

【Stock Code: 1110】

Southeast Cement Co., Ltd. and Subsidiaries
Consolidated Financial Statements
and Independent Auditor's Review Report
For the Six Months Ended June 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 June 30, 2024 and 2023, the consolidated statements of comprehensive income for the periods from April 1 to June 30, 2024 and 2023 and from January 1 to June 30, 2024 and 2023, consolidated statements of changes in equity, and consolidated statements of cash flow for the periods from January 1 to June 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 June 30, 2024 and 2023, these subsidiaries aggregately reported total assets of NT\$3,134,905 thousand and NT\$2,581,873 thousand that represented 25.27% and 20.71% of consolidated total assets, and total liabilities of NT\$1,291,742 thousand and NT\$729,524 thousand that represented 40.58% and 20.46% of consolidated total liabilities, respectively. These subsidiaries also reported total comprehensive income of NT\$48,793 thousand, NT\$7,739 thousand, NT\$76,552 thousand and NT\$(11,589) thousand that represented 26.25%, 4.53%, 24.61% and (4.97%) of consolidated total comprehensive income for the periods from April 1 to June 30, 2024 and 2023, and from January 1 to June 31, 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\$597,164 thousand and NT\$577,838 thousand as of June 30, 2024 and 2023, that represented 4.81% and 4.63% of total assets, respectively.

Share of profit or loss from equity-accounted associated companies and joint ventures recognized for the periods from April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2024 and 2023, amounted to NT\$1,951 thousand, NT\$2,787 thousand, NT\$6,762 thousand and NT\$6,229 thousand, representing 2.36%, 3.50%, 4.94% and 6.28% of pre-tax profit, respectively; whereas share of other comprehensive income from equity-accounted associated companies and joint ventures amounted to NT\$12,134 thousand, NT\$3,299 thousand, NT\$13,272 thousand and NT\$3,134 thousand, representing 10.38%, 3.14%, 6.74% and 2.12% 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 June 30, 2024 and 2023, or the consolidated financial performance for the periods from April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2024 and 2023, and consolidated cash flow for the periods from January 1 to June 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

August 12, 2024

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

Unit: NT\$1,000

Code	Assets	June 30, 2024		December 31, 2023		June 30, 2023	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and Cash Equivalents (Note VI (I))	\$ 266,127	2	\$ 287,887	2	\$ 271,419	2
1110	Current financial assets at fair value through profit or loss (Note VI (II))	219,515	2	241,358	2	449,141	4
1150	Notes Receivable, net (Note VI (III))	220,299	2	239,044	2	274,243	2
1160	Notes receivable from related entities, net (Note VII)	24,445	-	-	-	-	-
1170	Accounts receivable, net (Note VI (IV))	415,458	3	323,104	3	169,138	1
1180	Accounts receivable due from related entities, net (Note VII)	38,598	-	42,063	-	24,359	-
1200	Other Receivables (Note VI (V))	12,816	-	989	-	13,426	-
1220	Current tax assets	425	-	944	-	733	-
130x	Current inventories (Note VI (VI))	1,344,427	11	1,188,767	10	1,117,789	9
1410	Prepayments (Note VI (VII))	81,810	1	65,923	1	65,831	1
1460	Available-for-sale assets - non-current, net (Note VI (VIII))	-	-	-	-	888,569	7
1476	Other current financial assets (Note VI (IX))	110,387	1	93,629	1	63,387	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>2,736,307</u>	<u>22</u>	<u>2,485,708</u>	<u>21</u>	<u>3,340,035</u>	<u>27</u>
	Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income (Note VI (XI))	1,549,882	12	1,421,796	12	1,377,894	11
1550	Investments accounted for using the equity method (Note VI (XII))	597,164	5	587,585	5	577,838	5
1600	Property, plant and equipment (Note VI (XIII))	1,050,098	8	980,083	8	845,937	7
1755	Right-of-use assets (Note VI (XIV))	619,956	5	627,829	5	693,911	6
1760	Investment property, net (Note VI (XV))	5,776,083	47	5,631,299	48	5,580,003	44
1780	Intangible assets	12	-	26	-	25	-
1840	Deferred tax assets	36,950	-	51,105	-	29,871	-
1920	Refundable deposits (Note VI (XVI))	33,642	-	36,131	-	22,445	-
1990	Other non-current assets - others (Note VI (V))	4,830	-	-	-	-	-
15xx	Total non-current assets	<u>9,668,617</u>	<u>78</u>	<u>9,335,854</u>	<u>79</u>	<u>9,127,924</u>	<u>73</u>
1xxx	Total assets	<u>\$ 12,404,924</u>	<u>100</u>	<u>\$ 11,821,562</u>	<u>100</u>	<u>\$ 12,467,959</u>	<u>100</u>

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Code	Liabilities and equity	June 30, 2024		December 31, 2023		June 30, 2023	
		Amount	%	Amount	%	Amount	%
	Current liabilities						
2100	Current borrowings (Note VI (XVII))	\$ 1,220,000	10	\$ 898,000	8	\$ 1,950,000	16
2110	Short-term notes payable (Note VI (XVIII))	149,775	1	294,795	2	141,768	1
2130	Current contract liabilities (Note VI (XIX))	111,018	1	43,681	-	34,074	-
2150	Notes payable	9,730	-	17,722	-	8,607	-
2170	Accounts payable	252,399	2	263,293	2	197,247	2
2200	Other payables (Note VI (XX))	270,259	2	141,645	1	153,577	1
2230	Current tax liabilities	8,681	-	39,544	-	-	-
2250	Current provisions (Note VI (XXI))	1,621	-	1,769	-	1,605	-
2280	Current lease liabilities (Note VI (XIV))	41,374	-	38,976	-	66,609	1
2300	Other current liabilities	1,956	-	1,286	-	1,309	-
21xx	Total current liabilities	2,066,813	17	1,740,711	15	2,554,796	21
	Non-current liabilities						
2540	Long-term loans (Note VI (XXIII))	329,805	3	265,900	2	183,400	1
2570	Deferred tax liabilities	268,810	2	269,188	2	270,564	2
2580	Non-current lease liabilities (Note VI (XIV))	502,794	4	504,194	4	544,944	4
2645	Guarantee deposits received (Note VI (XXIV))	14,997	-	16,331	-	11,828	-
25xx	Total non-current liabilities	1,116,406	9	1,055,613	9	1,010,736	7
2xxx	Total liabilities	3,183,219	26	2,796,324	24	3,565,532	28
	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	46
3200	Capital surplus (Note VI (XXVI))	188,688	2	188,688	2	188,583	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	7	810,918	7	810,918	7
3350	Unappropriated retained earnings (Note VI (XXVII))	366,669	3	407,894	3	360,674	3
3400	Other equity interest (Note VI (XXIX))	920,192	7	723,623	6	671,067	5
3500	Treasury shares (Note VI (XXX))	(12,185)	-	(12,185)	-	(12,185)	-
31xx	Total equities attributable to owners of parent	9,093,886	73	8,923,610	75	8,823,729	72
36xx	Non-controlling interests (Note VI (XXXI))	127,819	1	101,628	1	78,698	-
3xxx	Total equity	9,221,705	74	9,025,238	76	8,902,427	72
	Total liabilities and equity	\$ 12,404,924	100	\$ 11,821,562	100	\$ 12,467,959	100

(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
April 1 to June 30, 2024 and 2023, and January 1 to June 30, 2024 and 2023

Unit: NT\$1,000

Code	Item(s)	From April 1 to June 30, 2024		From April 1 to June 30, 2023		From January 1 to June 30, 2024		From January 1 to June 30, 2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Note VI (XXXII))	\$ 604,620	100	\$ 615,383	100	\$ 1,181,516	100	\$ 1,143,437	100
5000	Operating costs (Note VI (VI))	(507,493)	(84)	(517,239)	(84)	(986,410)	(83)	(996,384)	(87)
5900	Gross profit (loss) from operations	97,127	16	98,144	16	195,106	17	147,053	13
	Operating expenses								
6100	Sales (marketing) expenses	(5,734)	(1)	(5,303)	(1)	(10,606)	(1)	(9,604)	(1)
6200	Administrative expenses	(23,686)	(4)	(33,801)	(5)	(47,452)	(4)	(64,515)	(6)
6450	Gain (loss) on expected credit impairment (Note VI (IV))	(7)	-	(336)	-	29	-	(552)	-
6000	Total operating expenses	(29,427)	(5)	(39,440)	(6)	(58,029)	(5)	(74,671)	(7)
6900	Net operating income (loss)	67,700	11	58,704	10	137,077	12	72,382	6
	Non-operating income and expenses								
7100	Interest income (Note VI (XXXIV))	1,632	-	1,169	-	2,936	-	2,754	-
7010	Other income (Note VI (XXXV))	15,181	3	17,532	3	16,796	1	19,545	2
7020	Other gains and losses (Note VI (XXXVI))	5,949	1	10,219	2	(8,554)	(1)	19,902	2
7050	Finance costs (Note VI (XXXVII))	(9,823)	(2)	(10,741)	(2)	(18,187)	(2)	(21,628)	(2)
7070	Share of profit or loss from subsidiaries, associated companies, and joint ventures accounted for using equity method	1,951	-	2,787	-	6,762	1	6,229	1
7000	Total non-operating income and expenses	14,890	2	20,966	3	(247)	-	26,802	3
7900	Profit (loss) before tax	82,590	14	79,670	13	136,830	12	99,184	9
7950	Income tax benefit (expense) (Note VI (XXXVIII))	(13,654)	(2)	(14,176)	(2)	(22,660)	(2)	(14,389)	(1)
8200	Profit (loss)	68,936	11	65,494	11	114,170	10	84,795	8
	Other comprehensive income (Note VI (XXXIX))								
8310	Components of other comprehensive income that will not be reclassified to profit or loss								
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	104,817	17	101,899	17	183,591	16	145,030	13
8320	Share of other comprehensive income of related entities and joint ventures accounted for using equity method	12,134	2	3,299	1	13,272	1	3,134	-
8300	Other comprehensive income, net	116,951	19	105,198	17	196,863	17	148,164	13
8500	Total comprehensive income	\$ 185,887	31	\$ 170,692	28	\$ 311,033	27	\$ 232,959	21
8600	Profit (loss) attributable to:								
8610	Profit (loss), attributable to owners of parent	\$ 59,306	10	\$ 66,944	11	\$ 87,886	8	\$ 101,031	8
8620	Profit (loss), attributable to non-controlling interests	9,630	2	(1,450)	-	26,284	2	(16,236)	(1)
		\$ 68,936	12	\$ 65,494	11	\$ 114,170	10	\$ 84,795	7
8700	Comprehensive income attributable to:								
8710	Comprehensive income, attributable to owners of parent	\$ 176,187		\$ 172,175	28	\$ 284,676	25	\$ 249,223	22
8720	Comprehensive income, attributable to non-controlling interests	9,700	2	(1,483)	-	26,357	2	(16,264)	(1)
		\$ 185,887	31	\$ 170,692	28	\$ 311,033	27	\$ 232,959	21
	Earnings per share								
9750	Basic earnings per share (Note VI (XXXX))	\$ 0.10		\$ 0.12		\$ 0.15		\$ 0.18	
9850	Diluted earnings per share (Note VI (XXXX))	\$ 0.10		\$ 0.12		\$ 0.15		\$ 0.18	

(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 Statement of Changes in Equity
January 1 to June 30, 2024 and 2023

Unit: NT\$1,000

	Equities attributable to owners of parent									
	Retained earnings					Total other equity interest				
	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	Treasury shares	Total equity attributable to owners of parent	Controlling interests	Total equity
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 June 30, 2023	-	-	-	-	101,031	-	-	101,031	(16,236)	84,795
Other comprehensive income for the period from January 1 to June 30, 2023	-	-	-	-	-	148,192	-	148,192	(28)	148,164
Total comprehensive income for the period from January 1 to June 30, 2023	-	-	-	-	101,031	148,192	-	249,223	(16,264)	232,959
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	1,074	(1,074)	-	-	-	-
Balance as of June 30, 2023	\$ 5,720,008	\$ 188,583	\$ 1,084,664	\$ 810,918	\$ 360,674	\$ 671,067	\$ (12,185)	\$ 8,823,729	\$ 78,698	\$ 8,902,427
Balance as of January 1, 2024	\$ 5,720,008	\$ 188,688	\$ 1,084,664	\$ 810,918	\$ 407,894	\$ 723,623	\$ (12,185)	\$ 8,923,610	\$ 101,628	\$ 9,025,238
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 June 30, 2024	-	-	-	-	87,886	-	-	87,886	26,284	114,170
Other comprehensive income for the period from January 1 to June 30, 2024	-	-	-	-	-	196,790	-	196,790	73	196,863
Total comprehensive income for the period from January 1 to June 30, 2024	-	-	-	-	87,886	196,790	-	284,676	26,357	311,033
Increase/decrease in non-controlling interests	-	-	-	-	-	-	-	-	(166)	(166)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	221	(221)	-	-	-	-
Balance as of June 30, 2024	\$ 5,720,008	\$ 188,688	\$ 1,099,596	\$ 810,918	\$ 366,669	\$ 920,192	\$ (12,185)	\$ 9,093,886	\$ 127,819	\$ 9,221,705

