</u>	<u>404</u>
Subtotal	2,369	989	4,539
Less: Loss allowance	<u>-</u>	<u>-</u>	<u>-</u>
Net	<u>\$ 2,369</u>	<u>\$ 989</u>	<u>\$ 4,539</u>

(1) The composition of lease payments receivable is as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Undiscounted lease payments			
Year 1	\$ 1,428	\$ -	\$ -
Year 2	1,428	-	-
Year 3	1,428	-	-
Year 4	1,428	-	-
Year 5	-	-	-
Total	\$ 5,712	\$ -	\$ -
Less: Unearned finance income	(243)	-	-
Less: Loss allowance	<u>-</u>	<u>-</u>	<u>-</u>
Lease payments receivable	<u>\$ 5,469</u>	<u>\$ -</u>	<u>\$ -</u>
Unguaranteed residual value	\$ -	\$ -	\$ -
Less: Unearned finance income	<u>-</u>	<u>-</u>	<u>-</u>
Present value of unguaranteed residual value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
The net amount of lease investments listed as finance lease receivable.	<u>\$ 5,469</u>	<u>\$ -</u>	<u>\$ -</u>
Lease payments receivable (recorded under other receivables)	<u>\$ 1,333</u>	<u>\$ -</u>	<u>\$ -</u>
Long-term lease payments receivable (recorded under other non-current assets)	<u>\$ 4,136</u>	<u>\$ -</u>	<u>\$ -</u>

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 with the average lease term of 5 years and a fixed rental payment of NT\$714 thousand collected every six months. Since the sublease period corresponds to all the remaining periods of the main lease, the Group classifies this lease as a finance lease.

6. Inventories and Cost of sales

Item(s)	September 30, 2024	December 31, 2023	September 30, 2023
Manufacturing Department:			
Primary fuel	\$ 11,573	\$ 9,180	\$ 11,690
Materials	111	45	1,079
Finished goods	78,922	26,285	43,612
Subtotal	90,606	35,510	56,381
Construction Department:			
Land construction	423,446	423,446	423,446
Available-for-sale real estate	89,740	-	-
Construction in progress	644,192	729,811	634,971
Subtotal	1,157,378	1,153,257	1,058,417
Total	\$ 1,247,984	\$ 1,188,767	\$ 1,114,798

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

Item(s)	From July to September 2024	From July to September 2023
Disposal of inventory cost	\$ 485,753	\$ 442,986
Other operating cost	12,482	28,381
Inventory impairment losses and slow-moving losses recognition (gain on reversal)	-	59,391
Subtotal for the Manufacturing Department	498,235	530,758
Cost of buildings and land sold	201,419	-
Total operating costs	\$ 699,654	\$ 530,758

Item(s)	From January to September 2024	From January to September 2023
Disposal of inventory cost	\$ 1,441,315	\$ 1,404,712
Other operating cost	33,330	70,220
Inventory impairment losses and slow-moving losses recognition (gain on reversal)	-	52,210
Subtotal for the Manufacturing Department	1,474,645	1,527,142
Cost of buildings and land sold	211,419	-
Total operating costs	<u>\$ 1,686,064</u>	<u>\$ 1,527,142</u>

(2) The Group wrote down its inventory to net realizable value for the periods from July to September, 2024 and 2023, and from January to September, 2024 and 2023. The recognized inventory impairment losses (reversal gains) for these periods amounted to NT\$0 thousand, NT\$59,391 thousand, NT\$0 thousand, and NT\$52,210 thousand, respectively.

(3) The Group has not pledged any current inventories.

7. Prepayments

Item(s)	September 30, 2024	December 31, 2023	September 30, 2023
Prepayments for material purchases	\$ 17,899	\$ 11,611	\$ 15,794
Prepayments for insurance premiums	351	601	169
Offset against business tax payable	56,576	50,813	41,189
Input tax	3,790	-	3,616
Other prepaid	10,671	2,898	9,458
Total	<u>\$ 89,287</u>	<u>\$ 65,923</u>	<u>\$ 70,226</u>

8. Non-current assets held for sale

Due to business operational considerations, the Group signed a sales contract in June 2023 with North-Star International Co., Ltd. for the sale of land, buildings, and equipment located at Land No. 1081, Zhonglinzi Section, Xiaogang District, Kaohsiung City. The contract price is NT\$1,084,296 thousand (including tax), and the related assets have been reclassified as non-current assets held for sale. The transfer of ownership of the land, buildings, and equipment related to the transaction target was completed in August 2023, resulting in a gain from the disposal of non-current assets held for sale amounted to NT\$167,435 thousand. As of November 8, 2024, the sale proceeds have been fully recovered.

9. Other financial assets - Current

Item(s)	September 30, 2024	December 31, 2023	September 30, 2023
Time deposits with an original maturity of more than 3 months			
Time deposits in NT\$	\$ 60,000	\$ 30,107	\$ 80,107
Time deposits in Foreign Currency	-	63,522	64,540
Total	<u>\$ 60,000</u>	<u>\$ 93,629</u>	<u>\$ 144,647</u>
Interest Rate Range	<u>1.30%-1.725%</u>	<u>0.78%-5.35%</u>	<u>0.78%-5.10%</u>

10. 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 July to September, 2024 and 2023 and from January to September, 2024 and 2023, were both NT\$0 thousand.

11. Financial Assets measured at Fair Value Through Other Comprehensive Income - Non-current

Item(s)	September 30, 2024	December 31, 2023	September 30, 2023
Non-current			
Equity instruments			
Domestic listed companies' stocks	\$ 264,554	\$ 281,446	\$ 281,444
Domestic unlisted company stocks	<u>314,929</u>	<u>353,321</u>	<u>358,908</u>
Subtotal	579,483	634,767	640,352
Valuation adjustment	<u>1,010,467</u>	<u>787,029</u>	<u>762,974</u>
Total	<u>\$ 1,589,950</u>	<u>\$ 1,421,796</u>	<u>\$ 1,403,326</u>

- (1) The Group invests in the stocks of domestic and foreign listed and 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) From January to September, 2024 and 2023, the Group adjusted its investment positions to diversify risks and sold some stocks at fair value. The unrealized gains/(losses) of related other equity-financial assets measured at fair value through other comprehensive income were NT\$221 thousand and NT\$1,077 thousand, respectively.
- (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 measured at fair value through other comprehensive income.

12. Investments accounted for using equity method

Investee	September 30, 2024	December 31, 2023	September 30, 2023
Significant associates:			
Taiwan Machinery Shipyard Co., Ltd.	\$ 352,845	\$ 330,462	\$ 327,414
Penghu Cable Television Co., Ltd.	121,946	122,850	118,977
Subtotal	474,791	453,312	446,391
Individual associates that are not significant	140,254	134,273	134,232
Total	<u>\$ 615,045</u>	<u>\$ 587,585</u>	<u>\$ 580,623</u>

- (1) The basic information of the significant associates of the Group is as follows:

Company Name	Shareholding Ratio		
	September 30, 2024	December 31, 2023	September 30, 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 7 of Note XIII.

- (2) The aggregated financial information of significant associates of the Group is as follows:

A. Balance Sheet

	Taiwan Machinery Shipyard Co., Ltd.		
	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 431,206	\$ 433,215	\$ 425,045
Non-current assets	1,255,792	1,180,388	1,171,476
Current liabilities	(438,373)	(401,879)	(451,371)
Non-current liabilities	(82,300)	(126,000)	(69,085)
Equity	<u>\$ 1,166,325</u>	<u>\$ 1,085,724</u>	<u>\$ 1,076,065</u>
Share of the associate's net assets	\$ 368,132	\$ 342,692	\$ 339,644
Unrealized gain (loss) on transactions with associates	(15,287)	(12,230)	(12,230)
Book value of associates	<u>\$ 352,845</u>	<u>\$ 330,462</u>	<u>\$ 327,414</u>

	Penghu Cable Television Co., Ltd.		
	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 250,608	\$ 337,148	\$ 328,211
Non-current assets	122,540	122,977	121,875
Current liabilities	(38,577)	(120,666)	(120,050)
Non-current liabilities	(29,707)	(32,333)	(32,594)
Equity	<u>\$ 304,864</u>	<u>\$ 307,126</u>	<u>\$ 297,442</u>
Share of the associate's net assets	\$ 121,946	\$ 122,850	\$ 118,977
Book value of associates	<u>\$ 121,946</u>	<u>\$ 122,850</u>	<u>\$ 118,977</u>

B. Statement of Comprehensive Income

	Taiwan Machinery Shipyard Co., Ltd.	
	From July to September 2024	From July to September 2023
Operating revenue	\$ -	\$ -
Profit (loss)	\$ 4,027	\$ 2,718
Other comprehensive income (net of tax)	34,529	840
Total comprehensive income	<u>\$ 38,556</u>	<u>\$ 3,558</u>
Dividends received from the associates	<u>\$ -</u>	<u>\$ -</u>

	<u>Taiwan Machinery Shipyard Co., Ltd.</u>	
	<u>From January to September 2024</u>	<u>From January to September 2023</u>
Operating revenue	\$ -	\$ -
Profit (loss)	\$ (5,466)	\$ 470
Other comprehensive income (net of tax)	76,208	11,323
Total comprehensive income	<u>\$ 70,742</u>	<u>\$ 11,793</u>
Dividends received from the associates	<u>\$ -</u>	<u>\$ -</u>

	<u>Penghu Cable Television Co., Ltd.</u>	
	<u>From July to September 2024</u>	<u>From July to September 2023</u>
Operating revenue	\$ 25,806	\$ 26,431
Profit (loss)	\$ 5,996	\$ 6,218
Other comprehensive income (net of tax)	(20)	(1,210)
Total comprehensive income	<u>\$ 5,976</u>	<u>\$ 5,008</u>
Dividends received from the associates	<u>\$ -</u>	<u>\$ -</u>

	<u>Penghu Cable Television Co., Ltd.</u>	
<u>Company Name</u>	<u>From January to September 2024</u>	<u>From January to September 2023</u>
Operating revenue	\$ 78,706	\$ 81,626
Profit (loss)	\$ 18,444	\$ 19,702
Other comprehensive income (net of tax)	(704)	(1,470)
Total comprehensive income	<u>\$ 17,740</u>	<u>\$ 18,232</u>
Dividends received from the associates	<u>\$ 8,000</u>	<u>\$ 24,000</u>

- a. The aggregate amount of the Company's shares in individually immaterial associates are as follows:

	<u>From July to September 2024</u>	<u>From July to September 2023</u>
Share entitled:		
Profit (loss)	\$ 2,680	\$ 957
Other comprehensive income (net of tax)	<u>614</u>	<u>230</u>
Total comprehensive income	<u>\$ 3,294</u>	<u>\$ 1,187</u>

	<u>From January to September 2024</u>	<u>From January to September 2023</u>
Share entitled:		
Profit (loss)	\$ 7,459	\$ 2,502
Other comprehensive income (net of tax)	<u>1,005</u>	<u>159</u>
Total comprehensive income	<u>\$ 8,464</u>	<u>\$ 2,661</u>

- (3) The Group had recognized its share of profit/loss and other comprehensive income in equity-accounted investments for the periods from January to September, 2024 and 2023, using financial statements of the respective associated companies for the corresponding periods that were not reviewed by auditors.
- (4) As of September 30, 2024, December 31, 2023, and September 30, 2023, the investments accounted for using the equity method by the Group were not pledged.