(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 Cash Flow
January 1 to June 30, 2024 and 2023

Unit: NT\$1,000

Item(s)	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Cash flows from (used in) operating activities		
Profit (loss) before tax for the period	\$ 136,830	\$ 99,184
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	53,102	51,290
Amortization expense	14	15
Expected credit loss (reversal gain)	(29)	552
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(6,284)	(21,953)
Interest expense	18,187	21,628
Interest income	(2,936)	(2,754)
Dividend income	(11,311)	(15,029)
Share of loss (profit) of related entities and joint ventures accounted for by using equity method	(6,762)	(6,229)
Loss (gain) on disposal of property, plants and equipment	(66)	-
Property, plants and equipment transferred to expenses	-	553
Profit from lease modification	(1,877)	(572)
Total adjustments to reconcile profit (loss)	42,038	27,501
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	28,127	130,327
Decrease (increase) in notes receivable	(5,675)	(28,083)
Decrease (increase) in accounts receivable	(88,885)	(65,322)
Decrease (increase) in other receivable	(359)	(29,693)
Decrease (increase) in inventories	(158,549)	(101,637)
Decrease (increase) in other prepayments	(15,887)	(24,910)
Decrease (increase) in other financial assets	(16,758)	101,153
Total changes in operating assets	(257,986)	41,221
Changes in operating liabilities		
Increase (decrease) in contract liabilities	67,337	15,204
Increase (decrease) in notes payable	(7,992)	6,687
Increase (decrease) in accounts payable	(10,894)	(53,539)
Increase (decrease) in other payable	(4,586)	18,680
Increase (decrease) in provisions	(148)	164
Increase (decrease) in other current liabilities	670	(209)
Total net changes in operating liabilities	44,387	(13,013)
Total net changes in operating assets and liabilities	(213,599)	28,208

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Item(s)	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Total adjustments	\$ (171,561)	\$ 55,709
Cash inflow (outflow) generated from operations	(34,731)	154,893
Interest received	3,098	3,494
Dividends received	11,453	29,834
Interest paid	(18,369)	(21,125)
Income taxes refund (paid)	(39,227)	(275)
Net cash flows from (used in) operating activities	(77,776)	166,821
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	-
Financial assets at fair value through other comprehensive income - return of capital due to capital reduction	38,392	-
Acquisition of property, plants and equipment	(105,753)	(174,097)
Proceeds from disposal of property, plants and equipment	150	-
Increase in refundable deposits	-	(3,447)
Decrease in refundable deposits	3,441	-
Acquisition of use-of-right assets	(440)	(29,221)
Acquisition of investment properties	(115,260)	(291,727)
Increase in long-term lease and instalment receivables	(6,157)	-
Decrease in long-term lease and instalment receivables	-	705
Net cash flows from (used in) investing activities	(168,514)	(498,922)
Cash flows from (used in) financing activities		
Increase in short-term loans	322,000	420,000
Decrease in short-term notes and bills payable	(145,000)	(278,000)
Proceeds from long-term debt	63,905	183,400
Decrease in refundable deposits	(1,334)	-
Repayment of lease liabilities	(15,041)	(18,254)
Net cash flows from (used in) financing activities	224,530	307,146
Net increase (decrease) in cash and cash equivalents	(21,760)	(24,955)
Cash and cash equivalents at beginning of period	287,887	296,374
Cash and cash equivalents at end of period	\$ 266,127	\$ 271,419

(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 Six Months Ended June 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. The Authorization of Financial Statements

This consolidated financial statement was issued after being approved by the Board of Directors on August 12, 2024.

III. Application of New and Revised Standards and Interpretations

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

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

Newly Issued/Amended/Revised Standards and Interpretations	Effective date issued by IASB
Amendment to IAS 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 IAS 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.

(II) The impact of new releases and amendments under International Financial Reporting Standards approved by the Taiwan Financial Supervisory Commission yet to be adopted: None.

(III) The impact of International Financial Reporting Standards issued by the International Accounting Standards Board, but not yet approved by the Taiwan Financial Supervisory Commission.

The table below lists the newly issued, amended and revised standards and 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
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, 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:
 - (1) 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.
 - (2) 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.
 - (3) 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.
 - (4) 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 derecognised 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 derecognised 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 replace IAS 1 and introduces an update to the structure of the statement of comprehensive income along with new disclosures for management-defined performance measures. This standard emphasizes on the aggregation and disaggregation of disclosures in key financial statements and footnotes.

4. IFRS 19 "Subsidiaries without Public Accountability: Disclosures"

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

5. Amendment to IAS 21 "Lack of Exchangeability"

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

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

IV. Summary of Significant Accounting Policies

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

(I) Compliance Statement

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

(II) Basis of preparation

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

(III) Consolidation Basis

1. Principles for CFS Preparation:
 - (1) The Group includes all subsidiaries in the preparation of the CFS. A subsidiary refers to an entity (including structured entities) under the control of the Group. The Group controls the entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are included in the consolidated financial statements from the date on which the Group obtains control and cease to be consolidated from the date on which control is lost.
 - (2) Intercompany transactions, balances, and unrealized profits (losses) have been eliminated within the group. The accounting policies of the subsidiaries have been appropriately adjusted to be consistent with the policies adopted by the group.

- (3) The components of profit or loss and other comprehensive income are attributable to owners of parent and non-controlling interests; the total comprehensive income, net of tax is also attributable to owners of parent and non-controlling interests even when that results in deficit balance of non-controlling interests.
- (4) Changes in holdings of subsidiaries that do not result in loss of control (transactions with non-controlling interests) are treated as equity transactions, i.e., they are considered transactions with owners. The difference between the adjustment amount of non-controlling interests and the fair value of the consideration paid or received is directly recognized in equity.
- (5) When the Group loses control over a subsidiary, the remaining investments in the former subsidiary are re-measured at fair value, which is considered as the original recognition fair value of financial assets or original recognition cost of investment in associates and joint ventures. The difference between the fair value and the carrying amount is recognized as current profit or loss. Regarding all amounts previously recognized in Other comprehensive income related to the subsidiary, the accounting treatment is the same as when the Group directly disposes of relevant Assets or Liabilities, i.e., if the profit or loss previously recognized as Other comprehensive income, is reclassified as profit or loss when disposing of relevant Assets or Liabilities, then when control over the subsidiary is lost, that profit or loss will be reclassified from Equity to profit or loss.

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

Investment company/ subsidiary	Main business items	Investments in companies/subsidiaries		
		June 30, 2024	December 31, 2023	June 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.

- (1) All of the subsidiaries listed above are non-material subsidiaries and have been consolidated into the consolidated financial statements based on financial statements that were not auditor-reviewed.
- (2) Changes in consolidated subsidiaries: None.
3. Subsidiaries not included in CFS: None.
4. Adjustments and handling methods due to different accounting periods of subsidiaries: None.
5. Significant Limitations: None.
6. Contents of securities issued by the parent company held by subsidiaries: Please refer to the description in Note VI (XXX).
7. Information on subsidiaries with significant non-controlling interests:

June 30, 2024			
Subsidiary Name	Percentage of shareholding	Non-controlling interests	Profit (loss) allocated to non-controlling interests
Southeast Topgood Resources Recycling Co., Ltd.	49%	\$ 98,358	\$ 21,541
Southeast Milo International Co., Ltd.	49%	14,049	4,630
Others		15,412	113
Total		<u>\$ 127,819</u>	<u>\$ 26,284</u>

December 31, 2023			
Subsidiary Name	Percentage of shareholding	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>

June 30, 2023			
Subsidiary Name	Percentage of shareholding	Non-controlling interests	Profit (loss) allocated to non-controlling interests
Southeast Topgood Resources Recycling Co., Ltd.	49%	\$ 62,424	\$ (4,838)
Southeast Milo International Co., Ltd.	49%	1,025	(11,612)
Others		15,249	214
Total		<u>\$ 78,698</u>	<u>\$ (16,236)</u>

- (1) For information on the main places of business and countries of incorporation of the above-mentioned subsidiaries, please refer to Note XIII (Table 7).
- (2) The summarized financial information is as follows:

Item(s)	Southeast Topgood Resources Recycling Co., Ltd.		
	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ 282,803	\$ 216,860	\$ 117,136
Non-current assets	807,776	746,335	633,910
Current liabilities	307,699	281,885	177,247
Non-current liabilities	582,150	524,540	446,402
Equity	<u>\$ 200,730</u>	<u>\$ 156,770</u>	<u>\$ 127,397</u>

Item(s)	Southeast Milo International Co., Ltd.		
	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ 16,686	\$ 54,118	\$ 118,423
Non-current assets	2,683,112	2,649,597	2,553,198
Current liabilities	64,244	51,475	407
Non-current liabilities	2,606,883	2,633,018	2,669,121
Equity	<u>\$ 28,671</u>	<u>\$ 19,222</u>	<u>\$ 2,093</u>

A. Statements of comprehensive income:

	Southeast Topgood Resources Recycling Co., Ltd.	
	From April to June 2024	From April to June 2023
Revenues	<u>\$ 162,172</u>	<u>\$ 64,992</u>
Profit (loss)	\$ 14,684	\$ (1,370)
Other comprehensive income (net of tax)	-	-
Total comprehensive income	<u>\$ 14,684</u>	<u>\$ (1,370)</u>
Net profit attributable to non-controlling interests	<u>\$ 7,195</u>	<u>\$ (672)</u>
Comprehensive income attributable to non-controlling interests	<u>\$ 7,195</u>	<u>\$ (672)</u>
Dividends paid to non-controlling interests	<u>\$ -</u>	<u>\$ -</u>

Southeast Topgood Resources Recycling Co., Ltd.		
	From January to June 2024	From January to June 2023
Revenues	\$ 345,385	\$ 110,880
Profit (loss)	\$ 43,961	\$ (9,873)
Other comprehensive income (net of tax)	-	-
Total comprehensive income	\$ 43,961	\$ (9,873)
Net profit attributable to non-controlling interests	\$ 21,541	\$ (4,838)
Comprehensive income attributable to non-controlling interests	\$ 21,541	\$ (4,838)
Dividends paid to non-controlling interests	\$ -	\$ -

Southeast Milo International Co., Ltd.		
	From April to June 2024	From April to June 2023
Revenues	\$ 24,934	\$ 32,031
Profit (loss)	\$ 4,833	\$ (1,712)
Other comprehensive income (net of tax)	-	-
Total comprehensive income	\$ 4,833	\$ (1,712)
Net profit attributable to non-controlling interests	\$ 2,368	\$ (839)
Comprehensive income attributable to non-controlling interests	\$ 2,368	\$ (839)
Dividends paid to non-controlling interests	\$ -	\$ -

Southeast Milo International Co., Ltd.		
	From January to June 2024	From January to June 2023
Revenues	\$ 49,696	\$ 53,385
Profit (loss)	\$ 9,449	\$ (23,698)
Other comprehensive income (net of tax)	-	-
Total comprehensive income	\$ 9,449	\$ (23,698)
Net profit attributable to non-controlling interests	\$ 4,630	\$ (11,612)
Comprehensive income attributable to non-controlling interests	\$ 4,630	\$ (11,612)
Dividends paid to non-controlling interests	\$ -	\$ -

B. Statements of cash flow:

	Southeast Topgood Resources Recycling Co., Ltd.	
	From January to June 2024	From January to June 2023
Net cash flows from (used in) operating activities	\$ 66,590	\$ (9,727)
Net cash flows from (used in) investing activities	(89,362)	(145,238)
Net cash flows from (used in) financing activities	16,490	163,522
Net increase (decrease) in cash and cash equivalents	\$ (6,282)	\$ 8,557
Cash and cash equivalents at beginning of period	9,071	4,234
Cash and cash equivalents at end of period	<u>\$ 2,789</u>	<u>\$ 12,791</u>

	Southeast Milo International Co., Ltd.	
	From January to June 2024	From January to June 2023
Net cash flows from (used in) operating activities	\$ 11,894	\$ (22,009)
Net cash flows from (used in) investing activities	-	-
Net cash flows from (used in) financing activities	(13,356)	22,681
Net increase (decrease) in cash and cash equivalents	\$ (1,462)	\$ 672
Cash and cash equivalents at beginning of period	10,138	1,207
Cash and cash equivalents at end of period	<u>\$ 8,676</u>	<u>\$ 1,879</u>

(IV) Income tax

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

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

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

VI. Descriptions of Material Accounting Items

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

(I) Cash and cash equivalents

Item(s)	June 30, 2024	December 31, 2023	June 30, 2023
Cash	\$ 697	\$ 534	\$ 482
Checking account deposits	3,194	3,351	4,127
Demand deposits	111,814	172,239	129,071
Cash equivalents			
Short-term notes and bills due within three months of the original maturity date	150,422	111,763	137,739
Total	<u>\$ 266,127</u>	<u>\$ 287,887</u>	<u>\$ 271,419</u>

1. The Group maintains good credit relationships with financial institutions, and transactions with multiple financial institutions are conducted to diversify credit risk, thereby minimizing the likelihood of default.
2. The Group has not pledged any cash and cash equivalents.

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

Item(s)	June 30, 2024	December 31, 2023	June 30, 2023
Non-derivative financial assets			
Listed shares	\$ 161,012	\$ 156,532	\$ 163,902
Open-ended funds and ETFs	35,265	66,830	267,740
Bonds	23,238	17,996	17,499
Total	<u>\$ 219,515</u>	<u>\$ 241,358</u>	<u>\$ 449,141</u>

1. The net gains (losses) recognized by the Group from April to June, 2024 and 2023, and from January to June, 2024 and 2023 were NT\$12,436 thousand, NT\$10,458 thousand, NT\$6,284 thousand and NT\$21,953 thousand, respectively.
2. The Group has not provided any pledges for financial assets at fair value through profit or loss.
3. For more details on the related credit risk management and evaluation methods, please refer to Note XII.

(III) Notes receivable, net

Item(s)	June 30, 2024	December 31, 2023	June 30, 2023
Measured at amortized cost			
Total book value	\$ 220,441	\$ 239,231	\$ 277,437
Less: Loss allowance	(142)	(187)	(3,194)
Notes receivable, net	<u>\$ 220,299</u>	<u>\$ 239,044</u>	<u>\$ 274,243</u>

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

(IV) Accounts receivable, net

Item(s)	June 30, 2024	December 31, 2023	June 30, 2023
Measured at amortized cost			
Total book value	\$ 415,787	\$ 323,435	\$ 169,779
Less: Loss allowance	(329)	(331)	(641)
Accounts receivable, net	<u>\$ 415,458</u>	<u>\$ 323,104</u>	<u>\$ 169,138</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:

June 30, 2024	Expected credit loss rate	Total book value	Loss allowance (lifetime expected credit loss)	Amortized cost
Not overdue	0%-2%	\$ 711,838	\$ (222)	\$ 711,616
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>\$ 712,138</u>	<u>\$ (522)</u>	<u>\$ 711,616</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>

June 30, 2023	Expected credit loss rate	Total book value	Loss allowance (lifetime expected credit loss)	Amortized cost
Not overdue	0%-2%	\$ 485,234	\$ (4,068)	\$ 481,166
Overdue 0-90 days	0%-5%	-	-	-
Overdue 91-180 days	0%-25%	-	-	-
Overdue 181-365 days	0%-50%	-	-	-
Overdue for more than 365 days	100%	63	(63)	-
Total		<u>\$ 485,297</u>	<u>\$ (4,131)</u>	<u>\$ 481,166</u>

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

Item(s)	From January to June 2024	From January to June 2023
Beginning balance	\$ 551	\$ 3,579
Add: Recognition of impairment losses	-	552
Less: Reversal of impairment losses	(29)	-
Ending balance	<u>\$ 522</u>	<u>\$ 4,131</u>

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

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

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

(V) Other receivables

Item(s)	June 30, 2024	December 31, 2023	June 30, 2023
Dividends receivable	\$ 10,569	\$ 256	\$ 9,195
Lease payments receivable	1,327	-	710
Interests receivable	63	225	382
Accounts receivable from sale of securities	-	-	2,100
Other receivable	857	508	1,039
Subtotal	12,816	989	13,426
Less: Loss allowance	-	-	-
Net	<u>\$ 12,816</u>	<u>\$ 989</u>	<u>\$ 13,426</u>

- The composition of lease payments receivable is as follows:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Undiscounted lease payments			
Year 1	\$ 1,428	\$ -	\$ 714
Year 2	1,428	-	-
Year 3	1,428	-	-
Year 4	1,428	-	-
Year 5	714	-	-
Total	<u>\$ 6,426</u>	<u>\$ -</u>	<u>\$ 714</u>
Less: Unearned finance income	(269)	-	(4)
Less: Loss allowance	-	-	-
Lease payments receivable	<u>\$ 6,157</u>	<u>\$ -</u>	<u>\$ 710</u>
Unguaranteed residual value	\$ -	\$ -	\$ -
Less: Unearned finance income	-	-	-
Present value of unguaranteed residual value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
The net amount of lease investments listed as finance lease receivable.	<u><u>\$ 6,157</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 710</u></u>
Lease payments receivable (recorded under other receivables)	<u><u>\$ 1,327</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 710</u></u>
Long-term lease payments receivable (recorded under other non-current assets)	<u><u>\$ 4,830</u></u>	<u><u>\$ -</u></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.

(VI) Inventories and Cost of sales

Item(s)	June 30, 2024	December 31, 2023	June 30, 2023
Manufacturing Department:			
Primary fuel	\$ 11,643	\$ 9,180	\$ 17,329
Supplies	49	45	50,160
Work in process	-	-	15,370
Finished goods	32,667	26,285	83,972
Subtotal	44,359	35,510	166,831
Construction Division:			
Land construction	423,446	423,446	423,446
Available-for-sale real estate	291,158	-	-
Construction in progress	585,464	729,811	527,512
Subtotal	1,300,068	1,153,257	950,958
Total	\$ 1,344,427	\$ 1,188,767	\$ 1,117,789

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

Item(s)	From April to June 2024	From April to June 2023
Disposal of inventory cost	\$ 487,375	\$ 504,402
Other Cost of revenue	10,118	16,479
Loss for market price decline and obsolete and slow-moving inventories recognition (gain on reversal)	-	(3,642)
Subtotal for the manufacturing department	497,493	517,239
Cost of buildings and land sold	10,000	-
Total operating costs	\$ 507,493	\$ 517,239

Item(s)	From January to June 2024	From January to June 2023
Disposal of inventory cost	\$ 955,562	\$ 961,726
Other Cost of revenue	20,848	41,839
Loss for market price decline and obsolete and slow-moving inventories recognition (gain on reversal)	-	(7,181)
Subtotal for the manufacturing department	976,410	996,384
Cost of buildings and land sold	10,000	-
Total operating costs	\$ 986,410	\$ 996,384

2. The Group raised prices on some of its products and eliminated some of the excess inventory for the periods from April to June, 2024 and 2023 and from January to June, 2024 and 2023, and the net realizable value of inventory increased as a result; the amount of inventory devaluation losses (reversal gains) recognized in the respective periods were NT\$0 thousand, NT\$(3,642) thousand, NT\$0 thousand and NT\$(7,181) thousand, respectively.

3. The Group has not pledged any current inventories.

(VII) Prepayments

Item(s)	June 30, 2024	December 31, 2023	June 30, 2023
Prepayments for material purchases	\$ 18,750	\$ 11,611	\$ 27,165
Prepayments for insurance premiums	397	601	228
Offset against business tax Payable	57,683	50,813	36,707
Other prepaid	4,980	2,898	1,731
Total	<u>\$ 81,810</u>	<u>\$ 65,923</u>	<u>\$ 65,831</u>

(VIII) 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 available-for-sale assets - non-current. 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 available-for-sale assets - non-current amounted to NT\$167,435 thousand. As of August 12, 2024, the sale proceeds have been fully recovered.

(IX) Other financial assets - Current

Item(s)	June 30, 2024	December 31, 2023	June 30, 2023
Time deposits with an original maturity of more than 3 months:			
Time deposits in NT\$	\$ 59,000	\$ 30,107	\$ 1,107
Time deposits in foreign currency	51,387	63,522	62,280
Total	<u>\$ 110,387</u>	<u>\$ 93,629</u>	<u>\$ 63,387</u>
Interest rate range	<u>0.88%-5.53%</u>	<u>0.78%-5.35%</u>	<u>0.78%-4.05%</u>

(X) 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 April to June, 2024 and 2023 and from January to June, 2024 and 2023, were both NT\$0 thousand.

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

Item(s)	June 30, 2024	December 31, 2023	June 30, 2023
Non-current			
Equity instruments			
Domestic listed companies' stocks	\$ 264,554	\$ 281,446	\$ 281,444
Domestic unlisted company stocks	314,929	353,321	358,908
Subtotal	579,483	634,767	640,352
Valuation adjustment	970,399	787,029	737,542
Total	<u>\$ 1,549,882</u>	<u>\$ 1,421,796</u>	<u>\$ 1,377,894</u>

1. The Group invests in the stocks of domestic and foreign unlisted companies based on its medium to long-term strategic objectives, expecting to profit from long-term investments. The management of the Group believes that recognizing short-term fair value fluctuations of such investments in profit or loss is inconsistent with the long-term investment plan. Therefore, these investments are designated as financial assets measured at fair value through other comprehensive income.
2. From January to June, 2024 and 2023, the Group adjusted its investment positions to diversify risks and sold some stocks at fair value. The unrealized gains/(losses) of other equity investments measured at fair value through other comprehensive income were NT\$221 thousand and NT\$1,074 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 at fair value through other comprehensive income.

(XII) Investments accounted for using equity method

Investee	June 30, 2024	December 31, 2023	June 30, 2023
Significant associates:			
Taiwan Machinery Shipyard Co., Ltd.	\$ 340,621	\$ 330,462	\$ 327,819
Penghu Cable Television Co., Ltd.	119,556	122,850	116,974
Subtotal	460,177	453,312	444,793
Individual associates that are not significant	136,987	134,273	133,045
Total	<u>\$ 597,164</u>	<u>\$ 587,585</u>	<u>\$ 577,838</u>

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

Company Name	Shareholding Ratio		
	June 30, 2024	December 31, 2023	June 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.

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

A. Balance Sheet

Company Name	Taiwan Machinery Shipyard Co., Ltd.		
	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ 431,381	\$ 433,215	\$ 431,743
Non-current assets	1,221,531	1,180,388	1,170,903
Current liabilities	(452,703)	(401,879)	(435,056)
Non-current liabilities	(82,300)	(126,000)	(95,085)
Equity	<u>\$ 1,117,909</u>	<u>\$ 1,085,724</u>	<u>\$ 1,072,505</u>
Share of the associate's net assets	\$ 352,851	\$ 342,692	\$ 338,520
Unrealized gain (loss) on transactions with associates	(12,230)	(12,230)	(10,701)
Book value of associates	<u>\$ 340,621</u>	<u>\$ 330,462</u>	<u>\$ 327,819</u>

	Penghu Cable Television Co., Ltd.		
	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ 249,348	\$ 337,148	\$ 328,741
Non-current assets	124,057	122,977	116,487
Current liabilities	(42,289)	(120,666)	(119,259)
Non-current liabilities	(32,226)	(32,333)	(33,535)
Equity	<u>\$ 298,890</u>	<u>\$ 307,126</u>	<u>\$ 292,434</u>
Share of the associate's net assets	\$ 119,556	\$ 122,850	\$ 116,974
Book value of associates	<u>\$ 119,556</u>	<u>\$ 122,850</u>	<u>\$ 116,974</u>

B. Statement of Comprehensive Income

Taiwan Machinery Shipyard Co., Ltd.		
	From April to June 2024	From April to June 2023
Operating revenue	\$ -	\$ -
Profit (loss)	\$ (4,723)	\$ 1,611
Other comprehensive income (net of tax)	36,741	11,281
Total comprehensive income	\$ 32,018	\$ 12,892
Dividends received from the associates	\$ -	\$ -

Taiwan Machinery Shipyard Co., Ltd.		
	From January to June 2024	From January to June 2023
Operating revenue	\$ -	\$ -
Profit (loss)	\$ (9,493)	\$ (2,248)
Other comprehensive income (net of tax)	41,679	10,483
Total comprehensive income	\$ 32,186	\$ 8,235
Dividends received from the associates	\$ -	\$ -

Penghu Cable Television Co., Ltd.		
	From April to June 2024	From April to June 2023
Operating revenue	\$ 26,751	\$ 28,277
Profit (loss)	\$ 6,497	\$ 7,022
Other comprehensive income (net of tax)	(49)	(543)
Total comprehensive income	\$ 6,448	\$ 6,479
Dividends received from the associates	\$ 8,000	\$ 24,000

Penghu Cable Television Co., Ltd.		
	From January to June 2024	From January to June 2023
Operating revenue	\$ 52,900	\$ 55,195
Profit (loss)	\$ 12,448	\$ 13,484
Other comprehensive income (net of tax)	(684)	(260)
Total comprehensive income	\$ 11,764	\$ 13,224
Dividends received from the associates	\$ 8,000	\$ 24,000

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

	From April to June 2024	From April to June 2023
Share entitled:		
Profit (loss)	\$ 844	\$ (531)
Other comprehensive income (net of tax)	557	(44)
Total comprehensive income	<u>\$ 1,401</u>	<u>\$ (575)</u>

	From January to June 2024	From January to June 2023
Share entitled:		
Profit (loss)	\$ 4,779	\$ 1,545
Other comprehensive income (net of tax)	391	(71)
Total comprehensive income	<u>\$ 5,170</u>	<u>\$ 1,474</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 June, 2024 and 2023, using financial statements of the respective associated companies for the corresponding periods that were not reviewed by auditors.
4. As of June 30, 2024, December 31, 2023, and June 30, 2023, the investments accounted for using the equity method by the Group were not pledged.