13. Property, plants and equipment

Item(s)	September 30, 2024	December 31, 2023	September 30, 2023
Land	\$ 346,728	\$ 346,728	\$ 346,728
Buildings	246,985	382,316	352,034
Machinery and equipment	260,305	996,821	844,609
Transportation equipment	81,260	45,475	40,345
Other facilities	56,712	67,888	64,063
Equipment under acceptance and unfinished projects	338,617	239,619	347,513
Total Cost	1,330,607	2,078,847	1,995,292
Less: Accumulated depreciation	(245,344)	(1,064,196)	(1,085,405)
Accumulated impairment	(238)	(34,568)	(61,413)
Total	<u>\$ 1,085,025</u>	<u>\$ 980,083</u>	<u>\$ 848,474</u>

	Land	Buildings	Machinery and equipment	Transportation equipment	Other facilities	Equipment under acceptance and unfinished projects	Total
<u>Costs</u>							
Balance as of January 1, 2024	\$ 346,728	\$ 382,316	\$ 996,821	\$ 45,475	\$ 67,888	\$ 239,619	\$ 2,078,847
Addition	-	-	-	172	82	169,617	169,871
Inventory transfers	-	-	-	-	-	6,727	6,727
Disposal	-	(138,171)	(737,794)	(5,205)	(11,453)	-	(892,623)
Reclassification	-	2,840	1,278	40,818	195	(45,131)	-
Transferred to investment property	-	-	-	-	-	(31,263)	(31,263)
Transferred to refundable deposits	-	-	-	-	-	(952)	(952)
Balance as of September 30, 2024	<u>\$ 346,728</u>	<u>\$ 246,985</u>	<u>\$ 260,305</u>	<u>\$ 81,260</u>	<u>\$ 56,712</u>	<u>\$ 338,617</u>	<u>\$ 1,330,607</u>
<u>Accumulated Depreciation and Impairment</u>							
Balance as of January 1, 2024	\$ -	\$ 291,942	\$ 751,032	\$ 15,488	\$ 40,302	\$ -	\$ 1,098,764
Depreciation expense	-	6,260	23,755	7,045	2,307	-	39,367
Disposal	-	(138,171)	(737,794)	(5,131)	(11,453)	-	(892,549)
Balance as of September 30, 2024	<u>\$ -</u>	<u>\$ 160,031</u>	<u>\$ 36,993</u>	<u>\$ 17,402</u>	<u>\$ 31,156</u>	<u>\$ -</u>	<u>\$ 245,582</u>

	Land	Buildings	Machinery and equipment	Transportation equipment	Other facilities	Equipment under acceptance and unfinished projects	Total
<u>Costs</u>							
Balance at January 1, 2023	\$ 913,828	\$ 425,687	\$ 1,029,857	\$ 40,345	\$ 63,422	\$ 202,724	\$ 2,675,863
Addition	300	-	-	-	129	223,116	223,545
Disposal	-	(15,039)	(2,847)	-	-	-	(17,886)
Transferred to expenses	-	-	(553)	-	-	-	(553)
Reclassification	14,000	19,347	47,360	-	512	(81,219)	-
Transfer of right-of-use assets	-	-	-	-	-	2,892	2,892
Transferred to non-current assets held for sale	(581,400)	(77,961)	(229,208)	-	-	-	(888,569)
Balance as of September 30, 2023	<u>\$ 346,728</u>	<u>\$ 352,034</u>	<u>\$ 844,609</u>	<u>\$ 40,345</u>	<u>\$ 64,063</u>	<u>\$ 347,513</u>	<u>\$ 1,995,292</u>
<u>Accumulated Depreciation and Impairment</u>							
Balance at January 1, 2023	\$ -	\$ 312,005	\$ 719,760	\$ 25,954	\$ 37,800	\$ -	\$ 1,095,519
Depreciation expense	-	3,427	9,426	2,527	1,837	-	17,217
Disposal	-	(15,039)	(881)	-	-	-	(15,920)
Recognition of impairment losses	-	238	49,764	-	-	-	50,002
Balance as of September 30, 2023	<u>\$ -</u>	<u>\$ 300,631</u>	<u>\$ 778,069</u>	<u>\$ 28,481</u>	<u>\$ 39,637</u>	<u>\$ -</u>	<u>\$ 1,146,818</u>

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

Item(s)	From January to September 2024	From January to September 2023
Increase in property, plant and equipment	\$ 169,871	\$ 223,545
Increase or decrease in payable for machinery and equipment purchase	4,994	12,172
Cash paid for the purchase of property, plant and equipment	<u>\$ 174,865</u>	<u>\$ 235,717</u>

- (2) For capitalization amount and interest rate range of borrowing costs for property, plant and equipment, please refer to the explanation in Note XI(XXXVII).
- (3) The Group plans to demolish the buildings and equipment at its Kaohsiung plant. As the carrying value of the related buildings and equipment can no longer be recovered through use or sale, impairment losses have been recognized based on their estimated residual value for disposal. The impairment losses recognized for the periods from July to September 2024 and 2023, as well as from January to September 2024 and 2023, amounted to NT\$0 thousand, NT\$50,002 thousand, NT\$0 thousand, and NT\$50,002 thousand, respectively.

- (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

14. Lease Agreement

- (1) Right-of-use assets

Item(s)	September 30, 2024	December 31, 2023	September 30, 2023
Land	\$ 357,075	\$ 444,571	\$ 473,408
Buildings	499,462	499,255	507,409
Transportation equipment	10,362	6,060	5,492
Total Cost	866,899	949,886	986,309
Less: Accumulated depreciation	(258,710)	(322,057)	(304,911)
Accumulated impairment	-	-	-
Net	<u>\$ 608,189</u>	<u>\$ 627,829</u>	<u>\$ 681,398</u>

Costs	Land	Buildings	Transportation equipment	Total
Balance as of January 1, 2024	\$ 444,571	\$ 499,255	\$ 6,060	\$ 949,886
Increase in this period	25,087	207	4,837	30,131
Decrease in this period	(112,583)	-	(535)	(113,118)
Balance as of September 30, 2024	<u>\$ 357,075</u>	<u>\$ 499,462</u>	<u>\$ 10,362</u>	<u>\$ 866,899</u>
Accumulated Depreciation and Impairment				
Balance as of January 1, 2024	\$ 270,273	\$ 49,723	\$ 2,061	\$ 322,057
Depreciation expense	19,341	16,664	2,208	38,213
Decrease in this period	(101,025)	-	(535)	(101,560)
Balance as of September 30, 2024	<u>\$ 188,589</u>	<u>\$ 66,387</u>	<u>\$ 3,734</u>	<u>\$ 258,710</u>

Costs	Land	Buildings	Transportation equipment	Total
Balance at January 1, 2023	\$ 482,487	\$ 475,149	\$ 6,372	\$ 964,008
Increase in this period	-	43,791	3,340	47,131
Decrease in this period	(9,079)	(8,639)	(4,220)	(21,938)
Transferred to property, plant and equipment	-	(2,892)	-	(2,892)
Balance as of September 30, 2023	<u>\$ 473,408</u>	<u>\$ 507,409</u>	<u>\$ 5,492</u>	<u>\$ 986,309</u>
Accumulated Depreciation and Impairment				
Balance at January 1, 2023	\$ 219,881	\$ 27,103	\$ 4,296	\$ 251,280
Depreciation expense	39,291	17,065	1,495	57,851
Decrease in this period	-	-	(4,220)	(4,220)
Balance as of September 30, 2023	<u>\$ 259,172</u>	<u>\$ 44,168</u>	<u>\$ 1,571</u>	<u>\$ 304,911</u>

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

Item(s)	From January to September 2024	From January to September 2023
Increase in right-of-use assets	\$ 30,131	\$ 47,131
Increase in lease liabilities	(29,924)	(6,493)
Increase or decrease in payable for the purchase of right-of-use assets	233	833
Cash paid for the acquisition of right-of-use assets	<u>\$ 440</u>	<u>\$ 41,471</u>

- (3) Lease liabilities

Item(s)	September 30, 2024	December 31, 2023	September 30, 2023
Book value of lease liabilities			
Current	<u>\$ 39,590</u>	<u>\$ 38,976</u>	<u>\$ 56,220</u>
Non-current	<u>\$ 495,930</u>	<u>\$ 504,194</u>	<u>\$ 533,744</u>

The discount rate range of lease liabilities is as follows:

Item(s)	September 30, 2024	December 31, 2023	September 30, 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%-1.76%
Transportation equipment	1.72%-2.28%	1.16%-2.13%	1.72%-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, without lessor's consent, the Group may not sublease the leased asset to another party. As of September 30, 2024, December 31, 2023, and September 30, 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, which was under lease, 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 July to September, 2024 and 2023, and from January to September, 2024 and 2023 were NT\$26 thousand, NT\$4 thousand, NT\$85 thousand and NT\$12 thousand, respectively.

(6) Other lease information

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

B. Information related to lease expenses for the current period is as follows:

Item(s)	From July to September 2024	From July to September 2023
Short-term lease expenses	\$ 4,131	\$ 357
Leasing Expenses for Low-value Assets	\$ -	\$ -
Changes in rental payment expenses not included in the measurement of lease liabilities	\$ 23,399	\$ 24,708
Total cash outflow from leases (Note)	\$ (36,628)	\$ (41,168)

Item(s)	From January to September 2024	From January to September 2023
Short-term lease expenses	\$ 12,930	\$ 829
Leasing Expenses for Low-value Assets	\$ -	\$ -
Changes in rental payment expenses not included in the measurement of lease liabilities	\$ 71,023	\$ 44,317
Total cash outflow from leases (Note)	\$ (108,092)	\$ (79,503)

(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 September, 2024 and 2023, without recognizing right-of-use assets and lease liabilities related to such leases.

15. Investment property

Item(s)	September 30, 2024	December 31, 2023	September 30, 2023
Land	\$ 5,728,736	\$ 5,582,213	\$ 5,530,920
Buildings and equipment	154,233	154,233	154,233
Investment property under construction	1,742	1,742	-
Total Cost	5,884,711	5,738,188	5,685,153
Less: Accumulated depreciation	(109,498)	(106,889)	(106,019)
Accumulated impairment	-	-	-
Net	<u>\$ 5,775,213</u>	<u>\$ 5,631,299</u>	<u>\$ 5,579,134</u>

	Land	Buildings and equipment	Investment property under construction	Total
Costs				
Balance as of January 1, 2024	\$ 5,582,213	\$ 154,233	\$ 1,742	\$ 5,738,188
Addition	115,260	-	-	115,260
Disposal	-	-	-	-
Transfer of property, plants and equipment to investment property	31,263	-	-	31,263
Balance as of September 30, 2024	<u>\$ 5,728,736</u>	<u>\$ 154,233</u>	<u>\$ 1,742</u>	<u>\$ 5,884,711</u>
Accumulated Depreciation and Impairment				
Balance as of January 1, 2024	\$ -	\$ 106,889	\$ -	\$ 106,889
Depreciation expense	-	2,609	-	2,609
Disposal	-	-	-	-
Balance as of September 30, 2024	<u>\$ -</u>	<u>\$ 109,498</u>	<u>\$ -</u>	<u>\$ 109,498</u>

	Land	Buildings and equipment	Investment property under construction	Total
<u>Costs</u>				
Balance at January 1, 2023	\$ 5,239,193	\$ 759,818	\$ -	\$ 5,999,011
Addition	291,727	-	-	291,727
Disposal	-	(605,585)	-	(605,585)
Balance as of September 30, 2023	<u>\$ 5,530,920</u>	<u>\$ 154,233</u>	<u>\$ -</u>	<u>\$ 5,685,153</u>
<u>Accumulated Depreciation and Impairment</u>				
Balance at January 1, 2023	\$ -	\$ 708,996	\$ -	\$ 708,996
Depreciation expense	-	2,608	-	2,608
Disposal	-	(605,585)	-	(605,585)
Balance as of September 30, 2023	<u>\$ -</u>	<u>\$ 106,019</u>	<u>\$ -</u>	<u>\$ 106,019</u>

(1) Lease income and direct operating expenses from investment property:

Item(s)	From July to September 2024	From July to September 2023
Lease income from investment property	<u>\$ 38,700</u>	<u>\$ 42,723</u>
Direct operating expenses incurred on investment property that generated lease income in the current period	<u>\$ 11,312</u>	<u>\$ 12,487</u>
Direct operating expenses incurred on investment property that did not generated lease income in the current period	<u>\$ 94</u>	<u>\$ 94</u>
Item(s)	From January to September 2024	From January to September 2023
Lease income from investment property	<u>\$ 118,319</u>	<u>\$ 114,530</u>
Direct operating expenses incurred on investment property that generated lease income in the current period	<u>\$ 32,141</u>	<u>\$ 47,402</u>
Direct operating expenses incurred on investment property that did not generated lease income in the current period	<u>\$ 280</u>	<u>\$ 282</u>

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

	Total significant lease payments		
	September 30, 2024	December 31, 2023	September 30, 2023
Year 1	\$ 3,590	\$ 3,573	\$ 3,547
Year 2	3,590	3,590	3,590
Year 3	3,653	3,590	3,590
Year 4	3,698	3,680	3,653
Year 5	3,698	3,698	3,698
More than 5 years	24,738	27,511	28,436
Total	<u>\$ 42,967</u>	<u>\$ 45,642</u>	<u>\$ 46,514</u>

- (3) The fair value of the investment property is partially referenced from the evaluation results of independent assessment experts, which were conducted using a comparative method, and 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)	September 30, 2024	December 31, 2023	September 30, 2023
Fair value	<u>\$ 18,096,246</u>	<u>\$ 17,949,724</u>	<u>\$ 18,339,079</u>

- (4) As of September 30, 2024, December 31, 2023, and September 30, 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 July to September, 2024 and 2023 and from January to September, 2024 and 2023, were both NT\$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

16. Refundable Deposits

Item(s)	September 30, 2024	December 31, 2023	September 30, 2023
Lease deposit	\$ 20,621	\$ 19,692	\$ 19,502
Construction deposit	10,081	10,081	-
Other deposits	2,921	6,358	2,944
Total	<u>\$ 33,623</u>	<u>\$ 36,131</u>	<u>\$ 22,446</u>

17. Short-term loans

Nature of Loans	September 30, 2024	
	Amount	Interest rate
Mortgage loans	\$ 320,000	1.8978%
Credit loans	615,000	1.77%-2.26%
Total	<u>\$ 935,000</u>	

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	<u>\$ 898,000</u>	

Nature of Loans	September 30, 2023	
	Amount	Interest rate
Mortgage loans	\$ 630,000	1.76%-1.78%
Credit loans	240,000	1.65%-1.77%
Total	<u>\$ 870,000</u>	

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

18. Short-term notes payable

Item(s)	September 30, 2024	December 31, 2023	September 30, 2023
Commercial papers payable	\$ 344,000	\$ 295,000	\$ 146,000
Less: Unamortized discount	(232)	(205)	(123)
Net	<u>\$ 343,768</u>	<u>\$ 294,795</u>	<u>\$ 145,877</u>
Interest Rate Range	<u>1.868%-2.30%</u>	<u>1.758%-2.22%</u>	<u>2.20%-2.225%</u>

19. Contract liabilities

Item(s)	September 30, 2024	December 31, 2023	September 30, 2023
To-be-recognized Cement expenses	\$ 53,414	\$ 43,573	\$ 63,160
Advance receipts from sale of goods and property	16,497	108	171
Total	<u>\$ 69,911</u>	<u>\$ 43,681</u>	<u>\$ 63,331</u>

20. Other payables

Item(s)	September 30, 2024	December 31, 2023	September 30, 2023
Salary and bonus payable	\$ 11,106	\$ 17,852	\$ 12,346
Commodity tax payable		-	3,472
Utility payable	2,011	1,057	1,746
Tax payable	26,579	5,536	33,404
Payable on machinery and equipment - Property, plant and equipment	86	5,080	275
Payable on machinery and equipment - Right-of-use assets	-	233	-
Compensation due to employees and directors - current period	19,568	13,403	10,219
Accrued factory demolition expenses	24,455	55,580	-
Others	50,701	42,904	37,769
Total	<u>\$ 134,506</u>	<u>\$ 141,645</u>	<u>\$ 99,231</u>

21. Provisions-Current

Item(s)	September 30, 2024	December 31, 2023	September 30, 2023
Employee benefits	<u>\$ 1,547</u>	<u>\$ 1,769</u>	<u>\$ 1,687</u>

Item(s)	Employee benefits	
	From January to September 2024	From January to September 2023
Balance as of January 1	\$ 1,769	\$ 1,441
Current additions to Provisions	1,104	1,326
Current use of Provisions	(1,326)	(1,080)
Balance as of September 30	<u>\$ 1,547</u>	<u>\$ 1,687</u>

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

22. 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 pension costs as expenses in accordance with the above pension act, amounting to aforementioned NT\$956 thousand, NT\$1,176 thousand, NT\$2,703 thousand and NT\$3,226 thousand for the periods from July to September, 2024 and 2023 and from January to September, 2024 and 2023, respectively.

23. Long-term loans and long-term liabilities due in one year or one business cycle

Item(s)	September 30, 2024	December 31, 2023	September 30, 2023
Credit loans	\$ 382,972	\$ 265,900	\$ 210,800
Less: long-term liabilities due within one year	-	-	-
Long-term loans	<u>\$ 382,972</u>	<u>\$ 265,900</u>	<u>\$ 210,800</u>
Interest Rate Range	<u>2.22%</u>	<u>2.095%</u>	<u>1.97%-2.095%</u>

24. Deposits received

Item(s)	September 30, 2024	December 31, 2023	September 30, 2023
Lease deposit	\$ 7,218	\$ 8,552	\$ 8,552
Cement deposit	2,882	2,882	3,282
Others	4,897	4,897	4,897
Total	<u>\$ 14,997</u>	<u>\$ 16,331</u>	<u>\$ 16,731</u>

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

25. Capital stock

	From January to September 2024		From January to September 2023	
	Shares (in thousands)	Amount	Shares (in thousands)	Amount
January 1	572,000	\$ 5,720,008	572,000	\$ 5,720,008
Cash capital increase	-	-	-	-
Capitalization of earnings	-	-	-	-
September 30	<u>572,000</u>	<u>\$ 5,720,008</u>	<u>572,000</u>	<u>\$ 5,720,008</u>

As of September 30, 2024, the Company had a registered capital of NT\$8,000,000 thousand, divided into 800,000 thousand shares.

26. Capital surplus

Item(s)	September 30, 2024	December 31, 2023	September 30, 2023
Additional paid-in capital in excess of par	\$ 118,316	\$ 118,316	\$ 118,316
Treasury share transactions	67,371	67,161	67,161
Recognized due to investments accounted for using equity method	3,211	3,211	3,211
Total	<u>\$ 188,898</u>	<u>\$ 188,688</u>	<u>\$ 188,688</u>

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.