(XIII) Property, plants and equipment

Item(s)	June 30, 2024	December 31, 2023	June 30, 2023
Land	\$ 346,728	\$ 346,728	\$ 346,728
Buildings and structures	321,189	382,316	347,643
Machinery and equipment,	998,099	996,821	830,627
Transportation equipment	53,862	45,475	40,345
Other facilities	67,888	67,888	63,550
Equipment under acceptance and unfinished projects	322,695	239,619	308,468
Total Cost	<u>2,110,461</u>	<u>2,078,847</u>	<u>1,937,361</u>
Less: Accumulated depreciation	(1,030,037)	(1,064,196)	(1,079,220)
Accumulated impairment	(30,326)	(34,568)	(12,204)
Total	<u>\$ 1,050,098</u>	<u>\$ 980,083</u>	<u>\$ 845,937</u>

						Equipment under acceptance and unfinished projects	
	Land	Buildings and structures	Machinery and equipment,	Transportation equipment	Other facilities		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	-	-	-	-	-	124,782	124,782
Inventory transfers	-	-	-	-	-	2,889	2,889
Disposal	-	(63,467)	-	(375)	-	-	(63,842)
Reclassification	-	2,340	1,278	8,762	-	(12,380)	-
Transferred to investment property	-	-	-	-	-	(31,263)	(31,263)
Reclassified to refundable deposits	-	-	-	-	-	(952)	(952)
Balance as of June 30, 2024	<u>\$ 346,728</u>	<u>\$ 321,189</u>	<u>\$ 998,099</u>	<u>\$ 53,862</u>	<u>\$ 67,888</u>	<u>\$ 322,695</u>	<u>\$ 2,110,461</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	-	4,129	15,845	3,854	1,539	-	25,367
Disposal	-	(63,467)	-	(301)	-	-	(63,768)
Balance as of June 30, 2024	<u>\$ -</u>	<u>\$ 232,604</u>	<u>\$ 766,877</u>	<u>\$ 19,041</u>	<u>\$ 41,841</u>	<u>\$ -</u>	<u>\$ 1,060,363</u>

						Equipment under acceptance and unfinished projects	
	Land	Buildings and structures	Machinery and equipment,	Transportation equipment	Other facilities		Total
<u>Cost</u>							
Balance as of January 1, 2023	\$ 913,828	\$ 425,687	\$ 1,029,857	\$ 40,345	\$ 63,422	\$ 202,724	\$ 2,675,863
Addition	300	-	-	-	128	162,372	162,800
Disposal	-	(15,038)	-	-	-	-	(15,038)
Transferred to expenses	-	-	(553)	-	-	-	(553)
Reclassification	14,000	14,955	30,531	-	-	(59,486)	-
Transfer of right-of-use assets	-	-	-	-	-	2,858	2,858
Transferred to available-for-sale assets - non-current	(581,400)	(77,961)	(229,208)	-	-	-	(888,569)
Reclassified to refundable deposits	-	-	-	-	-	-	-
Balance as of June 30, 2023	<u>\$ 346,728</u>	<u>\$ 347,643</u>	<u>\$ 830,627</u>	<u>\$ 40,345</u>	<u>\$ 63,550</u>	<u>\$ 308,468</u>	<u>\$ 1,937,361</u>
<u>Accumulated Depreciation and Impairment</u>							
Balance as of January 1, 2023	\$ -	\$ 312,005	\$ 719,760	\$ 25,954	\$ 37,800	\$ -	\$ 1,095,519
Depreciation expense	-	2,095	5,950	1,684	1,214	-	10,943
disposal	-	(15,038)	-	-	-	-	(15,038)
Balance as of June 30, 2023	<u>\$ -</u>	<u>\$ 299,062</u>	<u>\$ 725,710</u>	<u>\$ 27,638</u>	<u>\$ 39,014</u>	<u>\$ -</u>	<u>\$ 1,091,424</u>

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

Item(s)	From January to June 2024	From January to June 2023
Increase in property, plant and equipment	\$ 124,782	\$ 162,800
Increase or decrease in payable for machinery and equipment purchase	(19,029)	11,297
Cash paid for the purchase of property, plant and equipment	<u>\$ 105,753</u>	<u>\$ 174,097</u>

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

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

(XIV) Lease Agreement

1. Right-of-use assets

Item(s)	June 30, 2024	December 31, 2023	June 30, 2023
Land	\$ 357,075	\$ 444,571	\$ 473,408
Buildings	499,462	499,255	500,679
Transportation equipment	10,447	6,060	5,493
Total cost	866,984	949,886	979,580
Less: Accumulated depreciation	(247,028)	(322,057)	(285,669)
Accumulated impairment	-	-	-
Net	<u>\$ 619,956</u>	<u>\$ 627,829</u>	<u>\$ 693,911</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	4,387	29,681
Decrease in this period	(112,583)	-	-	(112,583)
Balance as of June 30, 2024	<u>\$ 357,075</u>	<u>\$ 499,462</u>	<u>\$ 10,447</u>	<u>\$ 866,984</u>
Accumulated Depreciation and Impairment				
Balance as of January 1, 2024	\$ 270,273	\$ 49,723	\$ 2,061	\$ 322,057
Depreciation expense	13,517	11,109	1,370	25,996
Decrease in this period	(101,025)	-	-	(101,025)
Balance as of June 30, 2024	<u>\$ 182,765</u>	<u>\$ 60,832</u>	<u>\$ 3,431</u>	<u>\$ 247,028</u>

Costs	Land	Buildings	Transportation equipment	Total
Balance as of January 1, 2023	\$ 482,487	\$ 475,149	\$ 6,372	\$ 964,008
Increase in this period	-	28,388	3,340	31,728
Decrease in this period	(9,079)	-	(4,219)	(13,298)
Reclassified to property, plant and equipment	-	(2,858)	-	(2,858)
Balance as of June 30, 2023	<u>\$ 473,408</u>	<u>\$ 500,679</u>	<u>\$ 5,493</u>	<u>\$ 979,580</u>
Accumulated Depreciation and Impairment				
Balance as of January 1, 2023	\$ 219,881	\$ 27,103	\$ 4,296	\$ 251,280
Depreciation expense	26,194	11,377	1,037	38,608
Decrease in this period	-	-	(4,219)	(4,219)
Balance as of June 30, 2023	<u>\$ 246,075</u>	<u>\$ 38,480</u>	<u>\$ 1,114</u>	<u>\$ 285,669</u>

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

Item(s)	From January to June 2024	From January to June 2023
Increase in right-of-use assets	\$ 29,681	\$ 31,728
Increase in lease liabilities	(29,474)	(3,340)
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>\$ 29,221</u>

3. Lease liabilities

Item(s)	June 30, 2024	December 31, 2023	June 30, 2023
Book value of lease liabilities			
Current	<u>\$ 41,374</u>	<u>\$ 38,976</u>	<u>\$ 66,609</u>
Non-current	<u>\$ 502,794</u>	<u>\$ 504,194</u>	<u>\$ 544,944</u>

The discount rate range of lease liabilities is as follows:

Item(s)	June 30, 2024	December 31, 2023	June 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%-2.03%
Transportation equipment	1.72%-2.27%	1.16%-2.13%	1.16%-2.03%

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

4. Significant Leasing Activities and Terms

The Group leases several pieces of land, buildings, and transportation equipment for operations, factories, and external roads. The lease term is 3-20 years. Some leases include renewal options upon expiration, while others are based on segmented values and rates according to the leased land area or calculated based on the current land value announced for the year. The Group has included the renewal right of the lease that is due to expire in the lease liabilities. Furthermore, according to the terms of the contract, the Group may not sublease the leased asset to another party. As of June 30, 2024, December 31, 2023, and June 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 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 April to June, 2024 and 2023, and from January to June, 2024 and 2023 were NT\$30 thousand, NT\$4 thousand, NT\$59 thousand and NT\$8 thousand, respectively.

6. Other lease information

- (1) The Group leases investment properties on an operating lease basis, please refer to Note VI (XV) for details.
- (2) Information related to lease expenses for the current period is as follows:

Item(s)	From April to June 2024	From April to June 2023
Short-term lease expenses	\$ 4,130	\$ 187
Leasing Expenses for Low-value Assets	\$ -	\$ -
Changes in rental payment expenses not included in the measurement of lease liabilities	\$ 25,428	\$ 19,609
Total cash outflow from leases (Note)	\$ (41,356)	\$ (30,916)

Item(s)	From January to June 2024	From January to June 2023
Short-term lease expenses	\$ 8,799	\$ 472
Leasing Expenses for Low-value Assets	\$ -	\$ -
Changes in rental payment expenses not included in the measurement of lease liabilities	\$ 47,624	\$ 19,609
Total cash outflow from leases (Note)	\$ (71,464)	\$ (38,335)

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

(XV) Investment property

Item(s)	June 30, 2024	December 31, 2023	June 30, 2023
Land	\$ 5,728,736	\$ 5,582,213	\$ 5,530,920
Houses, 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	(108,628)	(106,889)	(105,150)
Accumulated impairment	-	-	-
Net	<u>\$ 5,776,083</u>	<u>\$ 5,631,299</u>	<u>\$ 5,580,003</u>

	Land	Houses, 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	-	-	-	-
Transferred to property, plants and equipment	31,263	-	-	31,263
Balance as of June 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	-	1,739	-	1,739
disposal	-	-	-	-
Balance as of June 30, 2024	<u>\$ -</u>	<u>\$ 108,628</u>	<u>\$ -</u>	<u>\$ 108,628</u>

	Land	Houses, buildings and equipment	Investment property under construction	Total
<u>Costs</u>				
Balance as of January 1, 2023	\$ 5,239,193	\$ 759,818	\$ -	\$ 5,999,011
Addition	291,727	-	-	291,727
disposal	-	(605,585)	-	(605,585)
Balance as of June 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 as of January 1, 2023	\$ -	\$ 708,996	\$ -	\$ 708,996
Depreciation expense	-	1,739	-	1,739
disposal	-	(605,585)	-	(605,585)
Balance as of June 30, 2023	<u>\$ -</u>	<u>\$ 105,150</u>	<u>\$ -</u>	<u>\$ 105,150</u>

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

Item(s)	From April to June 2024	From April to June 2023
Lease income from investment property	<u>\$ 39,541</u>	<u>\$ 41,099</u>
Direct operating expenses incurred on investment property that generated lease income in the current period	<u>\$ 9,887</u>	<u>\$ 12,174</u>
Direct operating expenses incurred on investment property that did not generate lease income in the current period.	<u>\$ 92</u>	<u>\$ 94</u>

Item(s)	From January to June 2024	From January to June 2023
Lease income from investment property	<u>\$ 79,619</u>	<u>\$ 71,807</u>
Direct operating expenses incurred on investment property that generated lease income in the current period	<u>\$ 20,829</u>	<u>\$ 34,915</u>
Direct operating expenses incurred on investment property that did not generate lease income in the current period.	<u>\$ 186</u>	<u>\$ 188</u>

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

	Total significant lease payments		
	June 30, 2024	December 31, 2023	June 30, 2023
Year 1	\$ 3,590	\$ 3,573	\$ 3,521
Year 2	3,590	3,590	3,590
Year 3	3,626	3,590	3,590
Year 4	3,698	3,680	3,626
Year 5	3,698	3,698	3,698
More than 5 years	25,662	27,511	29,360
Total	<u>\$ 43,864</u>	<u>\$ 45,642</u>	<u>\$ 47,385</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)	June 30, 2024	December 31, 2023	June 30, 2023
Fair value	<u>\$ 18,096,246</u>	<u>\$ 17,949,724</u>	<u>\$ 18,339,079</u>

4. As of June 30, 2024, December 31, 2023, and June 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 April to June, 2024 and 2023 and from January to June, 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 |
|--------------------------|------------|

(XVI) Refundable Deposits

Item(s)	June 30, 2024	December 31, 2023	June 30, 2023
Mining deposits	\$ 562	\$ 562	\$ 562
Lease deposit	20,621	19,692	19,502
Membership deposit	165	165	165
Other deposits	12,294	15,712	2,216
Total	<u>\$ 33,642</u>	<u>\$ 36,131</u>	<u>\$ 22,445</u>

(XVII) Short-term loans

Nature of loans	June 30, 2024	
	Amount	Interest rate
Mortgage loans	\$ 670,000	1.87%-1.87622%
Credit loans	550,000	1.77%-1.87%
Total	<u>\$ 1,220,000</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	June 30, 2023	
	Amount	Interest rate
Mortgage loans	\$ 1,370,000	1.65%-1.75%
Credit loans	580,000	1.65%-1.753%
Total	<u>\$ 1,950,000</u>	

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

(XVIII) Short-term notes payable

Item(s)	June 30, 2024	December 31, 2023	June 30, 2023
Commercial papers payable	\$ 150,000	\$ 295,000	\$ 142,000
Less: Unamortized discount	(225)	(205)	(232)
Net	<u>\$ 149,775</u>	<u>\$ 294,795</u>	<u>\$ 141,768</u>
Interest rate range	<u>2.30%</u>	<u>1.758%-2.22%</u>	<u>2.213%-2.275%</u>

(XIX) Contract liabilities

Item(s)	June 30, 2024	December 31, 2023	June 30, 2023
To-be-recognized cement expenses	\$ 26,563	\$ 43,573	\$ 33,857
Advance receipts from sale of goods and property	84,455	108	217
Total	<u>\$ 111,018</u>	<u>\$ 43,681</u>	<u>\$ 34,074</u>

(XX) Other payables

Item(s)	June 30, 2024	December 31, 2023	June 30, 2023
Salary and bonus payable	\$ 9,321	\$ 17,852	\$ 10,991
Goods tax payable		-	7,375
Utility payable	1,859	1,057	7,555
Tax payable	17,188	5,536	22,628
Payable on machinery and equipment - property, plant and equipment	24,109	5,080	1,150
Payable on machinery and equipment - Right-of-use assets	-	233	-
Compensation due to employees and directors - current period	5,412	13,403	6,075
Compensation due to employees and directors - previous period	13,352	-	9,594
Dividends payable	114,400	-	57,200
Accrued factory demolition expenses	37,794	55,580	-
Others	46,824	42,904	31,009
Total	<u>\$ 270,259</u>	<u>\$ 141,645</u>	<u>\$ 153,577</u>

(XXI) Provisions-Current

Item(s)	June 30, 2024	December 31, 2023	June 30, 2023
Employee benefits/welfare	<u>\$ 1,621</u>	<u>\$ 1,769</u>	<u>\$ 1,605</u>

Item(s)	Employee benefits/welfare	
	From January to June 2024	From January to June 2023
Balance as of January 1	\$ 1,769	\$ 1,441
Current additions to provisions	734	882
Current use of provisions	(882)	(718)
Balance as of June 30	<u>\$ 1,621</u>	<u>\$ 1,605</u>

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

(XXII) Pension expense

1. At the end of 2004, the Group implemented voluntary retirement and resignation proceedings for employees in accordance with the Labor Standards Act. Since July 1, 2005, the Group has established a defined contribution retirement plan in accordance with the "Labor Pension Act," applicable to local employees. Regarding the portion of the employee retirement pension system under the "Labor Retirement Pension Act" chosen by employees, the Group contributes 6% of the salary monthly to the employees' individual accounts at the Labor Insurance Bureau. The payment of employee retirement benefits is made either on a monthly basis or as a lump sum, depending on the amount in the employees' individual retirement accounts and accumulated earnings.
2. The Group recognized retirement benefit costs in accordance with the above pension act, amounting to aforementioned NT\$948 thousand, NT\$1,064 thousand, NT\$1,747 thousand and NT\$2,050 thousand for the periods from April to June, 2024 and 2023 and from January to June, 2024 and 2023, respectively.