27. 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 prepares a proposal for the distribution of earnings and submits it to the shareholders' meeting for a resolution on the distribution of dividends to shareholders.

Regarding the Company's dividends, the actual distribution of profits each year shall not be less than fifty percent of the distributable profits. Among these, the cash dividends for shareholders shall not be less than fifty percent of the total dividends for shareholders. Except for capital needs, and while maintaining the goal of stable dividends, consideration should be given to the characteristics of the business cycle, as well as the life cycle of various products or services, in relation to future capital needs and long-term financial planning.

- (2) The legal 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)
 - A. 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.
 - B. 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 earnings distribution resolutions and dividends per share approved during the shareholders' meetings in June 2024 and June 2023 for the years 2023 and 2022 are as follows:

	Earnings Distribution Proposal		Dividends Per Share	
	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>		

- (5) For 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.

28. Special reserve

Item(s)	September 30, 2024	December 31, 2023	September 30, 2023
Preparation for plant	\$ -	\$ 500,000	\$ 500,000
Land development	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) Preparation for plant construction is a special reserve set aside by the Company in 1994, resolved by the shareholders' meeting to prepare for the construction of plants domestically or overseas. In June 2024, the shareholders' meeting resolved to activate the development of investment properties. The Company then changed the original "Special Reserve - Preparation for plant construction" to "Special Reserve - Land Development."
- (2) As a result of the initial adoption of International Financial Reporting Standards (IFRSs), the Company reclassified the previously recognized unrealized revaluation increment of NT\$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 reserve should be provisioned. However, as the adjustment amount to retained earnings as of the transition date was only NT\$319,012 thousand, the provisioned amount for special reserve was NT\$319,012 thousand.

- (3) The special reserve provisioned due to the initial adoption of IFRSs, as described above, may be reversed from the initially provisioned special reserve to retained earnings at a proportionate rate upon subsequent disposal, use, or reclassification of related assets by the Company. As of September 30, 2024, NT\$8,094 thousand was reversed from the initially provisioned special reserve to retained earnings due to the disposal of investment properties.

29. Total other equity interest

Item(s)	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	
	From January to September 2024	From January to September 2023
Beginning balance	\$ 723,623	\$ 523,949
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	223,659	170,464
Disposal of investments in equity instruments designated at fair value through other comprehensive income	(221)	(1,077)
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	24,654	3,133
Ending balance	<u>\$ 971,715</u>	<u>\$ 696,469</u>

30. Treasury shares

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

January to September 2024:

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

January to September 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 NT\$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 September 30, 2024, December 31, 2023, and September 30, 2023, were NT\$12,185 thousand. The market prices of the shares held by Southeast Paper Manufacturing Co., Ltd. in the Company were NT\$46,589 thousand, NT\$39,722 thousand, and NT\$39.616 thousand as of September 30, 2024, December 31, 2023, and September 30, 2023, respectively. Shares of the parent company held by subsidiaries are treated as treasury stock and retain dividend entitlements.

31. Non-controlling interests

Item(s)	From January to September 2024	From January to September 2023
Beginning balance	\$ 101,628	\$ 94,962
Portion attributable to non-controlling interests:		
Net profit for the current year	38,958	(16,331)
Other comprehensive income for the current year	123	12
Increase (decrease) in non-controlling interests	46	106
Ending balance	\$ 140,755	\$ 78,749

32. Operating revenue

Item(s)	From July to September 2024	From July to September 2023
Revenue from customer contracts		
Sales revenue	\$ 548,982	\$ 455,465
Revenue of buildings and land sold	303,362	-
Total sales revenue from customer contracts	\$ 852,344	\$ 455,465
Less: Sales discounts and allowances	(401)	(102)
Net operating revenue from customer contracts	\$ 851,943	\$ 455,363
Rental revenue	38,700	42,723
Operating revenue, net	<u>\$ 890,643</u>	<u>\$ 498,086</u>

Item(s)	From January to September 2024	From January to September 2023
Revenue from customer contracts		
Sales revenue	\$ 1,634,218	\$ 1,527,141
Revenue of buildings and land sold	320,501	-
Total sales revenue from customer contracts	\$ 1,954,719	\$ 1,527,141
Less: Sales discounts and allowances	(879)	(148)
Net operating revenue from customer contracts	\$ 1,953,840	\$ 1,526,993
Rental revenue	118,319	114,530
Operating revenue, net	<u>\$ 2,072,159</u>	<u>\$ 1,641,523</u>

(1) Description of customer contracts

A. 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) 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 July to September 2024	From July to September 2023
Taiwan	\$ 851,943	\$ 455,363
<u>Main product line</u>		
Cement	\$ 323,949	\$ 323,917
Hearthstone powder	48,422	52,580
Current raw materials	-	1,518
Ready-mixed concrete	176,210	77,348
Land and houses	303,362	-
Total	\$ 851,943	\$ 455,363
<u>Time of Revenue Recognition</u>		
Fulfillment of obligations at a specific point in time	\$ 851,943	\$ 455,363
Gradually fulfillment of obligations over time	-	-
Total	\$ 851,943	\$ 455,363

Main Regional Markets	From January to September 2024	From January to September 2023
Taiwan	\$ 1,953,840	\$ 1,526,993
<u>Main product line</u>		
Cement	\$ 961,668	\$ 1,161,963
Hearthstone powder	150,136	173,195
Current raw materials	-	3,608
Ready-mixed concrete	521,535	188,227
Land and houses	320,501	-
Total	\$ 1,953,840	\$ 1,526,993
<u>Time of Revenue Recognition</u>		
Fulfillment of obligations at a specific point in time	\$ 1,953,840	\$ 1,526,993
Gradually fulfillment of obligations over time	-	-
Total	\$ 1,953,840	\$ 1,526,993

(3) Contract balance

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

Item(s)	September 30, 2024	December 31, 2023	September 30, 2023
Receivables	\$ 737,883	\$ 604,211	\$ 465,409
Contract liabilities- Current	\$ 69,911	\$ 43,681	\$ 63,331

(4) 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.

(5) 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 September 2024	From January to September 2023
From the beginning of period contract liabilities	\$ 38,859	\$ 16,595
From the performance obligations that have been satisfactorily fulfilled in previous periods	\$ -	\$ -

33. Employee benefits, depreciation, depletion and amortization expense

Category	From July to September 2024		
	Recognized in operating costs	Recognized in operating expenses	Total
Employee benefits expenses			
Salary Expenses	\$ 9,912	\$ 25,164	\$ 35,076
Labor and Health Insurance Expense	793	1,267	2,060
Pension expense	416	540	956
Other employee benefits expense	1,926	1,199	3,125
Depreciation expense	25,634	1,453	27,087
Amortization expense	-	4	4
Total	\$ 38,681	\$ 29,627	\$ 68,308

Category	From July to September 2023		
	Recognized in operating costs	Recognized in operating expenses	Total
Employee benefits expenses			
Salary Expenses	\$ 13,403	\$ 14,712	\$ 28,115
Labor and Health Insurance Expense	1,007	1,389	2,396
Pension expense	660	516	1,176
Other employee benefits expense	2,020	1,119	3,139
Depreciation expense	20,334	6,052	26,386
Amortization expense	-	8	8
Total	<u>\$ 37,424</u>	<u>\$ 23,796</u>	<u>\$ 61,220</u>

Category	From January to September 2024		
	Recognized in operating costs	Recognized in operating expenses	Total
Employee benefits expenses			
Salary Expenses	\$ 24,622	\$ 57,758	\$ 82,380
Labor and Health Insurance Expense	2,114	3,655	5,769
Pension expense	1,180	1,523	2,703
Other employee benefits expense	5,330	2,964	8,294
Depreciation expense	76,106	4,083	80,189
Amortization expense	-	18	18
Total	<u>\$ 109,352</u>	<u>\$ 70,001</u>	<u>\$ 179,353</u>

Category	From January to September 2023		
	Recognized in operating costs	Recognized in operating expenses	Total
Employee benefits expenses			
Salary Expenses	\$ 40,353	\$ 42,529	\$ 82,882
Labor and Health Insurance Expense	3,128	3,962	7,090
Pension expense	1,841	1,385	3,226
Other employee benefits expense	6,406	2,508	8,914
Depreciation expense	49,970	27,706	77,676
Amortization expense	-	23	23
Total	<u>\$ 101,698</u>	<u>\$ 78,113</u>	<u>\$ 179,811</u>

- (1) According to the Company's articles of incorporation, 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. The accrued amount of employee remuneration were NT\$7,619 thousand, NT\$1,658 thousand, NT\$9,784 thousand and NT\$4,088 thousand, and the director remuneration were NT\$6,537 thousand, NT\$2,486 thousand, NT\$9,784 thousand and NT\$6,131 thousand from July to September, 2024 and 2023, and from January to September, 2024 and 2023, respectively.
- (2) 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.

- (3) 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.

34. Interest income

Item(s)	From July to September 2024	From July to September 2023
Interest income		
Interest income from bank deposits	\$ 1,026	\$ 1,282
Interest income on lease payments receivable	26	4
Others interest	347	242
Total	\$ 1,399	\$ 1,528

Item(s)	From January to September 2024	From January to September 2023
Interest income		
Interest income from bank deposits	\$ 3,307	\$ 3,528
Interest income on lease payments receivable	85	12
Others interest	943	742
Total	<u>\$ 4,335</u>	<u>\$ 4,282</u>

35. Other income

Item(s)	From July to September 2024	From July to September 2023
Income from sale of electricity	\$ 856	\$ 555
Income from the sale of emissions reduction credits	-	6,990
Dividend income	114,246	40,898
Others	3,153	4,211
Total	<u>\$ 118,255</u>	<u>\$ 52,654</u>

Item(s)	From January to September 2024	From January to September 2023
Income from sale of electricity	\$ 2,142	\$ 1,496
Income from the sale of emissions reduction credits	-	6,990
Dividend income	125,557	55,927
Others	7,352	7,786
Total	<u>\$ 135,051</u>	<u>\$ 72,199</u>

36. Other gains and losses

Item(s)	From July to September 2024	From July to September 2023
Net (loss) gain on financial assets or liabilities measured at fair value through profit or loss	\$ 1,325	\$ (17,534)
Gain (loss) on disposal of financial assets measured at fair value through profit or loss	48	1,103
Net foreign exchange gains (losses)	(963)	2,292
Loss from idle venue	(7,921)	-
Other losses	(672)	(2,280)
(Loss) gain on disposal of non-current assets held for sale	-	167,435
(Loss) gain on disposal of property, plant and equipment	800	(1,966)
Impairment losses on property, plant, and equipment	-	(50,002)
Total	<u>\$ (7,383)</u>	<u>\$ 99,048</u>

Item(s)	From January to September 2024	From January to September 2023
Net (loss) gain on financial assets or liabilities measured at fair value through profit or loss	\$ 5,246	\$ 4,592
Gain (loss) on disposal of financial assets measured at fair value through profit or loss	2,411	930
Net foreign exchange gains (losses)	2,600	2,704
Profit from lease modification	1,877	572
Loss from idle venue	(26,333)	-
Other losses	(2,604)	(5,315)
(Loss) gain on disposal of non-current assets held for sale	-	167,435
(Loss) gain on disposal of property, plant and equipment	866	(1,966)
Impairment losses on property, plant, and equipment	-	(50,002)
Total	<u>\$ (15,937)</u>	<u>\$ 118,950</u>

37. Finance costs

Item(s)	From July to September 2024	From July to September 2023
Interest on bank loans	\$ 8,281	\$ 8,847
Interest on lease liabilities	1,585	1,692
Others interest	33	35
Subtotal	9,899	10,574
Less: Capitalized amount of assets that meet the criteria	-	(1,430)
Finance costs	<u>\$ 9,899</u>	<u>\$ 9,144</u>
Capitalization rate	<u>-</u>	<u>1.756%</u>

Item(s)	From January to September 2024	From January to September 2023
Interest on bank loans	\$ 23,060	\$ 26,923
Interest on lease liabilities	4,919	5,172
Others interest	107	107
Subtotal	28,086	32,202
Less: Capitalized amount of assets that meet the criteria	-	(1,430)
Finance costs	<u>\$ 28,086</u>	<u>\$ 30,772</u>
Capitalization rate	<u>-</u>	<u>1.756%</u>

38. Income tax

(1) The components of income tax expense are as follows:

	From July to September 2024	From July to September 2023
<u>Current tax</u>		
Current income tax generated	\$ 33,294	\$ 39,121
Profit-seeking enterprise income tax of the company	-	-
Land value increment tax	83	-
Adjustments of income tax in previous years	-	-
Current total income tax	<u>\$ 33,377</u>	<u>\$ 39,121</u>
<u>Deferred income tax</u>		
Temporary differences that originated and reversed	\$ 3,859	\$ (16,579)
Total deferred income tax	<u>\$ 3,859</u>	<u>\$ (16,579)</u>
Tax expense (income)	<u>\$ 37,236</u>	<u>\$ 22,542</u>

	<u>From January to September 2024</u>	<u>From January to September 2023</u>
<u>Current tax</u>		
Current income tax generated	\$ 41,008	\$ 39,121
Profit-seeking enterprise income tax of the company	1,000	-
Land value increment tax	83	-
Adjustments of income tax in previous years	<u>169</u>	<u>(14)</u>
Current total income tax	<u>\$ 42,260</u>	<u>\$ 39,107</u>

	<u>From January to September 2024</u>	<u>From January to September 2023</u>
<u>Deferred income tax</u>		
Temporary differences that originated and reversed	\$ 17,636	\$ (2,176)
Total deferred income tax	<u>\$ 17,636</u>	<u>\$ (2,176)</u>
Tax expense (income)	<u>\$ 59,896</u>	<u>\$ 36,931</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 unappropriated retained earnings is 5%.
- (4) In July of 2019, President of Taiwan promulgated amendments to the Industrial Innovation Act, introducing a provision whereby unappropriated retained earnings from 2018 onwards, reinvested in specific assets or technologies up to a certain amount, are deductible when calculating unappropriated retained earnings. When calculating the tax on unappropriated retained earnings, the Group has already deducted the capital expenditure amount reinvested in accordance with the specified year's unappropriated retained earnings.
- (5) Profit-seeking enterprise income tax of the company has been assessed by the tax authority up to 2022.

39. Other comprehensive income

Item(s)	From July to September 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	\$ 40,068	\$ -	\$ 40,068
Share of 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	11,505	-	\$ 11,505
Recognized in Other comprehensive income	<u>\$ 51,573</u>	<u>\$ -</u>	<u>\$ 51,573</u>

Item(s)	From July to September 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	\$ 25,434	\$ -	\$ 25,434
Share of 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	11	-	\$ 11
Recognized in Other comprehensive income	<u>\$ 25,445</u>	<u>\$ -</u>	<u>\$ 25,445</u>

Item(s)	From January to September 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	\$ 223,659	\$ -	\$ 223,659
Share of 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	24,777	-	24,777
Recognized in Other comprehensive income	<u>\$ 248,436</u>	<u>\$ -</u>	<u>\$ 248,436</u>

Item(s)	From January to September 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	\$ 170,464	\$ -	\$ 170,464
Share of 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	3,145	-	3,145
Recognized in Other comprehensive income	<u>\$ 173,609</u>	<u>\$ -</u>	<u>\$ 173,609</u>

40. Earnings per ordinary share

Item(s)		From July to September 2024	From July to September 2023
(1)	Basic earnings per share:		
	Net profit (loss) for the period	\$ 199,860	\$ 56,203
	Weighted average number of shares outstanding for the current period (in thousands)	569,887	569,887
	Basic earnings per share (after tax) (NT\$)	<u>\$ 0.35</u>	<u>\$ 0.10</u>
(2)	Diluted earnings per share:		
	Net profit (loss) for the period	\$ 199,860	\$ 56,203
	Effects of potential ordinary shares with dilutive effect	-	-
	Profit for the year for calculating Diluted earnings per share	<u>\$ 199,860</u>	<u>\$ 56,203</u>
	Weighted average number of shares outstanding for the current period (in thousands)	569,887	569,887
	Impact of Employee Remuneration (Note)	346	88
	Weighted average outstanding shares (thousands) for calculation of diluted earnings per share	570,233	569,975
	Diluted Earnings Per Share (After Tax) (NT\$)	<u>\$ 0.35</u>	<u>\$ 0.10</u>

Item(s)	From January to September 2024	From January to September 2023
(1) Basic earnings per share:		
Net profit (loss) for the period	\$ 287,746	\$ 157,234
Weighted average number of shares outstanding for the current period (in thousands)	569,887	569,887
Basic earnings per share (after tax) (NT\$)	<u>\$ 0.50</u>	<u>\$ 0.28</u>
(2) Diluted earnings per share:		
Net profit (loss) for the period	\$ 287,746	\$ 157,234
Effects of potential ordinary shares with dilutive effect	-	-
Profit for the year for calculating Diluted earnings per share	<u>\$ 287,746</u>	<u>\$ 157,234</u>
Weighted average number of shares outstanding for the current period (in thousands)	569,887	569,887
Impact of Employee Remuneration (Note)	530	218
Weighted average outstanding shares (thousands) for calculation of diluted earnings per share	<u>570,417</u>	<u>570,105</u>
Diluted Earnings Per Share (After Tax) (NT\$)	<u>\$ 0.50</u>	<u>\$ 0.28</u>

(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

1. Parent Company and Ultimate Controlling Party:

The Company is the ultimate controller of the Group.

2. Name of the related party and the relationship

Name of related party	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
Dongyue Investment Co., Ltd.	Others related parties
Tiancheng Concrete Industry Co., Ltd.	Others related parties
Dahao Enterprise Management 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

3. Significant transactions with related parties

(1) Operating revenue:

Item(s)	Category of related party/ Name	From July to September 2024	From July to September 2023
Sales revenue	Others related parties		
	Tiancheng Concrete Industry Co., Ltd.	\$ 51,113	\$ 37,982
	Others	8,402	2,604
	Total	\$ 59,515	\$ 40,586
Rental revenue	Associates	\$ 42	\$ 35
	Others related parties	12	10
	Total	\$ 54	\$ 45

Item(s)	Category of related party/ Name	From January to September 2024	From January to September 2023
Sales revenue	Others related parties		
	Tiancheng Concrete Industry Co., Ltd.	\$ 168,720	\$ 111,717
	Others	12,029	27,985
	Total	<u>\$ 180,749</u>	<u>\$ 139,702</u>
Rental revenue	Associates	\$ 127	\$ 106
	Others related parties	35	31
	Total	<u>\$ 162</u>	<u>\$ 137</u>

A. 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.

B. 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 of related party/ Name	From July to September 2024	From July to September 2023
Others related parties		
Others	<u>\$ 110</u>	<u>\$ 161</u>

Category of related party/ Name	From January to September 2024	From January to September 2023
Others related parties		
Others	<u>\$ 3,822</u>	<u>\$ 1,063</u>

The Group purchases goods from the aforementioned company at prices roughly equivalent to those of general suppliers, with an average payment period of about 1 months.

(3) Contract assets: None.

(4) Contract liabilities:

Category of related party/ Name	September 30, 2024	December 31, 2023	September 30, 2023
Others related parties	\$ 12	\$ -	\$ 1,777
Associates	12	-	5
Total	<u>\$ 24</u>	<u>\$ -</u>	<u>\$ 1,782</u>

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

Item(s)	Category of related party/ Name	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable	Others related parties			
	Tiancheng Concrete Industry Co., Ltd.	\$ 15,698	\$ -	\$ 12,180
Less: Loss allowance		(13)	-	(146)
Net		<u>\$ 15,685</u>	<u>\$ -</u>	<u>\$ 12,034</u>
Accounts receivable	Others related parties			
	Tiancheng Concrete Industry Co., Ltd.	\$ 36,595	\$ 33,186	\$ 25,405
	Others	3,540	8,910	115
Subtotal		\$ 40,135	\$ 42,096	\$ 25,520
Less: Loss allowance		(32)	(33)	(306)
Net		<u>\$ 40,103</u>	<u>\$ 42,063</u>	<u>\$ 25,214</u>
Refundable Deposits	Others related parties			
	Zhengtai Cement Factory Co., Ltd.	\$ 6,000	\$ 6,000	\$ 6,000
	Others	1,346	1,346	1,346
		<u>\$ 7,346</u>	<u>\$ 7,346</u>	<u>\$ 7,346</u>

The expected credit losses(reversal) recognized on the aforementioned receivables due from related parties for the periods from July to September, 2024 and 2023 and from January to September, 2024 and 2023, were NT\$(6) thousand, NT\$156 thousand, NT\$12 thousand and NT\$36 thousand, respectively.