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

<u>Lending institution</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Credit loans	\$ 329,805	\$ 265,900	\$ 183,400
Less: long-term liabilities due within one year	-	-	-
Long-term loans	<u>\$ 329,805</u>	<u>\$ 265,900</u>	<u>\$ 183,400</u>
Interest rate range	<u>2.22%</u>	<u>2.095%</u>	<u>2.095%</u>

(XXIV) Deposits received

<u>Item(s)</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Lease deposit	\$ 7,218	\$ 8,552	\$ 8,546
Cement deposit	2,882	2,882	3,282
Others	4,897	4,897	-
Total	<u>\$ 14,997</u>	<u>\$ 16,331</u>	<u>\$ 11,828</u>

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

(XXV) Capital stock

	From January to June 2024		From January to June 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	-	-	-	-
June 30	<u>572,000</u>	<u>\$ 5,720,008</u>	<u>572,000</u>	<u>\$ 5,720,008</u>

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

(XXVI) Capital surplus

Item(s)	June 30, 2024	December 31, 2023	June 30, 2023
Additional paid-in capital	\$ 118,316	\$ 118,316	\$ 118,316
Treasury share transactions	67,161	67,161	67,056
Recognized due to investments accounted for using equity method	<u>3,211</u>	<u>3,211</u>	<u>3,211</u>
Total	<u>\$ 188,688</u>	<u>\$ 188,688</u>	<u>\$ 188,583</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.

(XXVII) 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.

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

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

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

Note: The reconciliation of the dividends distributed by resolution and the distribution of cash dividends on the cash flow statement is as follows:

Item(s)	From January to June 2024	From January to June 2023
Cash dividends for the period	\$ 114,400	\$ 57,200
Increase/ decrease in cash dividends payable	(114,400)	(57,200)
Cash paid for the dividends for the period	<u>\$ -</u>	<u>\$ -</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.

(XXVIII) Special reserves

Item(s)	June 30, 2024	December 31, 2023	June 30, 2023
Reserve for factory construction	\$ -	\$ 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. Plant construction reserve is a special surplus reserve set aside by the Company in 1994, resolved by the shareholders' meeting to prepare for the construction of plants domestically or overseas. In June 2024, the shareholders' meeting resolved to activate the development of investment properties. The Company then changed the original "Special Reserve - Factory Construction Provision" 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 surplus 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 surplus reserve was NT\$319,012 thousand.
3. The special reserve provisioned due to the initial adoption of IFRSs, as described above, may be reversed to retained earnings at a proportionate rate upon subsequent disposal, use, or reclassification of related assets by the Company. As of June 30, 2024, NT\$8,094 thousand was reversed from the initially provisioned special reserve to retained earnings due to the disposal of investment properties.

(XXIX) Total other equity interest

Item(s)	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	
	From January to June 2024	From January to June 2023
Beginning balance	\$ 723,623	\$ 523,949
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	183,591	145,030
Disposal of investments in equity instruments designated at fair value through other comprehensive income	(221)	(1,074)
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	13,199	3,162
Ending balance	<u>\$ 920,192</u>	<u>\$ 671,067</u>

(XXX) Treasury shares

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

January to June 2024:

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

January to June 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 June 30, 2024, December 31, 2023, and June 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\$44,581 thousand, NT\$39,722 thousand, and NT\$40,673 thousand as of June 30, 2024, December 31, 2023, and June 30, 2023, respectively. Shares of the parent company held by subsidiaries are treated as treasury stock and retain dividend entitlements.

(XXXI) Controlling interests

Item(s)	From January to June 2024	From January to June 2023
Beginning balance	\$ 101,628	\$ 94,962
Portion attributable to non-controlling interests:		
Net profit for the current year	26,284	(16,236)
Other comprehensive income for the current year	73	(28)
Increase (decrease) in non-controlling interests	(166)	-
Ending balance	\$ 127,819	\$ 78,698

(XXXII) Operating revenue

Item(s)	From April to June 2024	From April to June 2023
Revenue from customer contracts		
Sales revenue	\$ 548,225	\$ 574,301
Revenue of buildings and land sold	17,139	-
Total sales revenue from customer contracts	\$ 565,364	\$ 574,301
Less: Sales discounts and allowances	(285)	(17)
Net operating revenue from customer contracts	\$ 565,079	\$ 574,284
Rental revenue	39,541	41,099
Operating revenue, net	<u>\$ 604,620</u>	<u>\$ 615,383</u>

Item(s)	From January to June 2024	From January to June 2023
Revenue from customer contracts		
Sales revenue	\$ 1,085,236	\$ 1,071,676
Revenue of buildings and land sold	17,139	-
Total sales revenue from customer contracts	\$ 1,102,375	\$ 1,071,676
Less: Sales discounts and allowances	(478)	(46)
Net operating revenue from customer contracts	\$ 1,101,897	\$ 1,071,630
Rental revenue	79,619	71,807
Operating revenue, net	<u>\$ 1,181,516</u>	<u>\$ 1,143,437</u>

1. Description of customer contracts

(1) Sales revenue

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

2. 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 April to June 2024	From April to June 2023
Taiwan	<u>\$ 565,079</u>	<u>\$ 574,284</u>
Main product line		
Cement	\$ 329,900	\$ 439,483
Hearthstone powder	55,868	67,944
Current raw materials	-	1,865
Ready-mixed concrete	162,172	64,992
Land and houses	17,139	-
Total	<u>\$ 565,079</u>	<u>\$ 574,284</u>
Time of Revenue Recognition		
Fulfillment of obligations at a specific point in time	\$ 565,079	\$ 574,284
Gradually fulfillment of obligations over time	-	-
Total	<u>\$ 565,079</u>	<u>\$ 574,284</u>

Main Regional Markets	From January to June 2024	From January to June 2023
Taiwan	\$ 1,101,897	\$ 1,071,630
Main Product Line		
Cement	\$ 637,719	\$ 838,046
Hearthstone powder	101,714	120,615
Current raw materials	-	2,090
Ready-mixed concrete	345,325	110,879
Land and houses	17,139	-
Total	\$ 1,101,897	\$ 1,071,630
Time of Revenue Recognition		
Fulfillment of obligations at a specific point in time	\$ 1,101,897	\$ 1,071,630
Gradually fulfillment of obligations over time	-	-
Total	\$ 1,101,897	\$ 1,071,630

3. Contract balance

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

Item(s)	June 30, 2024	December 31, 2023	June 30, 2023
Receivables	\$ 698,800	\$ 604,211	\$ 467,740
Contract liabilities- Current	\$ 111,018	\$ 43,681	\$ 34,074

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 June 2024	From January to June 2023
From the beginning of period contract liabilities	\$ 37,404	\$ 15,874
From the performance obligations that have been satisfactorily fulfilled in previous periods	\$ -	\$ -

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

Category	From April to June 2024		
	Recognized in operating costs	Recognized in operating expenses	Total
Employee benefits expenses			
Salary expenses	\$ 7,722	\$ 16,539	\$ 24,261
Labor and health insurance expense	757	1,164	1,921
Pension expense	401	547	948
Other employee benefits expense	1,795	1,100	2,895
Depreciation expense	24,981	1,452	26,433
Amortization expense	-	6	6
Total	<u>\$ 35,656</u>	<u>\$ 20,808</u>	<u>\$ 56,464</u>

Category	From April to June 2023		
	Recognized in operating costs	Recognized in operating expenses	Total
Employee benefits expenses			
Salary expenses	\$ 14,170	\$ 15,266	\$ 29,436
Labor and health insurance expense	1,055	1,236	2,291
Pension expense	576	488	1,064
Other employee benefits expense	2,323	950	3,273
Depreciation expense	15,262	10,496	25,758
Amortization expense	-	8	8
Total	<u>\$ 33,386</u>	<u>\$ 28,444</u>	<u>\$ 61,830</u>

Category	From January to June 2024		
	Recognized in operating costs	Recognized in operating expenses	Total
Employee benefits expenses			
Salary expenses	\$ 14,710	\$ 32,594	\$ 47,304
Labor and health insurance expense	1,321	2,388	3,709
Pension expense	764	983	1,747
Other employee benefits expense	3,404	1,765	5,169
Depreciation expense	50,472	2,630	53,102
Amortization expense	-	14	14
Total	<u>\$ 70,671</u>	<u>\$ 40,374</u>	<u>\$ 111,045</u>

Category	From January to June 2023		
	Recognized in operating costs	Recognized in operating expenses	Total
Employee benefits expenses			
Salary expenses	\$ 26,950	\$ 27,817	\$ 54,767
Labor and health insurance expense	2,121	2,573	4,694
Pension expense	1,181	869	2,050
Other employee benefits expense	4,386	1,389	5,775
Depreciation expense	29,636	21,654	51,290
Amortization expense	-	15	15
Total	<u>\$ 64,274</u>	<u>\$ 54,317</u>	<u>\$ 118,591</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 was NT\$1,461 thousand, NT\$1,708 thousand, NT\$2,165 thousand and NT\$2,430 thousand; and the director remuneration was NT\$2,190 thousand, NT\$2,562 thousand, NT\$3,247 thousand and NT\$3,645 thousand from April to June, 2024 and 2023, and from January to June, 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	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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.

(XXXIV) Interest income

Item(s)	From April to June 2024	From April to June 2023
Interest income		
Interest income from bank deposits	\$ 1,269	\$ 666
Interest income on lease payments receivable	30	3
Others interest	333	500
Total	<u>\$ 1,632</u>	<u>\$ 1,169</u>

Item(s)	From January to June 2024	From January to June 2023
Interest income		
Interest income from bank deposits	\$ 2,281	\$ 2,246
Interest income on lease payments receivable	59	8
Others interest	596	500
Total	<u>\$ 2,936</u>	<u>\$ 2,754</u>

(XXXV) Other income

Item(s)	From April to June 2024	From April to June 2023
Income from sale of electricity	\$ 779	\$ 538
Dividend income	11,311	15,029
Others	3,091	1,965
Total	<u>\$ 15,181</u>	<u>\$ 17,532</u>

Item(s)	From January to June 2024	From January to June 2023
Income from sale of electricity	\$ 1,286	\$ 941
Dividend income	11,311	15,029
Others	4,199	3,575
Total	<u>\$ 16,796</u>	<u>\$ 19,545</u>

(XXXVI) Other gains and losses

Item(s)	From April to June 2024	From April to June 2023
Net (loss) gain on financial assets or liabilities measured at fair value through profit or loss	\$ 10,635	\$ 10,136
Gain (loss) on disposal of financial assets measured at fair value through profit or loss	1,801	322
Net foreign exchange gains (losses)	831	1,568
Profit from lease modification	1,679	194
Loss from idle venue	(8,746)	-
Other losses	(291)	(2,001)
(Loss) gain on disposal of property, plant and equipment	40	-
Total	<u>\$ 5,949</u>	<u>\$ 10,219</u>

Item(s)	From January to June 2024	From January to June 2023
Net (loss) gain on financial assets or liabilities measured at fair value through profit or loss	\$ 3,921	\$ 22,126
Gain (loss) on disposal of financial assets measured at fair value through profit or loss	2,363	(173)
Net foreign exchange gains (losses)	3,563	412
Profit from lease modification	1,877	572
Loss from idle venue	(18,412)	-
Other losses	(1,932)	(3,035)
(Loss) gain on disposal of property, plant and equipment	66	-
Total	<u>\$ (8,554)</u>	<u>\$ 19,902</u>