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

Item(s)	Category of related party/ Name	September 30, 2024	December 31, 2023	September 30, 2023
Accounts payable	Others related parties			
	Others	\$ -	\$ 611	\$ 19
Deposits received	Associates	\$ 60	\$ 60	\$ 60

(7) Prepayments:

Category of related party/ Name	September 30, 2024	December 31, 2023	September 30, 2023
Associates			
Others	\$ 5	\$ 2	\$ 5

(8) Property transactions: None.

(9) Lease agreements:

A. Right-of-use assets acquired through lease

Account item/Category of related party/Name	Leased object	September 30, 2024	December 31, 2023	September 30, 2023
Acquisition of use-of-right assets				
Others related parties				
Taiwan Mixed Resource Development Co., Ltd.	Shan De Section and other buildings	\$ 207	\$ 32,450	\$ 36,483
Others	Transportation equipment	-	3,340	3,340
	Total	\$ 207	\$ 35,790	\$ 39,823

Account item/Category of related party/Name	September 30, 2024	December 31, 2023	September 30, 2023
Lease liabilities			
Others related parties			
Taiwan Mixed Resource Development Co., Ltd.	\$ 144,142	\$ 148,350	\$ 150,068
Others	20,730	22,690	56,508
Total	\$ 164,872	\$ 171,040	\$ 206,576

Account item/Category of related party/Name	From July to September 2024	From July to September 2023
Interest expense		
Others related parties		
Taiwan Mixed Resource Development Co., Ltd.	\$ 710	\$ 747
Others	80	142
Total	<u>\$ 790</u>	<u>\$ 889</u>

Account item/Category of related party/Name	From January to September 2024	From January to September 2023
Interest expense		
Others related parties		
Taiwan Mixed Resource Development Co., Ltd.	\$ 2,158	\$ 2,269
Others	280	434
Total	<u>\$ 2,438</u>	<u>\$ 2,703</u>

B. Lease expenses:

Account item/Category of related party/Name	From July to September 2024	From July to September 2023
Associates	<u>\$ 3</u>	<u>\$ 3</u>

Account item/Category of related party/Name	From January to September 2024	From January to September 2023
Associates	<u>\$ 9</u>	<u>\$ 9</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

A. Various Revenues

Category of related party/ Name	From July to September 2024	From July to September 2023
Associates	\$ 76	\$ 127
Others related parties	658	572
Total	<u>\$ 734</u>	<u>\$ 699</u>

Category of related party/ Name	From January to September 2024	From January to September 2023
Associates	\$ 106	\$ 127
Others related parties	731	584
Total	<u>\$ 837</u>	<u>\$ 711</u>

B. The Group has certain pieces of land registered under the name of related parties; details are as follows:

Category of related party	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

C. Establishment of significant contracts:

For the contents of the jointly-constructed and sold in partitions contract agreed with related parties, please refer to Note IX(III).

4. Key Management Compensation Information

Item(s)	From July to September 2024	From July to September 2023
Salaries and other short-term employee benefits	\$ 3,861	\$ 4,312
Post-employment benefits	23	18
Other long-term employee benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
Total	<u>\$ 3,884</u>	<u>\$ 4,330</u>

Item(s)	From January to September 2024	From January to September 2023
Salaries and other short-term employee benefits	\$ 11,605	\$ 12,755
Post-employment benefits	73	138
Other long-term employee benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
Total	<u>\$ 11,678</u>	<u>\$ 12,893</u>

(VIII) Pledged Assets

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

Item(s)	September 30, 2024	December 31, 2023	September 30, 2023
Investment property	<u>\$ 3,234,628</u>	<u>\$ 3,234,628</u>	<u>\$ 2,824,470</u>

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

(IX) Significant Contingent Liabilities and Unrecognized Contract Commitments

- As of September 30, 2024, December 31, 2023, and September 30, 2023, the Group had issued the letters of credit that were undrawn: None.
- As of September 30, 2024, December 31, 2023, and September 30, 2023, the Group's amounts of refundable deposits of notes for loans and performance guarantees, as well as deposits received of notes for performance guarantees, are as follows:

Item(s)	September 30, 2024	December 31, 2023	September 30, 2023
Refundable Deposits of Notes (Guarantee Notes Payable)	\$ 1,717,918	\$ 1,788,666	\$ 1,691,023
Deposits Received of Notes (Guarantee Notes Receivable)	156,612	229,145	160,633

3. 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 4,819.86 square meters, about 1,458 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.
4. Significant capital expenditures contracted for but not yet incurred:

Item(s)	September 30, 2024	December 31, 2023	September 30, 2023
Property, plants and equipment	\$ 158,083	\$ 464,284	\$ 362,163
Right-of-use assets	2,383	3,573	3,293
Total	<u>\$ 160,466</u>	<u>\$ 467,857</u>	<u>\$ 365,456</u>

5. In October 2023, the Group signed a factory demolition contract with Li Jin Enterprise Co., Ltd., with a total contract price of NT\$55,580 thousand (excluding tax). Payments will be made according to the progress of the factory demolition. As of September 30, 2024, NT\$31,125 thousand was paid.

(X) Significant Disaster Loss: None.

(XI) Significant Subsequent Events: None.

(XII) Others

1. Explanation to the seasonality or cyclicity of interim operations

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

2. 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.

3. 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

A. Market risk

a. Exchange Rate Risk

(a) There is no significant change in the nature and extent of significant financial risks from that described in the 2023 consolidated financial statements. Please refer to Note XII (II) of the 2023 consolidated financial statements for related disclosures.

(b) Exchange rate exposure and sensitivity analysis

September 30, 2024						
Sensitivity Analysis						
	Foreign currency	Exchange rate	Amounts reported (NT\$)	Fluctuation range	Impact on profit and loss	Equity Impact
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
US\$:NT\$	756	31.65	23,928	Appreciated by 1%	239	-

December 31, 2023						
Sensitivity Analysis						
	Foreign currency	Exchange rate	Amounts reported (NT\$)	Fluctuation range	Impact on profit and loss	Equity Impact
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
US\$:NT\$	2,668	30.705	81,936	Appreciated by 1%	819	-

September 30, 2023						
Sensitivity Analysis						
	Foreign currency	Exchange rate	Amounts reported (NT\$)	Fluctuation range	Impact on profit and loss	Equity Impact
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
US\$:NT\$	2,558	32.27	82,531	Appreciated by 1%	825	-

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 September 30, 2024, December 31, 2023, and September 30, 2023.

- (c) The total amounts of all foreign exchange gains (losses) (including realized and unrealized) recognized in the periods from July to September, 2024 and 2023 and from January to September, 2024 and 2023, due to significant influence of exchange rate fluctuations on the Group's monetary items, were NT\$(963) thousand, NT\$2,292 thousand, NT\$2,600 thousand and NT\$2,704 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 September, 2024 and 2023, will respectively increase or decrease by NT\$2,194 thousand and NT\$2,822 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 September, 2024 and 2023, will respectively increase or decrease by NT\$15,900 thousand and NT\$14,033 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		
	September 30, 2024	December 31, 2023	September 30, 2023
With fair value interest rate risk:			
Financial assets	\$ 285,447	\$ 193,282	\$ 269,566
Financial liabilities	(1,634,288)	(1,735,965)	(1,605,841)
Net	<u>\$ (1,348,841)</u>	<u>\$ (1,542,683)</u>	<u>\$ (1,336,275)</u>
With cash flow interest rate risk:			
Financial assets	\$ 245,285	\$ 202,346	\$ 102,929
Financial liabilities	(562,972)	(265,900)	(210,800)
Net	<u>\$ (317,687)</u>	<u>\$ (63,554)</u>	<u>\$ (107,871)</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 September, 2024 and 2023, would respectively increase (decrease) by NT\$(2,383) thousand and NT\$(809) thousand, respectively.

B. 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 September 30, 2024, December 31, 2023, and September 30, 2023, the accounts receivable balances from the top ten customers accounted for 52.50%, 52.90% and 53.35% 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:

September 30, 2024	Book Value	Collateral	Decrease in maximum exposure to credit risk		
			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	219,374	-	-	-	-
Financial assets at fair value through other comprehensive income	1,589,950	-	-	-	-
Total	<u>\$ 1,809,324</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2023	Book Value	Collateral	Decrease in maximum exposure to credit risk		
			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	241,358	-	-	-	-
Financial assets at fair value through other comprehensive income	1,421,796	-	-	-	-
Total	<u>\$ 1,663,154</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

September 30, 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	282,205	-	-	-	-
Financial assets at fair value through other comprehensive income	1,403,326	-	-	-	-
Total	<u>\$ 1,685,531</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

C. 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	September 30, 2024						Contract Cash Flow	Book Value
	Within 6 months	7-12 months	1-2 years	2-5 years	More than 5 years			
Short-term loans	\$ 935,000	\$ -	\$ -	\$ -	\$ -	\$ -	935,000	\$ 935,000
Short-term notes and bills payable	344,000	-	-	-	-	-	344,000	343,768
Notes payable	17,634	-	-	-	-	-	17,634	17,634
Accounts payable	319,321	-	-	-	-	-	319,321	319,321
Lease liabilities	22,100	21,231	42,176	111,269	386,613	-	583,389	535,520
Other payables	114,938	19,568	-	-	-	-	134,506	134,506
Long-term loans (including current portion maturing within one year)	-	-	13,792	164,302	204,878	-	382,972	382,972
Deposits received	11,263	1,535	124	1,050	1,025	-	14,997	14,997
Total	<u>\$ 1,764,256</u>	<u>\$ 42,334</u>	<u>\$ 56,092</u>	<u>\$ 276,621</u>	<u>\$ 592,516</u>	<u>\$ -</u>	<u>\$ 2,731,819</u>	<u>\$ 2,683,718</u>