(XXXVII) Finance costs

Item(s)	From April to June 2024	From April to June 2023
Interest on bank loans	\$ 8,136	\$ 8,989
Interest on lease liabilities	1,652	1,716
Others interest	35	36
Subtotal	9,823	10,741
Less: Capitalized amount of assets that meet the criteria	-	-
Finance costs	<u>\$ 9,823</u>	<u>\$ 10,741</u>

Item(s)	From January to June 2024	From January to June 2023
Interest on bank loans	\$ 14,779	\$ 18,076
Interest on lease liabilities	3,334	3,480
Others interest	74	72
Subtotal	18,187	21,628
Less: Capitalized amount of assets that meet the criteria	-	-
Finance costs	<u>\$ 18,187</u>	<u>\$ 21,628</u>

(XXXVIII) Income tax

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

	From April to June 2024	From April to June 2023
<u>Current tax</u>		
Current income tax generated	\$ 3,589	\$ -
Tax from unappropriated retained earnings	1,000	-
Adjustments of income tax in previous years	169	-
Current total income tax	<u>\$ 4,758</u>	<u>\$ -</u>
<u>Deferred income tax</u>		
Temporary differences that originated and reversed	\$ 8,896	\$ 14,176
Total deferred income tax	<u>\$ 8,896</u>	<u>\$ 14,176</u>
Tax expense (income)	<u><u>\$ 13,654</u></u>	<u><u>\$ 14,176</u></u>
	From January to June 2024	From January to June 2023
<u>Current tax</u>		
Current income tax generated	\$ 7,714	\$ -
Tax from unappropriated retained earnings	1,000	-
Adjustments of income tax in previous years	169	(14)
Current total income tax	<u>\$ 8,883</u>	<u>\$ (14)</u>
<u>Deferred income tax</u>		
Temporary differences that originated and reversed	\$ 13,777	\$ 14,403
Total deferred income tax	<u>\$ 13,777</u>	<u>\$ 14,403</u>
Tax expense (income)	<u><u>\$ 22,660</u></u>	<u><u>\$ 14,389</u></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 provision whereby unappropriated retained earnings from 2018 onwards, reinvested in specific assets or technologies up to a certain amount, are deductible when calculating undistributed earnings. When calculating the tax on 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.

(XXXIX) Other comprehensive income

Item(s)	From April to June 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	\$ 104,817	\$ -	\$ 104,817
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	12,134	-	\$ 12,134
Recognized in other comprehensive income	<u>\$ 116,951</u>	<u>\$ -</u>	<u>\$ 116,951</u>

Item(s)	From April to June 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	\$ 101,899	\$ -	\$ 101,899
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	3,299	-	\$ 3,299
Recognized in other comprehensive income	<u>\$ 105,198</u>	<u>\$ -</u>	<u>\$ 105,198</u>

Item(s)	From January to June 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	\$ 183,591	\$ -	\$ 183,591
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	13,272	-	13,272
Recognized in other comprehensive income	<u>\$ 196,863</u>	<u>\$ -</u>	<u>\$ 196,863</u>

Item(s)	From January to June 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	\$ 145,030	\$ -	\$ 145,030
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	3,134	-	3,134
Recognized in other comprehensive income	<u>\$ 148,164</u>	<u>\$ -</u>	<u>\$ 148,164</u>

(XL) Earnings per ordinary share

Item(s)	From April to June 2024	From April to June 2023
A. Basic earnings per share:		
Net profit (loss) for the period	\$ 59,306	\$ 66,944
Weighted average number of shares outstanding for the current period (in thousands)	569,887	569,887
Basic earnings per share (after tax) (NT\$)	<u>\$ 0.10</u>	<u>\$ 0.12</u>
B. Diluted earnings per share:		
Net profit (loss) for the period	\$ 59,306	\$ 66,944
Effects of potential ordinary shares with dilutive effect	-	-
Profit for the year for calculating diluted earnings per share	<u>\$ 59,306</u>	<u>\$ 66,944</u>
Weighted average number of shares outstanding for the current period (in thousands)	569,887	569,887
Impact of employee remuneration (Note)	77	89
Weighted average outstanding shares (thousands) for calculation of diluted earnings per share	569,964	569,976
Diluted earnings per share (after tax) (NT\$)	<u>\$ 0.10</u>	<u>\$ 0.12</u>

Item(s)	From January to June 2024	From January to June 2023
A. Basic earnings per share:		
Net profit (loss) for the period	\$ 87,886	\$ 101,031
Weighted average number of shares outstanding for the current period (in thousands)	569,887	569,887
Basic earnings per share (after tax) (NT\$)	<u>\$ 0.15</u>	<u>\$ 0.18</u>
B. Diluted earnings per share:		
Net profit (loss) for the period	\$ 87,886	\$ 101,031
Effects of potential ordinary shares with dilutive effect	-	-
Profit for the year for calculating diluted earnings per share	<u>\$ 87,886</u>	<u>\$ 101,031</u>
Weighted average number of shares outstanding for the current period (in thousands)	569,887	569,887
Impact of employee remuneration (Note)	<u>240</u>	<u>238</u>
Weighted average outstanding shares (thousands) for calculation of diluted earnings per share	570,127	570,125
Diluted earnings per share (after tax) (NT\$)	<u>\$ 0.15</u>	<u>\$ 0.18</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

(I) Parent Company and Ultimate Controlling Party:

The Company is the ultimate controller of the Group.

(II) Name of the related party and the relationship

<u>Name of related party</u>	<u>Relationship with the merged company</u>
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

(III) Significant transactions with related parties

1. Operating revenue:

<u>Item(s)</u>	<u>Category of related party/ Name</u>	<u>From April to June 2024</u>	<u>From April to June 2023</u>
Sales revenue	Others related parties		
	Tiancheng Concrete Industry Co., Ltd.	\$ 61,147	\$ 36,700
	Others	2,156	7,086
	Total	<u>\$ 63,303</u>	<u>\$ 43,786</u>
Rental revenue	Associates	\$ 43	\$ 36
	Others related parties	11	11
	Total	<u>\$ 54</u>	<u>\$ 47</u>
<u>Item(s)</u>	<u>Category of related party/ Name</u>	<u>From January to June 2024</u>	<u>From January to June 2023</u>
Sales revenue	Others related parties		
	Tiancheng Concrete Industry Co., Ltd.	\$ 117,607	\$ 73,735
	Others	3,627	25,381
	Total	<u>\$ 121,234</u>	<u>\$ 99,116</u>
Rental revenue	Associates	\$ 85	\$ 71
	Others related parties	23	21
	Total	<u>\$ 108</u>	<u>\$ 92</u>

(1) Sales revenue:

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

(2) Rental revenue:

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

2. Purchases:

Category of related party/ Name	From April to June 2024	From April to June 2023
Others related parties		
Others	\$ 1,694	\$ 464

Category of related party/ Name	From January to June 2024	From January to June 2023
Others related parties		
Others	\$ 3,712	\$ 902

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 month.

3. Contract assets: None.

4. Contract liabilities:

Category of related party/ Name	June 30, 2024	December 31, 2023	June 30, 2023
Others related parties	\$ 2,297	\$ -	\$ 1,901
Associates	24	-	10
Total	\$ 2,321	\$ -	\$ 1,911

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

Item(s)	Category of related party/ Name	June 30, 2024	December 31, 2023	June 30, 2023
Notes receivable	Others related parties			
	Tiancheng Concrete Industry Co., Ltd.	\$ 24,465	\$ -	\$ -
Less: Loss allowance		(20)	-	-
Net		<u>\$ 24,445</u>	<u>\$ -</u>	<u>\$ -</u>
Accounts receivable	Others related parties			
	Tiancheng Concrete Industry Co., Ltd.	\$ 38,629	\$ 33,186	\$ 24,248
	Others	-	8,910	407
Subtotal		<u>\$ 38,629</u>	<u>\$ 42,096</u>	<u>\$ 24,655</u>
Less: Loss allowance		(31)	(33)	(296)
Net		<u>\$ 38,598</u>	<u>\$ 42,063</u>	<u>\$ 24,359</u>
Other receivables	Associates	<u>\$ 2,011</u>	<u>\$ -</u>	<u>\$ -</u>
Refundable Deposits	Others related parties	<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 April to June, 2024 and 2023 and from January to June, 2024 and 2023, were NT\$4 thousand, NT\$(184) thousand, NT\$18 thousand and NT\$(120) thousand, respectively.

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

Item(s)	Category of related party/ Name	June 30, 2024	December 31, 2023	June 30, 2023
Accounts payable	Others related parties			
	Others	<u>\$ 365</u>	<u>\$ 611</u>	<u>\$ 11</u>
Deposits received	Associates	<u>\$ 60</u>	<u>\$ 60</u>	<u>\$ 60</u>

7. Prepayments:

Category of related party/ Name	June 30, 2024	December 31, 2023	June 30, 2023
Associates			
Others	<u>\$ 8</u>	<u>\$ 2</u>	<u>\$ 8</u>

8. Property transactions: None.

9. Lease agreements:

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

Account item/Category of related party/Name	Leased object	June 30, 2024	December 31, 2023	June 30, 2023
Acquisition of use-of-right assets				
Others related parties				
Taiwan Mixed Resource Development Co., Ltd.	Shan De Section and other buildings Transportation equipment	\$ 207	\$ 32,450	\$ 28,353
Others		-	3,340	3,340
Total		<u>\$ 207</u>	<u>\$ 35,790</u>	<u>\$ 31,693</u>

Account item/Category of related party/Name	June 30, 2024	December 31, 2023	June 30, 2023
Lease liabilities			
Others related parties			
Zhengtai Cement Factory Co., Ltd.	\$ 2,989	\$ 7,441	\$ 43,934
Taiwan Mixed Resource Development Co., Ltd.	145,512	148,350	151,776
Others	20,197	15,249	17,158
Total	<u>\$ 168,698</u>	<u>\$ 171,040</u>	<u>\$ 212,868</u>

Account item/Category of related party/Name	From April to June 2024	From April to June 2023
Interest expense		
Others related parties		
Taiwan Mixed Resource Development Co., Ltd.	\$ 720	\$ 757
Others	94	134
Total	<u>\$ 814</u>	<u>\$ 891</u>

Account item/Category of related party/Name	From January to June 2024	From January to June 2023
Interest expense		
Others related parties		
Taiwan Mixed Resource Development Co., Ltd.	\$ 1,448	\$ 1,522
Others	200	292
Total	<u>\$ 1,648</u>	<u>\$ 1,814</u>

(2) Lease expenses:

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

Account item/Category of related party/Name	From January to June 2024	From January to June 2023
Associates	<u>\$ 6</u>	<u>\$ 6</u>

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

10. Lease Agreement: Please refer to the description in Note VII, (III)1.
11. Loans to related parties: None.
12. Loans from related parties: None.
13. Endorsement guarantee: None.
14. Others

(1) Various Revenues

Category of related party/ Name	From April to June 2024	From April to June 2023
Associates	\$ 30	\$ -
Others related parties	42	6
Total	<u>\$ 72</u>	<u>\$ 6</u>

Category of related party/ Name	From January to June 2024	From January to June 2023
Associates	\$ 30	\$ -
Others related parties	73	12
Total	<u>\$ 103</u>	<u>\$ 12</u>

- (2) 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

- (3) Establishment of significant contracts:

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

(IV) Key Management Compensation Information

Item(s)	From April to June 2024	From April to June 2023
Salaries and other short-term employee benefits	\$ 3,997	\$ 4,458
Post-employment benefits	14	62
Other long-term employee benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
Total	<u>\$ 4,011</u>	<u>\$ 4,520</u>

Item(s)	From January to June 2024	From January to June 2023
Salaries and other short-term employee benefits	\$ 7,744	\$ 8,443
Post-employment benefits	50	120
Other long-term employee benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
Total	<u>\$ 7,794</u>	<u>\$ 8,563</u>

VIII. Pledged Assets

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

Item(s)	June 30, 2024	December 31, 2023	June 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

- (I) As of June 30, 2024, December 31, 2023, and June 30, 2023, the Group had issued the letters of credit that were undrawn: None.
- (II) As of June 30, 2024, December 31, 2023, and June 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)	June 30, 2024	December 31, 2023	June 30, 2023
Refundable Deposits of Notes (Guarantee Notes Payable)	\$ 1,717,918	\$ 1,788,666	\$ 1,491,023
Deposits Received of Notes (Guarantee Notes Receivable)	200,553	229,145	162,563

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

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

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

1. Purpose and subject of lease
 - (1) Target property: Land and buildings in Shande Section, Renwu District, Kaohsiung City.
 - (2) Usage: It is for factory construction, manufacturing, and sales of Controlled Low Strength Material (CLSM).
2. Contract agreement
 - (1) Lease term: April 1, 2020 to March 31, 2040
 - (2) Rent:
 - A. Land: The leased area is 4,488 pings, with a monthly lease of NT\$673 thousand (tax excluded), and the rent expense is set to increase by 3% every three years.
 - B. Buildings: The Group has undertaken the building expenses of the leased objects amounting to NT\$64,457 thousand, and additional engineering expenses amounting to NT\$23,666 thousand.
 - C. Construction Expenses: The construction and installation are fully funded by the Group and owned by the Group during the lease period. However, upon the termination or expiration of the contract, Taiwan Mixed Resources Development Co., Ltd. is not required to refund the construction expenses paid by the Group for the leased building.

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

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

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

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

Item(s)	June 30, 2024	December 31, 2023	June 30, 2023
Property, plants and equipment	\$ 195,971	\$ 464,284	\$ 353,996
Right-of-use assets	2,889	3,573	3,573
Total	<u>\$ 198,860</u>	<u>\$ 467,857</u>	<u>\$ 357,569</u>

(VI) The contractor of this group - Jiongde Construction Co., Ltd., demolished the unused raw material storage warehouse on April 1, 2022, but it did not collapse as planned, crushing the power tower of Taiwan Power Company and the high-voltage cable of Taiwan High Speed Rail, causing a short circuit of the high-voltage cable of Taiwan High Speed Rail, and causing losses due to the suspension of Taiwan High Speed Rail and Taiwan Railways. The Group received letters from the Taiwan Railways Administration of the Ministry of Transportation and Communications and the Tainan City Government in April and June 2022, respectively, which claimed compensation from the Group for NT\$7,489 thousand and NT\$2,410 thousand due to the aforementioned incident. The Group has reached a consensus with the contractor - Jiongde Construction Co., Ltd., that the requests made by the Taiwan Railways Administration of the Ministry of Transportation and Communications and the Tainan City Government in accordance with the law shall be fully compensated by Jiongde Construction Co., Ltd., and the group will also urge Jiongde Construction Co., Ltd. to deal with the relevant matters of the compensation request as soon as possible. As of August 12, 2024, Jiongde Company had completed the payment of compensation to Taiwan Railways and Tainan City

Government. The Group has not received any notice or request from Taiwan High Speed Rail Company and other units to pay compensation.

- (VII) Due to business operation considerations, the Board of Directors of the Group's Kaohsiung plant approved on May 11, 2023, to decrease the rented area of 5,318 square meters (about 1,608.7 pings) for storing raw supplies on land from Zhengtai Cement Factory Co., Ltd. The adjustment was retroactive from September 9, 2022, after both parties agreed. Both parties plan to make an additional "Lease Amendment Agreement" to adjust the rented area and rent expense. This could decrease the monthly rent expense by NT\$209 thousand. The overpaid rent expense during this period is planned to be refunded. The Group's Board of Directors approved the termination of the original lease contract and original agreement for the land rented from Zhengtai Cement Factory Co., Ltd. on November 9, 2023. Both parties plan to establish an "additional lease agreement" to adjust the lease period and rent expense.
- (VIII) In October 2023, the Group signed a factory demolition contract with Li Jin Enterprise Co., Ltd., with a total contract price of NT\$55,580 thousand (excluding tax). Payments will be made according to the progress of the factory demolition. As of August 12, 2024, NT\$24,455 thousand was paid.

X. Significant Disaster Losses: None.

XI. Significant Subsequent Events: None.

XII. Others

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

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

- (II) Capital Risk Management

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

- (III) Financial Instruments

1. Financial risks of financial instruments

Financial risk management policy

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

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

The nature and extent of significant financial risks

(1) Market risk

A. Exchange Rate Risk

(A) 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

		June 30, 2024					
		Foreign currency	Exchange rate	Amounts reported (NT\$)	Sensitivity Analysis		Equity Impact
					Fluctuation range	Impact on profit and loss	
(Foreign currency: functional currency)							
Financial assets							
Monetary items							
US\$:NT\$	2,316	32.45	75,162	Appreciated by 1%	752	-	
		December 31, 2023					
		Foreign currency	Exchange rate	Amounts reported (NT\$)	Sensitivity Analysis		Equity Impact
					Fluctuation range	Impact on profit and loss	
(Foreign currency: functional currency)							
Financial assets							
Monetary items							
US\$:NT\$	2,668	30.705	81,936	Appreciated by 1%	819	-	
		June 30, 2023					
		Foreign currency	Exchange rate	Amounts reported (NT\$)	Sensitivity Analysis		Equity Impact
					Fluctuation range	Impact on profit and loss	
(Foreign currency: functional currency)							
Financial assets							
Monetary items							
US\$:NT\$	2,574	31.14	80,158	Appreciated by 1%	802	-	

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

(C) The total amounts of all foreign exchange gains (losses) (including realized and unrealized) recognized in the periods from April to June, 2024 and 2023 and from January to June, 2024 and 2023, due to significant influence of exchange rate fluctuations on the Group's monetary items, were NT\$831 thousand, NT\$1,568 thousand, NT\$3,563 thousand and NT\$412 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 June, 2024 and 2023, will respectively increase or decrease by NT\$2,195 thousand and NT\$4,491 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 June, 2024 and 2023, will respectively increase or decrease by NT\$15,499 thousand and NT\$13,779 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		
	June 30, 2024	December 31, 2023	June 30, 2023
With fair value			
interest rate risk:			
Financial assets	\$ 255,047	\$ 193,282	\$ 217,518
Financial liabilities	(1,733,943)	(1,735,965)	(1,333,321)
Net	<u>\$ (1,478,896)</u>	<u>\$ (1,542,683)</u>	<u>\$ (1,115,803)</u>
With cash flow			
interest rate risk:			
Financial assets	\$ 140,814	\$ 202,346	\$ 130,178
Financial liabilities	(509,805)	(265,900)	(1,553,400)
Net	<u>\$ (368,991)</u>	<u>\$ (63,554)</u>	<u>\$ (1,423,222)</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 June, 2024 and 2023, would respectively increase (decrease) by NT\$(1,845) thousand and NT\$(7,116) thousand, respectively.

(2) Credit Risk

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

Operating-related credit risk

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

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

Financial credit risk

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

A. Concentrated risk of Margin trading

As of June 30, 2024, December 31, 2023, and June 30, 2023, the accounts receivable balances from the top ten customers accounted for 57.44%, 52.90% and 48.30% 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:

June 30, 2024	Book value	Decrease in maximum exposure to credit risk			
		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	219,515	-	-	-	-
Financial assets at fair value through other comprehensive income	1,549,882	-	-	-	-
Total	<u>\$ 1,769,397</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2023	Book value	Decrease in maximum exposure to credit risk			
		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	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>

June 30, 2023	Book value	Decrease in maximum exposure to credit risk			
		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	449,141	-	-	-	-
Financial assets at fair value through other comprehensive income	1,377,894	-	-	-	-
Total	<u>\$ 1,827,035</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(3) Liquidity risk

A. Management of liquidity risk

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

B. Maturity Analysis of Financial Liabilities

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

Non-derivative financial liabilities	June 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	\$ 1,220,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,220,000	\$ 1,220,000
Short-term notes and bills payable	150,000	-	-	-	-	-	150,000	149,775
Notes payable	9,730	-	-	-	-	-	9,730	9,730
Accounts payable	252,399	-	-	-	-	-	252,399	252,399
Lease liabilities	24,404	21,210	42,434	111,951	385,626	-	585,625	544,168
Other payables	264,847	5,412	-	-	-	-	270,259	270,259
Long-term loans (including current portion maturing within one year)	-	-	11,893	141,516	176,396	-	329,805	329,805
Deposits received	7,886	4,912	124	1,050	1,025	-	14,997	14,997
Total	<u>\$ 1,929,266</u>	<u>\$ 31,534</u>	<u>\$ 54,451</u>	<u>\$ 254,517</u>	<u>\$ 563,047</u>	<u>\$ -</u>	<u>\$ 2,832,815</u>	<u>\$ 2,791,133</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	<u>\$ 45,614</u>	<u>\$ 154,385</u>	<u>\$ 165,908</u>	<u>\$ 219,718</u>	<u>\$ 585,625</u>

Non-derivative financial liabilities	December 31, 2023						Contract cash flow	Book value
	Within 6 months	7-12 months	1-2 years	2-5 years	More than 5 years			
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	<u>\$ 1,632,918</u>	<u>\$ 37,841</u>	<u>\$ 39,054</u>	<u>\$ 209,816</u>	<u>\$ 573,270</u>	<u>\$ -</u>	<u>\$ 2,492,899</u>	<u>\$ 2,439,856</u>

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

Non-derivative financial liabilities	June 30, 2023						Contract Cash Flow	Book Value
	Within 6 months	7-12 months	1-2 years	2-5 years	More than 5 years			
Short-term loans	\$ 1,950,000	\$ -	\$ -	\$ -	\$ -		\$ 1,950,000	\$ 1,950,000
Short-term notes and bills payable	142,000	-	-	-	-		142,000	141,768
Notes payable	8,607	-	-	-	-		8,607	8,607
Accounts payable	197,247	-	-	-	-		197,247	197,247
Lease liabilities	45,779	27,322	53,935	113,634	422,567		663,237	611,553
Other payables	147,502	6,075	-	-	-		153,577	153,577
Long-term loans (including current portion maturing within one year)	-	-	-	58,950	124,450		183,400	183,400
Deposits received	4,393	2,630	2,650	720	1,435		11,828	11,828
Total	\$ 2,495,528	\$ 36,027	\$ 56,585	\$ 173,304	\$ 548,452		\$ 3,309,896	\$ 3,257,980

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	\$ 73,101	\$ 167,569	\$ 165,491	\$ 257,076	\$ 663,237

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Financial assets</u>			
Financial assets at amortized cost			
Cash and cash equivalents	\$ 266,127	\$ 287,887	\$ 271,419
Notes and accounts receivable (including related parties)	698,800	604,211	467,740
Other receivables	12,816	989	13,426
Other financial assets - Current	110,387	93,629	63,387
Refundable Deposits	33,642	36,131	22,445
Financial assets at fair value through profit or loss - current	219,515	241,358	449,141
Financial assets at fair value through other comprehensive income - non-current	1,549,882	1,421,796	1,377,894
<u>Financial liabilities</u>			
<u>Financial liabilities at amortized cost</u>			
Short-term loans	1,220,000	898,000	1,950,000
Short-term notes and bills payable	149,775	294,795	141,768
Notes payable and Accounts payable (including related parties)	262,129	281,015	205,854
Other payables	270,259	141,645	153,577
Long-term loans (including current portion maturing within one year)	329,805	265,900	183,400
Lease liabilities (current and non-current)	544,168	543,170	611,553
Deposits received	14,997	16,331	11,828

(IV) Fair value information:

1. Please refer to Note XII (IV) 3. for fair value information of the Group's financial assets and financial liabilities not measured at fair value. Please refer to Note VI (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)	June 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	\$ 161,012	\$ -	\$ -	\$ 161,012
Open-ended funds and ETFs	35,265	-	-	35,265
Bonds	23,238	-	-	23,238
Financial assets at fair value through other comprehensive income				
Domestic listed companies' stocks	1,209,801	-	-	1,209,801
Domestic unlisted company stocks	-	-	340,081	340,081
Total	<u>\$1,429,316</u>	<u>\$ -</u>	<u>\$ 340,081</u>	<u>\$ 1,769,397</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)	June 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	\$ 163,902	\$ -	\$ -	\$ 163,902
Open-ended Fund	267,740	-	-	267,740
Bonds	17,499	-	-	17,499
Financial assets at fair value through other comprehensive income				
Domestic listed companies' stocks	1,009,895	-	-	1,009,895
Domestic unlisted company stocks	-	-	367,999	367,999
Total	<u>\$1,459,036</u>	<u>\$ -</u>	<u>\$ 367,999</u>	<u>\$1,827,035</u>

5. Fair value measurement techniques for instruments measured at fair value:
- (1) If there is an active market quotation for financial instruments, the fair value is the public quotation from the active market. The market prices announced by the Taipei Exchange and deemed as popular securities on the Government Bond Over-the-Counter Market are used as the basis for the fair value of listed (OTC) equity instruments and debt instruments with active market quotations. If public quotes for financial instruments can be obtained promptly and frequently from exchanges, brokers, underwriters, trade unions, pricing service organizations, or competent authorities, and if the price represents actual and frequent fair market traders, then the financial instruments have active market public quotes. If the above conditions are not met, the market is considered inactive. Generally, a large bid-ask spread, a significant increase in the bid-ask spread, or a very small trade volume, are all indicators of an inactive market. The fair values of the financial instruments held by the Group, which are traded in an active market, are presented by category and characteristics as follows:
- A. Listed company stocks: closing price.
- B. Open-end Fund: Net Value.
- (2) For financial instruments other than those with active markets, fair values are obtained using valuation techniques or reference to quotes from counterparties in the transaction. The fair value obtained through valuation techniques can be referred to the current fair value of financial instruments with similar conditions and characteristics, the discounted cash flow method, or other valuation techniques, including those derived from applying models using market information available at the balance sheet date.
- The fair value of unlisted (counter) company shares held by the Group, for which there is no active market, is primarily estimated by the market approach and the asset approach. The determination is referenced to the valuations of similar companies, third-party quotes, company net assets and operational status assessment. The significant unobservable input used for fair value measurement is as shown in the table below:

June 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.

June 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	7,707	Recognized in Other comprehensive income	1,932
June 30, 2024	<u>\$ 340,081</u>	June 30, 2023	<u>\$ 367,999</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.

(V) Transfer of Financial Assets: None.