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

	Less than 1 year	1-5 years	5-10 years	10-20 years	Undiscounted total lease payments
Lease liabilities	\$ 43,331	\$ 153,445	\$ 165,598	\$ 221,015	\$ 583,389

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

September 30, 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	\$ 870,000	\$ -	\$ -	\$ -	\$ -	\$ 870,000	\$ 870,000
Short-term notes and bills payable	146,000	-	-	-	-	146,000	145,877
Notes payable	14,728	-	-	-	-	14,728	14,728
Accounts payable	151,225	-	-	-	-	151,225	151,225
Lease liabilities	34,521	27,251	54,045	109,532	419,703	645,052	589,964
Other payables	89,012	10,219	-	-	-	99,231	99,231
Long-term loans (including current portion maturing within one year)	-	-	-	75,529	135,271	210,800	210,800
Deposits received	7,023	4,903	2,650	1,130	1,025	16,731	16,731
Total	\$ 1,312,509	\$ 42,373	\$ 56,695	\$ 186,191	\$ 555,999	\$ 2,153,767	\$ 2,098,556

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	\$ 61,772	\$ 163,577	\$ 166,645	\$ 253,058	\$ 645,052

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

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets</u>			
Financial assets at amortized cost			
Cash and cash equivalents	\$ 451,456	\$ 287,887	\$ 215,718
Notes and accounts receivable (including related parties)	737,883	604,211	465,409
Other receivables	2,369	989	4,539
Other financial assets - Current	60,000	93,629	144,647
Refundable Deposits	33,623	36,131	22,446
Financial assets at fair value through profit or loss - current	219,374	241,358	282,205
Financial assets at fair value through other comprehensive income - non-current	1,589,950	1,421,796	1,403,326
Financial liabilities			
<u>Financial liabilities at amortized cost</u>			
Short-term loans	935,000	898,000	870,000
Short-term notes and bills payable	343,768	294,795	145,877
Notes payable and Accounts payable (including related parties)	336,955	281,015	165,953
Other payables	134,506	141,645	99,231
Long-term loans (including current portion maturing within one year)	382,972	265,900	210,800
Lease liabilities (current and non-current)	535,520	543,170	589,964
Deposits received	14,997	16,331	16,731

4. 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 (XV) 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 (including current portion maturing within one year), 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)	September 30, 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	\$ 163,403	\$ -	\$ -	163,403
Open-ended funds and ETFs	32,261	-	-	32,261
Bonds	23,710	-	-	23,710
Financial assets at fair value through other comprehensive income				
Domestic listed companies' stocks	1,249,845	-	-	1,249,845
Domestic unlisted company stocks	-	-	340,105	340,105
Total	<u>\$ 1,469,219</u>	<u>\$ -</u>	<u>\$ 340,105</u>	<u>\$ 1,809,324</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 companies' 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)	September 30, 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	\$ 147,446	\$ -	\$ -	147,446
Open-ended Fund	117,768	-	-	117,768
Bonds	16,991	-	-	16,991
Financial assets at fair value through other comprehensive income				
Domestic listed companies' stocks	1,029,363	-	-	1,029,363
Domestic unlisted company stocks	-	-	373,963	373,963
Total	<u>\$ 1,311,568</u>	<u>\$ -</u>	<u>\$ 373,963</u>	<u>\$ 1,685,531</u>

(5) Fair value measurement techniques for instruments measured at fair value:

- A. 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.
- B. 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:

September 30, 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.

September 30, 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
Acquisition for the period	-	Acquisition for the period	1,135
Sales for the period	-	Sales for the period	-
Reduction of capital and refund of share capital	(38,392)	Recognized in profit or loss	-
Recognized in Other comprehensive income	7,731	Recognized in Other comprehensive income	7,896
September 30, 2024	<u>\$ 340,105</u>	September 30, 2023	<u>\$ 373,963</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 while the finance department in charge of the financial instruments subject to independent fair value validation as well as regular verification to ensure that the results generated are reasonable.

5. Transfer of Financial Assets: None.
6. Offsetting of financial assets and financial liabilities: None.

(XIII) Supplementary Disclosure

1. 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 NT\$300 million or 20% of the paid-In capital: none.
 - (5) Acquisition of real estate properties at prices of at least NT\$300 million or 20% of the paid-In capital: None.
 - (6) Disposal of real estate properties at prices of at least NT\$300 million or 20% of the paid-in capital: None.
 - (7) Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: Table 4.
 - (8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 5.
 - (9) Information about the derivative financial instruments' transaction: None.

- (10) Business relationships and significant transactions between parent and subsidiaries: Table 6.
2. Information on reinvestment business: Table 7.
 3. Information on investments in Mainland China: Not applicable.
 4. Information on major shareholders (name, number of shares held, and shareholding percentage of shareholders with shareholding percentage exceeding 5%): Table 8.

Table 1

Southeast Cement Co., Ltd. and Subsidiaries

Details of Funds Lent to Others

September 30, 2024

Unit: NT\$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	-	-	2	-	Operating turnover	-	-	-	467,274 (Note 1)	934,548 (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
September 30, 2024

Unit: NT\$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	1,869,096 (Note 2)	335,580	335,580	-	-	3.59%	3,738,192 (Note 3)	Y	-	-
0	Southeast Cement Co., Ltd.	Southeast Milo International Co., Ltd.	2	1,869,096 (Note 2)	306,000	306,000	-	-	3.27%	3,738,192 (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
September 30, 2024

Unit: Thousand shares; NT\$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	Percentage of shareholding	Fair value	
Southeast Cement Co., Ltd.	Shares - Goldsun Building Materials	None	Financial assets at fair value through other comprehensive income	3,356	175,533	0.28	175,533	
	Shares - CHC Resources	The Company is the corporate director of that company.	Financial assets at fair value through other comprehensive income	13,084	866,147	5.26	866,147	
	Shares - Chunghwa Telecom	None	Financial assets at fair value through other comprehensive income	360	45,180	-	45,180	
	Shares - Yuanta	None	Financial assets at fair value through other comprehensive income	583	18,491	-	18,491	
	Shares - TXC	None	Financial assets at fair value through other comprehensive income	80	8,720	0.02	8,720	
	Shares - Zero One Tech	None	Financial assets at fair value through other comprehensive income	140	12,460	0.08	12,460	
	Shares - China Steel	None	Financial assets at fair value through other comprehensive income	600	13,890	-	13,890	
	Shares - Taiwan Hon Chuan Enterprise	None	Financial assets at fair value through other comprehensive income	202	32,916	0.07	32,916	
	Shares - Fubon Financial Holding	None	Financial assets at fair value through other comprehensive income	535	48,361	-	48,361	
	Shares - Yonyu Plastic	None	Financial assets at fair value through other comprehensive income	52	1,417	0.06	1,417	
	Shares - China Steel Chemical	None	Financial assets at fair value through other comprehensive income	100	10,150	0.04	10,150	
	Shares - Systex	None	Financial assets at fair value through other comprehensive income	90	11,430	0.03	11,430	

Company held	Types and Names of Securities	Relationship with the issuer of securities	Account Item	End of period				Remarks
				Number of shares	Book Value	Percentage of shareholding	Fair value	
	Shares - Dachan	None	Financial assets at fair value through other comprehensive income	100	5,150	0.01	5,150	
	Shares - Kaohsiung MRT	None	Financial assets at fair value through other comprehensive income	11,117	90,693	3.99	90,693	
	Shares - EnviroLink Corporation	The Company is the corporate director of that company.	Financial assets at fair value through other comprehensive income	2,333	37,137	16.67	37,137	
	Shares - iPASS	The Company is the corporate director of that company.	Financial assets at fair value through other comprehensive income	3,828	13,010	3.36	13,010	
		Total			1,390,685		1,390,685	
	Bonds - Boeing Company	None	Financial assets at fair value through profit or loss	500	11,312	-	11,312	
	Bonds - Pfizer	None	Financial assets at fair value through profit or loss	200	6,202	-	6,202	
	Bonds - Goldman Sachs	None	Financial assets at fair value through profit or loss	194	6,196	-	6,196	
	ETF - Cathay U.S. PHLX Semiconductor Sector	None	Financial assets at fair value through profit or loss	211	9,746	-	9,746	
	ETF - Uni FANG+	None	Financial assets at fair value through profit or loss	125	10,775	-	10,775	
		Total			44,231		44,231	
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	153,033	13.86	153,033	
	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	41,588	4.21	41,588	
	Shares-Taiwan Implant Technology	None	Financial assets at fair value through other comprehensive income	815	4,635	4.14	4,635	
	Shares - Dushan Forest Development	None	Financial assets at fair value through other comprehensive income	1	9	8.00	9	
		Total			199,265		199,265	

Company held	Types and Names of Securities	Relationship with the issuer of securities	Account Item	End of period				Remarks
				Number of shares	Book Value	Percentage of shareholding	Fair value	
	Funds-Cathay No. 2	None	Financial assets at fair value through profit or loss	500	8,100	-	8,100	
	Shares - Fubon Financial Holding	None	Financial assets at fair value through profit or loss	146	13,155	-	13,155	
	Shares - Formosa Chemicals and Fibre	None	Financial assets at fair value through profit or loss	17	753	-	753	
	Shares - Taiwan Secom	None	Financial assets at fair value through profit or loss	292	40,340	0.06	40,340	
	Shares -Taiwan Cement	None	Financial assets at fair value through profit or loss	2,726	92,143	0.04	92,143	
	Shares - CHC Resources	None	Financial assets at fair value through profit or loss	30	2,006	0.01	2,006	
	Shares - Mega Financial Holding	None	Financial assets at fair value through profit or loss	217	8,539	-	8,539	
	Shares - Yuanta Financial Holding	None	Financial assets at fair value through profit or loss	204	6,467	-	6,467	
		Total			171,503		171,503	
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	46,589	0.37	46,589	Note
Southeast Milo International Co., Ltd.	Funds - Fubon Chi-Hsiang Money	None	Financial assets at fair value through profit or loss	224	3,640	-	3,640	