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

XIII. Supplementary Disclosures

(I) Information on significant transactions:

1. Funds lent to others: Table 1.
2. Endorsement and guarantee for others: Table 2.
3. Marketable securities held by end of period: Table 3.
4. Accumulated purchases or sales of the same marketable securities of prices of at least 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.

(II) Information on reinvestment business: Table 7.

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

(IV) Information on major shareholders (name, number of shares held, and shareholding percentage of shareholders with shareholding percentage exceeding 5%): Table 8.

Table 1

Southeast Cement Co., Ltd. and Subsidiaries
Details of Funds Lent to Others
June 30, 2024

Unit: NT\$1,000

No.	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	100,000	1.9021%-2.03021%	2	-	Operating turnover	-	-	-	454,694 (Note 1)	909,389 (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
June 30, 2024

Unit: NT\$1,000

No.	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	1,818,777 (Note 2)	335,580	335,580	-	-	3.69%	3,637,554 (Note 3)	Y	-	-
0	Southeast Cement Co., Ltd.	Southeast Milo International Co., Ltd.	2	1,818,777 (Note 2)	306,000	306,000	-	-	3.36%	3,637,554 (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
June 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	144,655	0.28	144,655	
	Shares - CHC Resources	The Company is the corporate director of that company.	Financial assets at fair value through other comprehensive income	13,084	860,914	5.26	860,914	
	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	572	18,329	-	18,329	
	Shares - TXC	None	Financial assets at fair value through other comprehensive income	80	9,200	0.03	9,200	
	Shares - Zero One Tech	None	Financial assets at fair value through other comprehensive income	140	13,272	0.09	13,272	
	Shares - China Steel	None	Financial assets at fair value through other comprehensive income	600	13,860	-	13,860	
	Shares - Taiwan Hon Chuan Enterprise	None	Financial assets at fair value through other comprehensive income	202	34,632	0.07	34,632	
	Shares - Fubon Financial Holding	None	Financial assets at fair value through other comprehensive income	509	40,403	-	40,403	
	Shares - Yonyu Plastic	None	Financial assets at fair value through other comprehensive income	52	1,581	0.06	1,581	
	Shares - China Steel Chemical	None	Financial assets at fair value through other comprehensive income	100	10,850	0.04	10,850	
	Shares - Systex	None	Financial assets at fair value through other comprehensive income	90	11,205	0.03	11,205	
	Shares - Dachan	None	Financial assets at fair value through other comprehensive income	100	5,720	0.01	5,720	

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 - Kaohsiung MRT	None	Financial assets at fair value through other comprehensive income	11,117	93,816	3.99	93,816	
	Shares - EnviroLink Corporation	The Company is the corporate director of that company.	Financial assets at fair value through other comprehensive income	2,333	40,292	16.67	40,292	
	Shares - iPASS	The Company is the corporate director of that company.	Financial assets at fair value through other comprehensive income	3,828	13,494	3.36	13,494	
		Total			1,357,403		1,357,403	
	Bonds - Boeing Company	None	Financial assets at fair value through profit or loss	500	10,929	-	10,929	
	Bonds - Pfizer	None	Financial assets at fair value through profit or loss	200	6,132	-	6,132	
	Bonds - Goldman Sachs	None	Financial assets at fair value through profit or loss	194	6,177	-	6,177	
	ETF - Cathay U.S. PHLX Semiconductor Sector	None	Financial assets at fair value through profit or loss	211	10,497	-	10,497	
	ETF - Uni FANG+	None	Financial assets at fair value through profit or loss	125	11,244	-	11,244	
		Total			44,979		44,979	
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	146,054	13.86	146,054	
	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	41,810	4.21	41,810	

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 Investment Co., Ltd	Shares -Taiwan Implant Technology	None	Financial assets at fair value through other comprehensive income	815	4,607	4.14	4,607	
	Shares - Dushan Forest Development	None	Financial assets at fair value through other comprehensive income	1	8	8.00	8	
		Total			192,479		192,479	
	Funds-Cathay No. 2	None	Financial assets at fair value through profit or loss	500	8,400	-	8,400	
	Shares - Fubon Financial Holding	None	Financial assets at fair value through profit or loss	146	11,540	-	11,540	
	Shares - Formosa Chemicals and Fibre	None	Financial assets at fair value through profit or loss	17	873	-	873	
	Shares - Taiwan Secom	None	Financial assets at fair value through profit or loss	292	38,440	0.06	38,440	
	Shares -Taiwan Cement	None	Financial assets at fair value through profit or loss	2,726	93,233	0.04	93,233	
	Shares - CHC Resources	None	Financial assets at fair value through profit or loss	30	1,994	0.01	1,994	
	Shares - Mega Financial Holding	None	Financial assets at fair value through profit or loss	211	8,522	-	8,522	
	Shares - Yuanta Financial Holding	None	Financial assets at fair value through profit or loss	200	6,410	-	6,410	
		Total			169,412		169,412	
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	44,581	0.37	44,581	Note
Southeast Milo International Co., Ltd.	Funds - Fubon Chi-Hsiang Money	None	Financial assets at fair value through profit or loss	316	5,124	-	5,124	

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 June 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	117,607	13.00%	About 2 - 3 months	-	Equivalent	63,094	11.96%	

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
 June 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.	Dong Nai Construction Co., Ltd.	Subsidiary	100,000	(Note 2)	-	-	6,000	-
Southeast Cement Co., Ltd.	Southeast Milo International Co., Ltd.	Subsidiary	196,348	(Note 3)	-	-	8,065	-

Note 1: The amount recovered up until August 12, 2024.

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

Note 3: As it is an item for lease equalization, it is not applicable to the calculation of turnover rate.

Note 4: 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
June 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	85,296	Roughly equivalent to general customers, the average collection period is about 2-3 months.	7.22%
				Accounts receivable	53,161		0.43%
		Southeast Milo International Co., Ltd.	1	Sales revenue	57,970	Note 5	4.91%
				Accounts receivable	196,348		1.58%
		Dong Nai Construction Co., Ltd.	1	Other receivables	100,000	Note 6	0.81%
		Southeast Investment Co., Ltd	1	Other receivables	23,227	Note 7	0.19%
1	Southeast Topgood Resources Recycling Co., Ltd.	Southeast Cement Co., Ltd.	2	Right-of-use assets	107,918	Note 8	0.87%
2	Southeast Milo International Co., Ltd.	Southeast Cement Co., Ltd.	2	Investment property, right-of-use assets	903,435	Note 5	7.28%
				Refundable Deposits	24,000		0.19%
3	Dong Nai Construction Co., Ltd.	Da Yang Construction Co., Ltd	3	Construction in progress	94,264	According to the pricing defined in the contract signed by both parties, the collection period is set according to the content of the contract.	0.76%

- 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: Mainly for financing.
- Note 7: It mainly refers to cash dividends receivable.
- Note 8: 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

June 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	ratio	Book Value			
Southeast Cement Co., Ltd.	Southeast Investment Co., Ltd.	Kaohsiung City	Securities investment	297,870	297,870	499	99.29	635,586	10,515	10,441	(Note)
	Southeast Construction Co., Ltd.	Kaohsiung City	Construction industry	11,361	11,361	36	31.01	74,466	4,244	1,316	
	Southeast Paper Manufacturing Co., Ltd.	Kaohsiung City	Cement Paper Bag	4,971	4,971	5	49.71	22,914	77	39	(Note)
	Nan Hsia Timber Co., Ltd.	Kaohsiung City	Wooden products	8,540	8,540	1	27.55	14,986	10,653	2,935	
	Dong Nai Construction Co., Ltd.	Kaohsiung City	Construction industry	790,000	790,000	79,000	100.00	785,973	3,389	3,389	(Note)
	Taiwan Machinery Shipyard Co., Ltd.	Kaohsiung City	Engineering industry	328,492	328,492	25,611	31.01	334,471	(9,493)	(2,944)	
	Southeast Topgood Resources Recycling Co., Ltd.	Kaohsiung City	Waste Clearance and Disposal	85,000	85,000	8,500	50.00	101,673	43,961	22,429	(Note)
	Southeast Milo International Co., Ltd.	Kaohsiung City	Real Estate Leasing Industry	50,000	50,000	5,000	50.00	10,397	9,449	(450)	(Note)
	Da Yang Construction Co., Ltd.	Kaohsiung City	Construction industry	120,300	120,300	11,000	100.00	117,990	(5,916)	(133)	(Note)
	Subtotal							2,098,456	66,879	37,022	
Less: Reclassification of parent company shares held by subsidiaries to treasury shares							(12,185)				
Total							2,086,271	66,879	37,022		

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	ratio	Book Value			
Southeast Investment Co., Ltd	Penghu Cable Television Co., Ltd.	Penghu County	Cable TV	51,093	51,093	8,000	40.00	119,556	12,448	4,979	
	Penghu Bay Co., Ltd.	Penghu County	Beach	60,347	60,347	1,663	38.68	16,684	51	20	
	Southeast Construction Co., Ltd.	Kaohsiung City	Construction industry	29,381	29,381	12	10.92	30,851	4,244	508	
	Taiwan Machinery Shipyard Co., Ltd	Kaohsiung City	Engineering industry	5,826	5,826	454	0.55	6,150	(9,493)	(52)	
	Southeast Topgood Resources Recycling Co., Ltd.	Kaohsiung City	Waste Clearance and Disposal	1,700	1,700	170	1.00	2,007	43,961	440	(Note)
	Southeast Milo International Co., Ltd.	Kaohsiung City	Real Estate Leasing Industry	1,000	1,000	100	1.00	287	9,449	94	(Note)
	Total							175,535	60,660	5,989	

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

Table 8

Southeast Cement Co., Ltd. and Subsidiaries
Information on major shareholders
June 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.	36,283,148	6.34%
Southeast Cultural Foundation	33,421,803	5.84%

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

XIV. Segment Information

(I) General Information:

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

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

(II) Measurement basis:

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

(III) Segment Financial Information:

April to June 2024:

	Production Department	Construction Department	Engineering Department	Leasing Department	Adjustment and write-off	Total
Net revenues						
Revenues from external customers	\$ 547,940	\$ 17,139	\$ -	\$ 39,541	\$ -	\$ 604,620
Interdepartmental Revenues	42,162	-	(2,719)	37,605	(77,048)	-
Total net revenue	\$ 590,102	\$ 17,139	\$ (2,719)	\$ 77,146	\$ (77,048)	\$ 604,620
Departmental profit	\$ 54,601	\$ 7,139	\$ (5,110)	\$ 59,169	\$ (24,406)	91,393
General operating expenses of the Company						(23,693)
Non-operating income and expenses						14,890
Profit before tax						\$ 82,590
Income tax benefit (expense)						(13,654)
Profit after tax						\$ 68,936

April to June 2023:

	Production Department	Construction Department	Engineering Department	Leasing Department	Adjustment and write-off	Total
Net revenues						
Revenues from external customers	\$ 574,284	\$ -	\$ -	\$ 41,099	\$ -	\$ 615,383
Interdepartmental Revenues	19,289	-	13,834	30,765	(63,888)	-
Total net revenue	\$ 593,573	\$ -	\$ 13,834	\$ 71,864	\$ (63,888)	\$ 615,383
Departmental profit	\$ 63,917	\$ -	\$ 1,146	\$ 36,730	\$ (8,952)	92,841
General operating expenses of the Company						(34,137)
Non-operating income and expenses						20,966
Profit before tax						\$ 79,670
Income tax benefit (expense)						(14,176)
Profit after tax						\$ 65,494

January to June 2024:

	Production Department	Construction Department	Engineering Department	Leasing Department	Adjustment and write-off	Total
Net revenues						
Revenues from external customers	\$ 1,084,758	\$ 17,139	\$ -	\$ 79,619	\$ -	\$ 1,181,516
Interdepartmental Revenues	87,324	-	1,322	61,561	(150,207)	-
Total net revenue	\$ 1,172,082	\$ 17,139	\$ 1,322	\$ 141,180	\$ (150,207)	\$ 1,181,516
Departmental profit	\$ 118,572	\$ 7,139	\$ (5,784)	\$ 104,170	\$ (39,597)	184,500
General operating expenses of the Company						(47,423)
Non-operating income and expenses						(247)
Profit before tax						\$ 136,830
Income tax benefit (expense)						(22,660)
Profit after tax						\$ 114,170
Segment Assets						\$ 12,404,924
Segment Liabilities						\$ 3,183,219

January to June 2023:

	Production Department	Construction Department	Engineering Department	Leasing Department	Adjustment and write-off	Total
Net revenues						
Revenues from external customers	\$ 1,071,630	\$ -	\$ -	\$ 71,807	\$ -	\$ 1,143,437
Interdepartmental Revenues	33,193	-	23,104	61,528	(117,825)	-
Total net revenue	\$ 1,104,823	\$ -	\$ 23,104	\$ 133,335	\$ (117,825)	\$ 1,143,437
Departmental profit	\$ 101,396	\$ -	\$ 1,977	\$ 75,460	\$ (41,384)	137,449
General operating expenses of the Company						(65,067)
Non-operating income and expenses						26,802
Profit before tax						\$ 99,184
Income tax benefit (expense)						(14,389)
Profit after tax						\$ 84,795
Segment Assets						\$ 12,467,959
Segment Liabilities						\$ 3,565,532

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