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
Statements of Total Purchases from or Sales to Related Parties of at Least NT\$100 Million or 20% of the Paid-In Capital
From January 1 to September 30, 2024

Unit: NT\$1,000

Company	Counterparty	Relation	Transaction Situation				Unusual Transaction Terms and Reasons		Notes and Accounts Receivable (Payable)		Remarks
			Purchases (Sales)	Amount	Percentage of Purchases (Sales)	Credit Period	Unit price	Credit Period	Balance	Percentage of Notes and Accounts Receivable (Payable)	
Southeast Cement Co., Ltd.	Tiancheng Concrete Industry Co., Ltd.	Others related parties	Sales	168,720	12.40%	About 2 - 3 months	-	Equivalent	52,293	9.55%	
Southeast Cement Co., Ltd.	Southeast Topgood Resources Recycling Co., Ltd.	Subsidiary	Sales	136,041	9.99%	About 1 - 3 months	-	Equivalent	38,297	6.99%	

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

Table 5

Southeast Cement Co., Ltd. and Subsidiaries
 Receivables from Related Parties Amounting to At Least NT\$100 Million or 20% of The Paid-In Capital
 September 30, 2024

Unit: NT\$1,000

The Companies recorded under 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	216,878	(Note 2)	-	-	-	-

Note 1: The amount recovered up until November 8, 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 6

Southeast Cement Co., Ltd. and Subsidiaries
Business Relationships and Significant Transactions Between Parent and Subsidiaries
September 30, 2024

Individual transactions amounting to less than NT\$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: NT\$1,000

No. (Note 1)	Counterparty	Nature of Relationship	Intercompany Transactions (Note 2)	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	136,041	Roughly equivalent to general customers, the average collection period is about 2-3 months.	6.57%
				Accounts receivable	38,297		0.31%
		Southeast Milo International Co., Ltd.	1	Sales revenue	86,665	Note 5	4.18%
				Accounts receivable	216,878		1.73%
1	Southeast Topgood Resources Recycling Co., Ltd.	Southeast Cement Co., Ltd.	2	Right-of-use assets	106,446	Note 6	0.85%
2	Southeast Milo International Co., Ltd.	Southeast Cement Co., Ltd.	2	Investment property, right-of-use assets	878,905	Note 5	7.00%
				Refundable Deposits	24,000		0.19%
3	Dong Nai Construction Co., Ltd.	Da Yang Construction Co., Ltd	3	Construction in progress	80,952	According to the pricing defined in the contract signed by both parties, the collection period is set according to the content of the contract.	0.64%

- 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 NT\$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: 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 NT\$5,850 thousand, increasing 3% every 3 years).
 - (2) The lessee has the priority right to lease upon expiration of the lease term.

Table 7

Southeast Cement Co., Ltd. and Subsidiaries
Information on Reinvestment Business
September 30, 2024

Unit: Thousand shares; NT\$1,000

Name of investment company	Name of Investee Company	Location	Main business 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	Percentage of shareholding	Book Value			
Southeast Cement Co., Ltd.	Southeast Investment Co., Ltd	Kaohsiung City	Securities investment	297,870	297,870	499	99.29	704,158	72,451	71,936	(Note)
	Southeast Construction Co., Ltd.	Kaohsiung City	Construction industry	11,361	11,361	36	31.01	76,029	7,818	2,425	
	Southeast Paper Manufacturing Co., Ltd.	Kaohsiung City	Cement Paper Bag	4,971	4,971	5	49.71	23,107	44	22	(Note)
	Nan Hsia Timber Co., Ltd.	Kaohsiung City	Wooden products	8,540	8,540	1	27.55	16,037	14,468	3,986	
	Dong Nai Construction Co., Ltd.	Kaohsiung City	Construction industry	790,000	790,000	79,000	100.00	860,595	78,011	78,011	(Note)
	Taiwan Machinery Shipyard Co. ,Ltd	Kaohsiung City	Engineering industry	328,492	328,492	25,611	31.01	346,429	(5,466)	(1,695)	
	Southeast Topgood Resources Recycling Co., Ltd.	Kaohsiung City	Waste Clearance and Disposal	85,000	85,000	8,500	50.00	111,970	64,113	32,726	(Note)
	Southeast Milo International Co., Ltd.	Kaohsiung City	Real Estate Leasing Industry	50,000	50,000	5,000	50.00	9,054	14,295	(1,793)	(Note)
	Da Yang Construction Co., Ltd.	Kaohsiung City	Construction industry	120,300	120,300	11,000	100.00	103,771	(5,900)	(1,482)	(Note)
	Subtotal							2,251,150	239,834	184,136	
	Less: Reclassification of parent company shares held by subsidiaries to treasury shares							(12,185)			
Total							2,238,965	239,834	184,136		

Southeast Investment Co., Ltd	Penghu Cable Television Co., Ltd.	Penghu County	Cable TV	51,093	51,093	8,000	40.00	121,946	18,444	7,377	
	Penghu Bay Co., Ltd.	Penghu County	Beach	60,347	60,347	1,663	38.68	16,677	105	41	
	Southeast Construction Co., Ltd.	Kaohsiung City	Construction industry	29,381	29,381	12	10.92	31,511	7,818	1,007	
	Taiwan Machinery Shipyard Co., Ltd	Kaohsiung City	Engineering industry	5,826	5,826	454	0.55	6,416	(5,466)	24	
	Southeast Topgood Resources Recycling Co., Ltd.	Kaohsiung City	Waste Clearance and Disposal	1,700	1,700	170	1.00	2,209	64,113	641	(Note)
	Southeast Milo International Co., Ltd.	Kaohsiung City	Real Estate Leasing Industry	1,000	1,000	100	1.00	335	14,295	143	(Note)
	Total							179,094	99,309	9,233	

Note: The lessee has the priority right to lease upon expiration of the lease term.

Table 8

Southeast Cement Co., Ltd. and Subsidiaries
Information on Major Shareholders
September 30, 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.	36,609,148	6.40%
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) Segment Information

1. 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.

2. 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.

3. Segment Financial Information:

July to September 2024:

	Production Department	Construction Department	Engineering Department	Leasing Department	Adjustment and write-off	Total
Net revenues						
Revenues from external customers	\$ 548,581	\$ 303,362	\$ -	\$ 38,700	\$ -	\$ 890,643
Interdepartmental Revenues	45,836	-	2,536	30,491	(78,863)	-
Total net revenue	\$ 594,417	\$ 303,362	\$ 2,536	\$ 69,191	\$ (78,863)	\$ 890,643
Departmental profit	\$ 56,430	\$ 92,567	\$ 61	\$ 49,888	\$ (23,762)	175,184
General operating expenses of the Company						(34,189)
Non-operating income and expenses						108,775
Profit before tax						\$ 249,770
Income tax benefit (expense)						(37,236)
Profit after tax						\$ 212,534

July to September 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	\$ 455,363	\$ -	\$ -	\$ 42,723	\$ -	\$ 498,086
Interdepartmental Revenues	<u>22,767</u>	<u>-</u>	<u>38,884</u>	<u>30,763</u>	<u>(92,414)</u>	<u>-</u>
Total net revenue	<u>\$ 478,130</u>	<u>\$ -</u>	<u>\$ 38,884</u>	<u>\$ 73,486</u>	<u>\$ (92,414)</u>	<u>\$ 498,086</u>
Departmental profit	<u>\$ (65,985)</u>	<u>\$ -</u>	<u>\$ 3,505</u>	<u>\$ 47,230</u>	<u>\$ (22,787)</u>	<u>(38,037)</u>
General operating expenses of the Company						(30,173)
Non-operating income and expenses						<u>146,860</u>
Profit before tax						\$ 78,650
Income tax benefit (expense)						<u>(22,542)</u>
Profit after tax						<u>\$ 56,108</u>

January to September 2024:

	<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	\$ 1,633,339	\$ 320,501	\$ -	\$ 118,319	\$ -	\$ 2,072,159
Interdepartmental Revenues	<u>133,160</u>	<u>-</u>	<u>3,858</u>	<u>92,052</u>	<u>(229,070)</u>	<u>-</u>
Total net revenue	<u>\$ 1,766,499</u>	<u>\$ 320,501</u>	<u>\$ 3,858</u>	<u>\$ 210,371</u>	<u>\$ (229,070)</u>	<u>\$ 2,072,159</u>
Departmental profit	<u>\$ 175,002</u>	<u>\$ 99,706</u>	<u>\$ (5,723)</u>	<u>\$ 154,058</u>	<u>\$ (63,359)</u>	<u>359,684</u>
General operating expenses of the Company						(81,612)
Non-operating income and expenses						<u>108,528</u>
Profit before tax						\$ 386,600
Income tax benefit (expense)						<u>(59,896)</u>
Profit after tax						<u>\$ 326,704</u>
Segment Assets						<u>\$ 12,552,860</u>
Segment Liabilities						<u>\$ 3,066,626</u>

January to September 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	\$ 1,526,993	\$ -	\$ -	\$ 114,530	\$ -	\$ 1,641,523
Interdepartmental Revenues	<u>55,960</u>	<u>-</u>	<u>61,988</u>	<u>92,291</u>	<u>(210,239)</u>	<u>-</u>
Total net revenue	<u>\$ 1,582,953</u>	<u>\$ -</u>	<u>\$ 61,988</u>	<u>\$ 206,821</u>	<u>\$ (210,239)</u>	<u>\$ 1,641,523</u>
Departmental profit	<u>\$ 35,411</u>	<u>\$ -</u>	<u>\$ 5,482</u>	<u>\$ 122,690</u>	<u>\$ (64,171)</u>	<u>99,412</u>
General operating expenses of the Company						(95,240)
Non-operating income and expenses						<u>173,662</u>
Profit before tax						\$ 177,834
Income tax benefit (expense)						<u>(36,931)</u>
Profit after tax						<u>\$ 140,903</u>
Segment Assets						<u>\$ 11,462,656</u>
Segment Liabilities						<u>\$ 2,478,465</u>

4. Product and service information: Disclosure is not required for interim financial statements.
5. Location information: Disclosure is not required for interim financial statements.
6. Information on major customers: Disclosure is not required for interim financial statements.